

**Healthy Retail Work Group Request for Additional Info
Willy Street Co-op**

1) Shopping Carts

- a) Please describe in more detail and share any data you have available on the shrinkage of shopping carts and specifically how additional carts would benefit low-income customers.**

We do not have data available regarding how many shopping carts the former Pierce's NorthSide Market lost to customer usage, we had simply heard feedback from residents on the north side, the community police officer and the Pierce's NorthSide Market store manager suggesting that it would be a good idea to address cart "theft" due to the need for people without cars to transport their groceries either home or to a bus. Upon further discussion with the Northside Planning Council, Brentwood Village Association, Northport Apartments and Packers Townhouses, we found that concerns we heard from customers were true: that many people who rely on foot or public transportation to get groceries may benefit from being able to take carts from the store.

- b) A concept was mentioned at the meeting related to working with the area neighborhood and community centers to install cart stands at the centers for community use. Please describe the partners and the status of these conversations.**

As our top priority right now is to open our store on a tight timeline, we thought we would start simply and make sure that we have extra carts available should people need them, ensure that we are prepared to allow customers to take carts home, and develop a more formalized plan at a later time. We have informed the Northside Planning Council and the various neighborhood associations noted above that we are making plans to purchase the extra carts and that we would like to work with them to devise a community solution for ensuring their return. Within the last two weeks, the Northside Planning Council has circled back to us to discuss more, and we will be scheduling a meeting soon with the interested parties noted above. Northside Planning Council is also currently responding to a RFP from another entity to purchase cart corralls for the locations noted above.

- c) What types of carts will be purchased? Has there been consideration of ensuring the type of cart is able to navigate a longer distance?**

We have been considering what would work for a longer distance, and for now, since we know people were using the standard carts and we know we have space to store standard carts, that is what we have decided to purchase. We believe this is the most efficient and cost effective solution rather than having to keep track of and provide storage space for multiple varieties of carts.

2) Bulk Shelving

a) The work group requested an expanded explanation of how the bulk offerings are an advantage for low-income shoppers, especially given that bulk products are not WIC eligible.

Our bulk department is a way for the Co-op to purchase pantry items at a large quantity and pass on the savings for purchasing at-volume to our customers. We have always considered it one of the best values at our stores, and bulk aisles have traditionally been seen as the way that grocery cooperatives make natural



and organic foods the most affordable. Customers can purchase these products in as much or as little volume as they wish. For example: if a customer only needs a quarter-cup of sugar to complete a dish, they can choose to purchase only that quarter-cup, or more, or less! Items are priced by weight, including spices. This is a huge advantage for shoppers with low income, because you can buy exactly what you will use. Some customers with low income may avoid purchasing certain ingredients because they may not be able to afford the same product in a pre-packaged size. By offering these items in bulk, we are not only giving customers flexibility with how much they want to spend, but we are maximizing the ability for the shopper to ensure they will use all of what they buy, which is very important when you are shopping on a budget.

Although the state does not allow bulk items to be purchased through WIC, bulk grocery items are eligible for purchase using FoodShare and Owners who have low income and are participating in the Access Discount Program do receive 10% off bulk items (as well as the rest of their shopping receipt). The Owner must meet one of the following criteria to be eligible to participate in the Access Discount Program:

- Participation in QUEST Food Share Program
- Participation in Medicaid (BadgerCare/Senior Care)

- Participation in Special Supplemental Program for Women, Infants, and Children (WIC)
- Participation in Section 8 Housing Assistance/Community Development Authority (HUD)
- Participation in Senior Farmers' Market Nutrition Program: Copies of current vouchers
- Participation in Supplemental Security Income (SSI)
- Participation in Social Security Disability Insurance (SSDI)
- Participation in Low Income Home Energy Assistance Program
- Participation in FairShare CSA Coalition Partner Shares
- Proof annual gross income within last year is at or below 130% of the Federal Poverty Guideline

We'd be happy to share the total amount of bulk sales to Owners who use the Access Discount if that helps with reporting on the success of this initiative.

3) WIC Vendor Application and Products

- a) **We acknowledge that the restricted reimbursement rate from the WIC program for WIC eligible products and the unknown of that rate make it difficult to precisely calculate the figure related to loss of revenue from offering the WIC program. Much discussion at the meeting centered on the type of WIC products that would be offered at the Willy North store. Willy Street confirmed that there will be a greater variety of products offered that are WIC eligible at the North store compared to other Willy Street locations. Please describe some specific examples of the types of products that will have an expanded selection and the steps taken to ensure affordability of WIC products.**

Our goal is to not lose any money regarding the restricted reimbursement rate from the WIC program, and since their reimbursement rates are set based on the appropriate market value of those items, part of our pricing strategy will be to learn through experience which WIC products we can provide that can be priced within the reimbursement range. WIC also checks to make sure that our WIC eligible products are priced similarly to other WIC vendors of the same size. Since affordability is an important aspect of the authorization itself, we anticipate that our preparation for their inspection will also help ensure that our WIC products are as affordable in our store as they are in other stores of comparable size and sales. Owners participating in the Access Discount Program who use

WIC will also receive an additional 10% off shelf prices, which will make those products even more affordable for Owners in the WIC program.

We will be expanding our selection of conventional items overall. This includes: baby food, beans (dried and canned), cereals, frozen juice concentrates, frozen veggies and fruit, shelf-stable juice, etc. We run a lower margin on conventional products, and are doing a price check on these items before submitting our price survey for consideration.

4) Surcharge Removal

- a) The surcharge removal (and subsequent revenue loss) represents over half of the total request for City funding. Please clarify the budget for the request of City funding for the surcharge removal for non-members. The estimated total loss is \$60,000 in FY17. At the meeting, it was indicated that the \$60,000 less revenue figure is for all three stores. Is the \$31,800 the estimated loss of revenue for only the Willy North store? If so, why is the request for funding in 2016?**

FY17 for Willy Street Co-op begins July 4, 2016, which is why we made the request during the City's CY16. Our total operating budget includes all three stores. The \$31,800 request for assistance with removing the surcharge is half of the \$60,000 loss we would incur by removing it at Willy East and Willy West, and half the cost to revise all of our current materials and promote the surcharge removal. Had we decided to keep the surcharge, we would have likely brought in an additional \$20,000 in surcharge income at Willy North, making the total around \$80,000 in FY2017. We anticipate that by FY2018, we will make up the loss of surcharge through an increase in non-owner purchasing. We are removing the surcharge store wide as we see it as a barrier to the ability to purchase healthy foods and our records show that people who shop one of our locations are also likely to shop our other locations, and all of our customers deserve the same experience.

The other area where we are budgeting an increased expense/changes Co-op wide is our Access Discount. We allocate around \$250,000 in our expense budget for two stores annually to support the 10% off discount for Owners with low income. We expect that budget to increase to \$306,000 Co-op wide, when North opens, a \$56,000 increase. We will be monitoring this closely in year one to begin tracking trends with this program across stores.

5) Community Outreach Activities

- a) **Please provide a list of outreach activities and locations. We recommend providing a couple specific examples of how the store layout, product offerings, etc., were altered through these community activities thus far.**

Prior to making the decision to secure a lease at the Willy North location, we attended meetings with Northside Planning Council, Northside Economic Development Coalition, Sherman Neighborhood Association, and the employees at Pierce's NorthSide Market. One big change that has been made to the store layout since those preliminary meetings was the decision to add a salad and hot bar, per community request. These discussions were also the places where we learned of the need for a shuttle and the need for extra carts to transport groceries home. Since the decision to locate at Willy North was made, we have participated in a number of public events, and have a number scheduled:

- Northside Farmers' Market: Weekly Sunday sales of shelf product, Owner signups, and an opportunity to share feedback on the store. One thing we have already learned at these events is that people are interested in purchasing our bulk flour, because it is priced better than packaged flour.
- May 14, Lindbergh Community Info Fair: an opportunity for Kennedy Heights neighborhood residents to learn about Co-op Ownership, jobs, the store layout, product mix and to have breakfast with us. One person in attendance gathered the signatures she was seeking to run for our board of directors. At this event, attendance was low, and so we learned from the community that attending events that were already in existence, rather than creating our own, would be a better way to hear from the community.
- May 29, Northside Community Sunday Supper: We donated a taco bar for 100 people (approximately 80 showed up). We received a number of product requests that we'll do our best to honor and answered many questions about the products that we'll have available, the layout of the store, and Ownership options.
- June 6, 17, 21, 30 and July 12, Mallards Baseball Events: an opportunity to tell people we are coming to the neighborhood and meet more neighbors.
- June 16, Packers Community Learning Center Event: Presented the store layout, product mix, and info about Ownership to residents. Learned that as a Section 8 housing community, all residents who become Owners would qualify for the Access Discount Program, and learned that our free tours where we teach people how to shop the bulk aisle will be valuable on the north side. We are currently working out a time to go back to Packers Townhouses to sign people up for Ownership and the Access Discount Program. We learned that many people think of buying in bulk

as buying cases rather than from bulk bins, so we are developing an information sheet to explain this. Based on suggestions at this meeting we have further discussed the plan to have “How are we doing?” check-in meetings with northside residents.

- June 18, Vera Court Father’s Day Celebration: We set up a table and provided chips and cookies to go along with the lunch. The event was low attendance, but those who were there were already Owners, pleased that we were coming, and happy to hear about the shuttle. Many in attendance spoke Spanish as their first language, and so we are looking forward to providing more Spanish language materials soon.
- June 18, Lakeview Library Book Sale: We set up a table with samples and product to sell. A mix of Owners and non-owners stopped to visit. Many wanted to know how to become Owners, how to purchase bonds, and noted that they were pleased that we are working towards WIC authorization. We also got ideas from customers about outdoor seating and the safety of the parking lot, which were shared with our project manager.
- Coming up (events that are already scheduled, there may be more):
 - July 17: Troy Gardens Summer Festival
 - August 20: Packers Community Learning Center Neighborhood Picnic (per request, will do an Ownership Drive for majority Access Discount eligible customers).

b) The decision to initially keep the store at 90% of full stock in order to allow for customer feedback to add products was an encouraging one. Please describe how this initiative will be designed and what the advantages are for low-income and/or WIC clients.

This initiative is designed to ensure that we have room to add or remove product based on sales and product requests. We are already extremely responsive to customer requests (we receive, on average, 90 customer comments a month, and are currently maintaining an average 80% response rate on a monthly basis). We plan to make sure through customer service talking points and promotion that customers at North know that customer comments and product requests are an option, and that their voices are heard. As we learn more about what products people are shopping for, we will be able to amend what we keep in stock to ensure those needs are being met. The advantage to all of our customers will be that they will be able to make Willy North, just like our customers at Willy East and Willy West, a store that meets their particular tastes and interests. If we find that we are not carrying the kinds of low-priced or WIC

products that customers with that interest are looking for, we hope that they will let us know so that we can see what we can do!

Thank you for your consideration and for the opportunity to help us with this new store format. It is somewhat of a departure from how we've done things for the last 43 years, but we consider it imperative that Willy North serve the needs of the neighborhood.