



**Minutes of Lakewinds Natural Foods Cooperative
d/b/a Lakewinds Food Co-op
Board of Directors' Meeting
Monday, September 22, 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

The President called the meeting to order at 6:32 p.m. on Monday, September 22, 2014 at Eden Prairie headquarters.

Introductions

Board of Director applicants, Lakewinds' Finance Manager, Eileen DeReus, and independent auditor, Sarah Budenske of S.B. Budenske CPA Ltd., were in attendance at this meeting. Introductions were made and guests welcomed.

Auditor's Report and Patronage Dividend

Sarah Budenske presented the annual Independent Auditor's Report, dated September 18, 2014, of Lakewinds Financial Statements for the fiscal year ending June 30, 2014 (referred to as the "Audit"). Sarah and Eileen answered questions from the Board and discussion followed. In the independent opinion of the auditor, "the financial statements present fairly, in all material respects, the financial position of Lakewinds as of June 30, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles."

The results of the Audit reflected the need for a small change to the patronage dividend declared at last month's meeting. Accordingly, *following motion was made, seconded and all voted in favor:*

Resolved, the Board of Directors accepts the Independent Auditor's Report, dated September 18, 2014, and declares a revised patronage dividend based on the Auditor's Report of \$440,000 based on co-op net income from sales to member-owners for the year ended June 30, 2014, of which 22.78% of the declared dividend (\$100,226.63) will be paid in cash to the owners in proportion to their purchases during that period, and the remaining \$339,773.37 (77.22%) will be retained as equity by the co-op in the form of member-owner B shares.

Consent Agenda

The consent agenda included approval of the following items for August 2014: (i) new member-owners and share repurchases of departing member-owners; and (ii) Board meeting minutes.

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

Reports - Dale and Doug

GM and Financial. Dale presented the General Manager's and Financial Reports. Sales and new owner sign-ups at the Richfield Store continue to be strong, and sales at the Minnetonka and Chanhassen stores continue to outpace sales from one year ago. Details for the annual owner meeting are in place, with 260 available tickets for the event at the Minnetonka Community Center

MFCB Registrations. Doug reported that details are set for the annual Minnesota Food Cooperative Boards conference on Oct. 11 at Normandale Community College. Doug, Brenda and Tracy expect to attend on behalf of Lakewinds.

The Board went into closed session at 7:40pm and reopened to conduct the following vote:

The following motion was made and seconded:

Resolved, that the following applicants will appear on the owner ballot as candidates for four open positions on the Lakewinds Board of Directors: Katie Bloomstrom, Sarah Carroll, Linnea Holt, Hannah Jansen, Karyn Penn, Dan Stirratt, Ryan Sweeney, and Robin Winkworth. The three candidates receiving the highest number of votes shall each serve for a term of three years and the candidate receiving the next highest number of votes shall serve for the balance of the two-year term vacated by Taiha Wagner. Results of the owner election shall be announced at the owner meeting on October 13, 2014.

A motion for adjournment was made and seconded. The meeting was adjourned at 8:10 p.m.