

**(Draft) Minutes of Lakewinds Natural Foods Cooperative**

**d/b/a Lakewinds Food Co-op**

**Board of Directors Meeting**

**Monday, October 26, 2015**

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|  Tim Reese, Vice President Brenda Pfahnl, Treasurer Karyn Penn, Secretary  Dale Woodbeck, General Manager Guest: Lynette Farr (member) | Katie BloomstromKari Broyles Sarah Carroll Ryan Sweeney | Absent:Steph Matz, PresidentJohn DePaolis |

1. **Call to Order**

Brenda called the meeting to order at 6:35 p.m. on Monday, October 26, 2015 at Eden Prairie

headquarters. Attendance as noted above. Lynette Farr (guest member) was present to

observe the meeting.

1. **Welcome New Board Member**

 Kari Broyles was welcomed as a new member to the board. Brenda Pfahnl and Tim Reese

 were reelected to second terms.

 Dale handed out *Policy Governance Quick Guide from CDS Consulting Co-op* for board

 binders. Dale also shared a document noting directors and officers liability insurance for the

 2015/2016 term.

1. **Seat Executive Committee**

 Brenda presented the slate for the Executive Committee: Steph Matz – President,

 Tim Reese – Vice President, Brenda Pfahnl - Treasurer, Karyn Penn – Secretary.

*A motion was made to approve the slate as presented, seconded and all Board Members*

*voted in favor.*

1. **Consent Agenda**

The consent agenda included approval of the following items: member applications and share

 repurchases of departing member-owners for September 2015; and September 2015 Board

 Meeting minutes.

 *A motion was made to approve the consent agenda, seconded and all voted in favor.*

1. **Reports**

Dale presented the General Manager’s Report along with the September month end financial statements. Sales growth continues to be strong in Richfield, with year to date sales in Minnetonka down slightly and Chanhassen continued slow growth. The impact of the Kowalski’s in Excelsior and other area competition is being felt.

Sales/labor/margin numbers are presented weekly at Open Book meetings. Gain share goals were met first quarter.

Instacart overall has been successful and highly rated by customers. 75% of Lakewinds Instacart customers are not members, providing an opportunity for Marketing to promote Lakewinds membership. Lakewinds has a 6-month trial contract with Instacart. The Instacart area is within the 494/694 loop, thus only the Richfield store is involved at this time. A Facebook post informing current Lakewinds members of the service was suggested.

Minnetonka exterior update is going well with the extended autumn weather. It is getting notice.

Many efforts are in place to compete in the increasingly crowded marketplace including refreshing the Minnetonka store, work on price perception, and promoting product standards to solidify trust with owners and shoppers.

Actions:

- Dale will add a Year to Date Budget column to the individual store reports.

- Dale will check with Eileen on budgeting for corporate tax expense.

- Dale will communicate the suggestions to market to Instacart customers that are not

 Lakewinds members and inform Lakewinds members of Instacart through Facebook.

1. **Ends/Promises**

Dale explained it is the GM and staff that interpret the Ends and report on progress toward

 ends. It is the board’s role to ensure the organization is working to achieve those ends. The

 5 promises were developed to integrate with the Ends statements. These promises help drive

 alignment across the organization in strategic planning, tactical planning and the budget

 process.

 The focus this year is on establishing a culture of superior customer service which should

 help affect all 5 promises. The goal is to do what we do now better, before we do things

 differently.

7. **Board Planning**

 Tim facilitated discussion of the board calendar for the year. Objectives and key topics

 decided on at the board retreat in July will drive the “learning hours” for the board meetings.

 There was interest in the real estate broker returning to report again, given how quickly the

 local market is changing. The specific topics will be incorporated into the 2015-2016

 Board calendar.

8. **CDS Consulting Contract**

 There was discussion related to renewing the contract with CDS for the coming year. The

 annual contract includes 15 hours consulting time. Dale plans to work with Art in the

 coming year on an ends reporting package; he estimates consuming 5-10 consulting hours

 developing that report. It was acknowledged that CDS provides opportunities to learn about

 national trends. Art has helped facilitate the last 3 annual board retreats. Regardless of our

 decision, there was interest in asking Art for feedback for us as a board to guide our work

 going forward.

 Dale noted, if we choose not to renew the contract for 2016, board members can still attend

 the January 9th, 2016 CBLD sessions. Session fees can be paid separate of the contract.

 If we choose to renew the contract, suggestions were made to:

 - Have a plan for how to use the hours ahead of time. Go in with clear objectives and

 specific goals.

* Consider finding another consultant within CDS to work with.

 Potential areas to pursue with CDS:

 1) What does democracy look like for a 3-store 20,000 member organization?

 2) What does pursuing the ends statements mean from a board perspective?

 3) Expansion - different methods of raising equity

 4) Documentation of learnings and adjustments made in the Richfield process (didn’t

 complete in the 2015 board retreat)

 Actions:

* Dale will research number of hours remaining in our 2015 contract with CDS and negotiate use of them into 2016.
* Table final decision to renew until November meeting when John and Stephanie can be part of the discussion.

**9. GM Objectives**

Dale presented his objectives for 2015-2016:

1. Ends Reporting – Dale will work with Art on this reporting. First report will be presented in June.
2. Emergency Succession Plan – Dale will draft the elements of plan, present the draft plan for board review and then integrate it into the business plan after board approval.
3. Location Work – Minnetonka and Chanhassen leases come due in 2019, both with options to extend at our discretion – 1 five year option in Chan, 2 five-year options in Minnetonka. Dale wants to be clear on options and strategy by the end of 2017 for negotiation purposes.

**10. Code of Ethics**

Directors present submitted signed Board Members Code of Ethics documents.

**11. Adjourn**

 The meeting was adjourned at 8:37 pm for closed session.