

## **HAMPDEN PARK CO-OP ANNUAL SHAREHOLDER'S MEETING**

SUNDAY, OCTOBER 29, 2017, 6:30-8:30 PM

Church of St. Cecilia, 2357 Bayless Place, Lower Level Meeting Room

**Current Board Members:** Martha Hotchkis (chair), Deann Lindstrom (vice chair), Lynn Englund (secretary), Lucia Cowles (treasurer), Paul Moore, Kate Gray, Jonathan Yackel.

**HPC Annual Meeting Call to Order:** Chair Martha Hotchkiss called the meeting to order at 6:30 PM.

**Presentation and Recording of Proof of Meeting Notice:** The meeting notice was posted in several places at the co-op. It was also sent in the newsletter, on the website, and on social media.

**Determination of Proof of Quorum:** Deann Lindstrom reported 59 voting members in attendance, meeting the 50 person requirement for a quorum.

### **Approval of Annual Meeting Minutes of 2016**

**Welcome from Chair Martha Hotchkiss:** Martha went over the meeting agenda and provided a brief update on the need for continuing the conversation about directions and alternatives for the Co-op's future. She invited members to provide input later in the evening on the options: 1) growing where we are; 2) moving to a new location, or moving and staying at our current location; 3) building strategic alliances in the community to help leverage our resources; 4) to close responsibly if the co-op can not achieve sustainable growth.

**Report from General Manager Christina Nicholson:** Christina highlighted several positive changes that aligned with the values of members and the mission of the co-op: Over 7,000 pounds of food were donated during the previous year to Twin Cities Food Justice, and the store received an \$8,000 grant from Ramsey County to shift to using compostable containers. Challenges mentioned included the loss of \$150,000 in sales, structural changes in the business with closure of the volunteer member-worker program, and the closure of six food co-operatives in the midwest region during the past year due to an increasingly competitive market.

Fiscal Year 2017 was financially challenging for the Co-op with a net sales loss and increased labor costs due to the end of the volunteer worker-member program. On the other hand the Co-op gained 190 new members, while losing fewer than 30 during fiscal year 2017. Beginning July 1, the first four months of fiscal year 2018 has already seen an increase of another 109 shareholders. Christina reminded shareholders that moving forward requires having challenging discussions. The path from a dream to making it reality requires vision, hard work, and capital.

Christina shared that a theme in recent staff and board discussions has been on the importance of integrity. The co-op must choose from several paths to the future with integrity. She encouraged members to provide feedback and ask questions about each of the options presented later in the meeting. Christina thanked musicians Dawn Tanner and her guest for providing music during the meal.

**Board candidate introductions:** Deann Lindstrom's and Martha Hotchkiss' three-year terms have expired. Deann is not running again, but Martha is seeking another term. Paul Moore has resigned with two years remaining on his term, creating three open seats on the board.

**Election of Directors:** Applications to serve on the board of directors have been received from Sarah McRoberts, Ablavi Epou, and Martha Hotchkiss. Each of the candidates introduced themselves and shared their interests and talents in serving on the board.

**Sarah McRoberts** is a doctoral student in computer sciences at the University of Minnesota. She volunteered at the co-op and has been a member for about 3 years. She hears members interest in serving the community and wants to increase opportunities to serve. She also wants to use her skills to increase the Co-op's social media presence.

**Ablavi Epou** works at the Carlson School of Business at the University of Minnesota in the area of employer relationships. She also works at the French Alliance Cultural Center. A native of Togo, West Africa, she brings her background in human rights and an interest in business to her role on the board and is eager to learn about cooperatives.

**Martha Hotchkiss** feels connected to the staff and store and wants to sustain the feeling of energy and pride by continuing to serve on the board.

Martha Hotchkiss opened nominations from the floor. After asking several times and hearing none, she closed nominations and asked members to vote for three candidates.

**Guest presentation — Danielle Mkali, Nexus Community Partners and Village Trust Financial Cooperative.** Danielle is a program officer at **Nexus Community Partners** on Raymond Avenue. She directs Nexus' North Star Black Cooperative Fellowship and serves on the board of the **Association of Black Economic Power (ABEP)**, a group founded in response to 2016 killings by police of Philando Castile and Jamar Clark focused on black economic resistance. These efforts led to organizing to establish a federally chartered Black-led credit union by 2019. **Village Trust Financial Cooperative** will be a credit union anchored in North Minneapolis. Support has been received from the Jay and Rose Phillips Family Foundation. Danielle invited co-op members to pledge to open an account at Village Trust and deposit some of their funds.

**Treasurer's Report – Lucia Cowles.** Lucia presented highlights from fiscal year 2017 (July 1, 2016 through June 30, 2017). Improved financial data is now available through the co-ops membership in National Co+op Grocers (NCG), which also provides Hampden Park Co-op with comparative data from other co-ops of similar size in our region. Sales growth was -6.7%, however sales per labor hour was above the industry average for co-ops our size. The focus is on increasing sales through community outreach, customer service, and lower prices with NCG's Co+op Basics and Co+op Deals. Cash on hand decreased 35.2%, in part due to repayment of member loans from 2012 payable in 2017. Loans in the amount of \$48,200 were rolled over for another five years, and \$31,000 in loans and interest were paid out.

Improvements to the building were made by Raymond Avenue LLC, the corporation that owns the building. The governing board is the same as the co-op board and the store pays rent to Raymond Avenue LLC. Improvements to the staff office area included encasing asbestos-lined pipes, addressing water damage, mold abatement, and adding HVAC to the office space. Other improvements included tuckpointing on the exterior of the building and at the crown, replacing the sidewalk, and getting new produce and deli coolers.

Although fiscal year 2017 saw a 6.7% decline in sales, the cost of goods sold also decreased by 6.5%. Net income was -\$30,000. The ending of the volunteer food discount program resulted in a 94.5% reduction in discounts, or a \$140,000 savings. Payroll costs increased 18%, resulting in an overall savings of \$50,000 by closing the worker-member program.

**Question from Christy — about the RISE discount program replacing the senior discount program.** The Reduced Income Stock Entry (RISE) program provides a 10% discount to low income households with no age requirement. Households apply annually through a brief application process.

**Exploring Future Options — Leslie Watson of CDS Consulting.** Leslie invited members to rotate among seven tables to learn more about 1) board candidates; 2) Village Trust Financial Cooperative; 3) HPC finances; 4) growing in place; 5) moving to a new location, or moving and staying at our current location; 6) building strategic alliances; 7) closing responsibly. Members had 10 minutes to visit at a table of their choice during each of three rounds.

**Election results:** Deann announced a tall of 51 votes for Sarah McRoberts, 51 votes for Ablavi Epou, and 50 votes for Martha Hotchkiss. All were elected and welcomed to the board.

#### **Adjournment**

Martha moved to adjourn. The meeting was adjourned at 8:30 PM.

Respectfully submitted by Lynn Englund,  
Secretary