

Lakewinds Minutes from Feb. 22, 2021 Board Meeting

Present on Zoom Call:

Dale Woodbeck Naomi Sarah BergGlory Ryan Bill Jeni
Kari Broyles

Guests: Greg Dick Jena Olson

Absent:

Gretchen and Ariel

1. Call to Order by Naomi
2. Announcements - No new announcements
3. Retreat Follow-up
 - Glory liked the tool Mural. Bill thought it was more efficient use of time in some ways. Naomi spoke about the 4 stages of opening a store and how the board suggested adding stage 0 to clarify any opportunities before it is too late to be incorporated in later stages.
 - Exec committee - are they doing all they should be. Ryan is asking whether committees are fully utilized. He thinks they are helpful as long as they serve their purpose.
4. Election Committee Appointment
 - By May, begin the call for new board applicants, Naomi, Bill, Ryan, Kari volunteered to lead this process.
 - Jeni suggested the team improve the canned interview questions used last year. Jena Olson will help with revamping the questions.
5. Presentation from Senior Communications Manager, Jena Olson
 - Compensation structure changed due to Covid. Paid out appreciation pay during covid. Made it permanent eff Jan 3. New min pay Avg pay 18.07, gain share payout 1.57 additional pay per hour 19.67 per hour total on avg.
 - No cost increases in med benefits
 - Workers comp cost was 1.6%, now is .87% which is excellent, which results in lower insurance cost for LW

- The Above and Beyond program last year had 63 emp of the month. March, every employee got an AAB pin. This got them a trip to the prize closet (vendor returns, etc).
- Shoes for Crews program - reimburse \$50 to emps who get nonslip shoes
- Turn-over - 22.9 %, typically other like stores are 50%.
- 42% of staff has been at LW longer than 5 years; referral pgm \$90
- Lots of changes due to covid: employees and LW have been very flexible and adaptive. Hours of operation changed. Plexiglass, social distance check-out, FFCR sick leave is option for emps due to covid, no abuse of this by employees
- Culture Club - bringing fun and food into stores (safe for covid) to continue to show appreciation to employees. July was emp app month. Food trucks for employees (and members). Donuts every month.
- Double employee discount twice annually, July and Dec
- Emp handbooks - In process of updating this year. Maternity leave becoming parental leave so both moms and dads have this benefit,
- PTO and bereavement time available to FT and PT employees
- Ryan asked about tenure. Jena said it is increasing. Most turnover is with new younger employees that realize it is more work than they expected. Bill asked about the current hiring climate. Jena said hiring was essentially frozen during last Mar-Apr-May but things are back to normal now.
- Dale added that Jena, Greg, and Dale met hourly back in the early covid to adapt. Brought them together in a unique way. Kudos to them for their dedication and hard work.

6. Eden Prairie Update

- Oppidan has approval for retail site.
- LW has engaged a civil engineer for water drainage, etc. opinions to verify Oppidan's stmts.
- LW lawyer reviewing two different site mgmt scenarios on easement agreements.

- Ongoing - re costs that LW will incur...Dale can't recommend we put in non-refundable money. Oppidan is providing an estimate but we want them to commit to harder numbers. Too far out yet at this point.

7. Office Lease Extension

- New office lease begins 3/1/21. This includes current and neighboring vacant space. New lease extension is thru June of 2028. 4 months free rent. Landlord allowing \$173,038 for build out of new neighboring space. Cost of lease goes up 2.5% each year. Dale said new space will partly be conference spaces with moveable/partitioned walls. Will allow for rearranging work spaces, larger copier area, IT. Kari asked about work space trends and how this affects Lakewinds choice to expand offices. Dale said new space will be avail next Jan and he is biased towards safely working in the office. Partly, this is due to store workers being on the front-line with Covid.

8. Approval Items

- January New & Repurchased Owners Bill motioned to approve, Ryan seconded
- January Minutes Dale to check with Gretchen for a copy of minutes. None to approve.

9. Reports

- Financial Reports - paid out gainshare. Curbside ordering is going well. LW can dictate how many slots for curbside orders. This allows stores to manage how many employees are needed to fulfill orders. Ryan has used it as a LW customer and was pleased with process.
- Spent 1.1M on covid related concerns.. Disinfecting, plexiglass, curbside, etc.
- 1.2M in PPE - hope for it to be forgiven. Applied for forgiveness in Jan 2021.
- Hyvee and Amazon opening some new locations around Mpls
- Applications were recently sent out for Lakewinds Field Fund. We expect about double the amount to be requested vs what LW can give out. Keeping diversity in mind, 20% from BIPOC.

30% of LW mission reduced to 25%, added 5% for diversity. Example of a symbiotic applicant - Dawn to Dusk CSA got caught up in a vendor supply dispute and cut back. Orig from Kenya and will be helping train other minority farmers. Will bring their product into a store to help them scale up their ability to supply LW. Ariel will serve on field fund selection. Martha from Mill City, and others.

- Flour and grain Kernza is now available in the LW store. MISA helped fund some of the research. Madison, MN farmer started growing Kernza 7 years ago. Perennial is the co. producing it. 20' deep root. It is a perennial plant and has about 3 year cycle. Kernza be featured in March newsletter with recipes by Beth Dooley. Some upcycling of the grain in beer, etc.
- B1 and B2 Monitoring Reports - Naomi asked about the diverse workforce. Are we intentional about diverse workforce. Jena said we post in more diverse locations and are committed to hiring diversity. Covid somewhat disrupted this. Curr staff is 18% diverse
- GM Report - Dale briefly highlighted his GM report. No questions asked.

10. Closed Session to discuss legal or real estate matters

- Dale spoke of the frustration with Eden Prairie location and how many issues are still uncertain. He was encouraged by the new potential location in Bloomington. Main difference between the two is EP location, we would own the land and building. BL would be a lease situation but we would be responsible for building the structure. This makes the pro formas of the two locations quite different. EP would take longer to show profit. BM is more like Richfield in its Pro Forma and would be less risky and earlier positive cash flow.
- Some concern whether BM would cannibalize Richfield. Dale felt 494 was a hard barrier and wouldn't have a big impact.
- Dale is encouraging the board's opinions on the two sites. He is willing to walk away from Eden Prairie if LW cannot reach a suitable deal with Oppidan.

- Dale asked Jena Olson and Greg Dick their thoughts on doing both locations, potentially a year apart. They did not like that idea. Board also agreed this would stretch the LW staff.
- Bloomington developer is Anderson Krause. They will be looking for a go/no-go response from Lakewinds by late Spring 2021.

11. Adjourn

- Bill moved to adjourn the meeting, Sarah seconded. Meeting adjourned at 5:59 PM.