

## **Minutes of Lakewinds Natural Foods Board of Director's Meeting May 24, 2010**

Board President John DePaolis called the meeting to order at 6:30. In attendance were Doug Engen, Fred Ladner, Jennifer Reilly, Katherine Roseth and Joe Wagner. Also in attendance was the interim General Manager, John Case, as well as the incoming new General Manager, Dale Woodbeck. With John Case was his management team of Penni Ruben, Eileen DeReus and Dwight Gaddis.

John DePaolis welcomed Dale as the new GM and thanked John Case for his service as interim GM.

### **Committee Reports**

John DePaolis requested a change in the Agenda so that John Case and his team could present the FY 2011 budget to the Board. They projected that Lakewinds would see virtually flat sales and net income in FY2011 due to the sale of the Anoka store and the effects of new competition nearby due to the opening of the Harvest Moon coop in Orno. The discussion that followed focused on those two topics. The Harvest Moon effect is a big unknown and although the team has devised some strategies to minimize the impact sales of Minnetonka could be reduced by as much as 5%. On the impact of the sale of Anoka the team was asked to strip out that store's revenues and expenses for FY's '08,'09 and '10 (est.) to see what effect it would have on Lakewinds' revenue and net income and give the Board a better idea as to whether the loss of Anoka and the opening of Harvest Moon will lead to no growth for FY '11.

### **Consent Agenda**

The Consent Agenda could not be approved since neither the April 26 minutes nor the GM's monthly report had been circulated. John D. and John C. said that they would email the respective reports to the Board this week. Doug made a motion to approve the new Member list which was seconded by Jennifer and passed unanimously.

### **Member Linkage: Grant Program Promotion**

#### **Board Development: Board Candidate Promotion**

John D. asked Board Members to respond to a request for their attendance at a roll out of the Grant Program Promotion so that coop members will have a better idea of what we are trying to accomplish and to give Board Members some visibility. These sessions will be held on 4 different dates on Tuesdays and Thursdays in June at Minnetonka and Chanhassen. The sessions could be expanded to include one or more Saturdays for those who could not make a weekday event.

It was mentioned that these events would be an excellent opportunity for Board Members to promote this year's Board elections and recruit candidates. This year there will be 3 openings. Katherine then explained the candidate nomination and election process which is as follows:

- Extend application deadline to July 31, 2010
- Place candidate applications on lakewinds.com and place a link to the application on the website and possibly a postcard mailing,
- Ballot voting process will be offered online and will commence with the sale of Annual Meeting tickets on September 1.
- Interviews of potential candidates will begin the first week of August. Interviewers will be identified at the June Board meeting.
- Bios of approved candidates will be available online and in flyers available at customer service desks/registers along with sample ballots.
- The Board is requesting that a voting kiosk be provided at both customer service desks.

There followed a discussion on how to get more of the coop's Members to sign up for electronic delivery of the newsletter since so much of the election materials will only be available online.

### **Policy Review: Executive Responsibilities 1- 6**

This is an annual review of these 6 of a total of 11 such policies and each was briefly discussed and in some cases amended to clarify meanings and/or sharpen focus and/or clear up typos.

### **Capital Plan – Deli Remodel**

John D. said there was nothing to report on this as yet since there had been no meaningful contractor feedback. The remodeling is expected however to cost somewhere between \$75,000 and \$100,000 and be completed this summer. Dale said that we will need to have a plan ready for Board approval at the June meeting if we wanted to complete the project on schedule. John D. also mentioned that this year we will apply a “rule of thumb” of 1% of sales to budget for capital expenditures which will provide approximately \$260,000 for such expenditures.

### **Executive Committee Changes**

Dale's appointment as GM creates an opening for the Treasurer position on the Committee. Joe expressed an interest in the position and Doug was interested in filling Joe's slot as Secretary. John D. made a motion to support the proposed changes which was seconded by Jennifer and passed unanimously.

### **Board Team Building**

John D. announced that he was planning to host a dinner at his house for a team building event and to formally thank John C. for his service. Spouses are invited as well. Date and time TBD.

### **Topics for June 28 Board Meeting**

Approve final budget; review deli remodel plans; discuss candidate recruitment process; review plans to update strategic plan.

Doug made a motion to adjourn the meeting at 8:15 which was seconded by Joe and passes unanimously.