

**Minutes of Lakewinds Natural Foods Cooperative  
Board of Directors' Meeting  
Tuesday, March 18, 2014**

Doug Engen, President  
John DePaolis, Vice President  
Brenda Pfahnl, Treasurer  
Tracy Kochendorfer, Secretary  
Dale Woodbeck, General Manager

Caroline Hermes  
Fred Ladner\*  
Stephanie Matz\*  
Tim Reese  
Taiha Wagner

*\*absent*

The President called the meeting to order at 6:30 p.m. on Tuesday, March 18, 2014 in the Eden Prairie headquarters meeting room. This meeting was originally scheduled for Monday, March 24, however, due to conflicts was moved to March 18.

**Consent Agenda**

The consent agenda included a list of new owners for February 2014, a list of owners who sold back their shares to Lakewinds in that same month and the draft minutes of the February 2014 regular Board meeting. *A motion was made to approve the consent agenda, seconded and all voted in favor.*

**Intentional Learning Hour**

Today's learning hour was centered around April retreat preparation. Board members met with Art Sherwood of CDS Consulting via phone to discuss and come to agreement on a shared vision for the retreat. The retreat will be led by Art and include the full Board, Dale W. and the senior management team. The goal of the retreat will be to arrive at refreshed Ends policies that guide senior management as they plan, prioritize and implement actions that generate desired Outcomes for the Beneficiaries. Next month's learning hour will focus on Executive Responsibilities in service of the Ends developed at the April Retreat.

**GM, Richfield and Financial Reports – Dale**

Dale presented the General Manager's Report, the Financial Report, and the Richfield Report. Sales continue to exceed forecasted budget, but new owner sign-ups were lower than usual in February, possibly due to weather and the shorter month. We will monitor this to see if it is just a blip.

The March annual food shelf drive is in full swing with owners' donations at the Minnetonka store supporting the ICA Food Shelf and donations at the Chanhassen store supporting the PROP food shelf. The March 15 Kids Day promotion in the stores was very successful. Dale commented that Lucia's products and the pastry case items are selling very well.

In tandem with the work the Board is doing with Art Sherwood, Dale and senior management continue to work with Art on strategic, business and budget plans for FY2015.

Richfield store construction is within budget and on track for an opening date of June 28, with owner loans exceeding \$1.6 million. Dale believes we will meet our target of \$100,000 additional dollars in owner loans in the near future. The Richfield store signage and logo will reflect a brand refresh developed by our marketing department to be introduced to owners in our newsletter/social media. New signage is on the horizon for Chanhassen and Minnetonka to maintain consistency with Richfield as budget allows. We will be referring to our co-op as “Lakewinds Food Co-op” rather than “Lakewinds Natural Foods Cooperative” or simply “Lakewinds” due to increasing marketplace confusion and negativity concerning the vague term “natural”, and our desire to distinguish our cooperative from competitor corporations.

**Board Member Reports**

Brenda reported on her attendance at the Up and Coming, Up and Running Conference hosted by Bloomingfoods co-op in Bloomington, IN on behalf of her employer, North Country Cooperative Development Fund and ideas potentially of interest to Lakewinds.

Tim, Brenda and Tracy reported on their involvement in Lakewinds Organic Field Fund’s grant-making process as representatives of the Board, together with management, employee and member-at-large representatives. Out of 17 grant applications requesting an aggregate of over \$101,000, 8 recipients were chosen for our \$25,000 pool of available grant funds. Dale will report on the recipients and projects to our owners in the next newsletter, which are summarized below:

<b>Applicant Name</b>	<b>Project Description</b>	<b>Amount Awarded</b>
Alternative Roots Farm Madelia, MN	Organic certification. Funding would allow redirect of funds into two other high-priority projects for 2014.	\$1,190
Bossy Acres, Northfield, MN	Tool and resources to improve overall post-harvest handling process including food safety, food storage, and food quality.	\$3,450
Buttermilk Falls CSA Farm Osceola, WI	Transition and certify farm operation for organic production. Working in conjunction with community organizations in south and central Minneapolis to provide food and education for low income families.	\$1,190

Fox and Fawn Farm New Germany, MN	Expand CSA program. Plant several new crops over next three years. Many are new and "uncommon" crops, shrubs and trees to the region.	\$1,500
Land Stewardship Project Minneapolis, MN	Community Based Food Systems research and development of 3 small-scale food hub nodes in west central Minnesota. Nodes will provide climate controlled storage and aggregation of local and organic food products within rural communities, create model of small, networked food hubs in rural regions.	\$4,100
Minnesota Food Association (MFA) Marine on St. Croix, MN	Support full range of educational programming about organic farming, includes training for farmers and education for the broader community. Create new organic farms through land-based incubator program, assist farmers transitioning to organic.	\$8,000
Morning Sun Farms Frederic, WI	To position young farm to financially survive and grow, need to build a pack-house to improve post-harvest handling of diverse vegetables. Step toward GAP certification. Create jobs in economically depressed Polk County, WI.	\$4,500
Seed to Seed LLC Clear Lake, WI	Complete organic certification and fertility program for 2014 growing season. Certification through Midwest Organic Services Association (MOSA).	\$1,500
	<b>Total Awarded</b>	<b>\$24,930</b>

Doug reported on the budget category of Board expense to help Board members understand the expenses traditionally housed under that category in the financial statements. Dale and his team are working on budgets for FY2015, so the Board discussed and gave guidance on projected budgetary needs for its work.

Tracy, Dale and Tim spoke about their attendance at an initial grass roots Farm Access meeting of about 30 subject matter experts to discuss various aspects of barriers to land access facing beginning farmers and ways the barriers might be addressed and overcome. The issue is complex and multi-faceted. More meetings and subject matter experts will be convened in the future.

## **Auditor Proposal for FY2014**

Dale reported on the proposal prepared by Sarah Budenske of S.B. Budenski CPA Ltd. for financial statement audit for FY2014. Following discussion, *a motion was made to approve the proposal and grant authority to Dale to engage the services of Sarah Budenske of S.B. Budenski CPA Ltd. pursuant to the proposal for FY2014. The motion was seconded and all voted in favor.*

There being no further business, the meeting was adjourned at 8:35 p.m.