

## **Weaver Street Market Board of Directors**

# **Minutes of July 2007 meeting**

**Held at the Corner Building, Carrboro**

**6.15 - 9.30 p.m.      Wednesday, July 18, 2007**

Directors Present: Seth Elliott, James Morgan, Ruffin Slater, Tam Fetters, Jacob Myers, Linda Stier, Robert Short

Others attending: Andy Sachs (facilitator), Kate DeMayo (notes)

Visitors: Bill Madden, Sarah Carter, Howard Stier

### **1. Preliminaries**

The Board approved the Agenda. Minutes of the special meeting on June 2 would be presented at the next meeting.

### **2. GM Monitoring Report 2-5 Budgeting and Planning (returned from June)**

This report was referred from the June meeting with a request for further information on the future of the volunteer program and in response to Seth Elliott's unreconciled concern about the Food House plan contained in the report. The General Manager included additional information in the report and offered further oral data on the legal context of volunteer programs in cooperatives. One reasonable option would be to change the program so that volunteers only performed tasks that would not otherwise be done by paid employees. Such a change would affect roughly two-thirds of current volunteer jobs.

Discussion: It was suggested that the volunteer program has significance in enhancing affordability (inclusiveness) and owner involvement with the coop (interactive community, informed ownership) and that it was too valuable to lose. Future changes in the nature of the volunteer program should ensure that these Ends values are supported rather than diminished. At the same time it would be essential that volunteer activities would be meaningful, legal, and effectively contribute to achieving the Ends of the cooperative. New initiatives to involve ownership committees more widely in governance activities could be a useful part of this shift, starting perhaps with an ownership committee to examine the future of the volunteer program itself. It was noted that enhanced volunteer involvement in governance committees would have the effect of transferring significant aspects of the volunteer program into the Board's direct control.

Concerning the Food House, Seth indicated he would not block consensus but wished to record his standaside from the decision and his reasons for doing so. He read a statement asking that it be included in the minutes: "The disagreement is not with the 3 year plan as a whole but with the food house being an integral part of the plan. I believe that the foodhouse plan will create conditions that will, by necessity violate our ends, particularly the Ends of fair and empowering. I am deeply concerned that increased production within one facility, mechanization of the workplace

and 24 hour scheduling will not be mutually beneficial for workers, will be exploitative and will not enable a fulfilling work experience.” In the ensuing discussion no other directors were able to agree with Seth’s assessment: moreover they accepted that the Food House proposal was a reasonable interpretation of policy by the GM, and if the Food House proposal was not aligned with the Board’s intent the problem was with the policy as determined by the Board and not with the interpretation of that policy indicated in the GM’s report.

Decisions: the report was accepted as resubmitted with Seth as sole standaside from consensus. Policies noted for review regarding volunteer values were Owner Investment & Return (2-11) and Ends - Inclusive.

Linkage: the Board should consider establishing an owner committee to evaluate the future of the volunteer program.

### **3. GM Monitoring Report 2-3: Treatment of Staff**

The General Manager’s report indicated compliance with the provisions of this policy.

Discussion: There was general discussion of the grievance procedure as it related to the recent situation regarding the Food House. It was noted there had been no grievance filed with management in this instance and the employees had approached the Board directly. The grievance procedure seemed to assume a personal or individual issue and could perhaps have additional clarity and guidance for employees in instances of group dissatisfaction.

The GM was questioned on the issue of background checks on employees. The GM had insufficient data at hand to answer on this issue.

Decision: The Board did not accept the report pending additional information on background checks.

### **4. GM Monitoring Report 2-7: Asset Protection**

The General Manager’s report indicated compliance with the provisions of this policy.

Discussion: In response to questions from the Board the GM confirmed that insurance was regularly tracked to the increasing value of WSM assets over time. Expenditure caps in Provisions 5 & 6 were flagged for policy review: what was the intent of these caps and were they appropriately set? Provision 11 - the GM’s interpretation does not mention endangerment of credibility as required by the policy.

Decisions: The board did not accept the report and requested additional information on Provision 11. Consider provisions 5 & 6 at next scheduled review.

## **5. Board Election Nomination Process and Packet**

The packet was examined for consistency and corrections were noted. Suggestions for improvements in director recruitment and training were considered, including proposals for ongoing training after induction. The package was approved for release after agreed adjustments had been made.

## **6. Public Communications of Directors**

Board Chair Jacob Myers led the discussion referring to existing Policy 4-3 - Board Member Code of Conduct. He had recently been consulted by a director seeking advice on how to frame public comments on WSM business and wished the board to consider whether existing policy provided adequate guidance.

Discussion: What restrictions are there, or should there be, on the public statements of directors? Is it acceptable for a director to be publicly critical of board actions? Should a director be required to indicate in any public statement whether or not they are speaking “for the board”? Is speaking “for the board” an option available only to the chair? There is no current policy provision suggesting that either the chair or any other member of the board is entitled to speak for the board on a matter which the board has not yet publicly addressed. To the contrary, the Policy Governance requirement that the board speak “with one voice” would suggest that a director may only refer to the board’s position as already expressed in existing statements such as policy documents and approved minutes and that no director has authority to publicly represent a putative board position which has not yet been so expressed. Several recent public comments of directors were considered in the discussion. There had been examples of comments on WSM business by directors on local blogs which had either been in defense of WSM actions in response to external criticism or to correct inaccurate information which was being disseminated about the coop. A director had recently published a couple of articles on governance issues in Cooperative Grocer for which he had sought guidance from the board ahead of time. There were also recent examples of public statements by a director, published online and in the press, which were critical of the GM’s actions and thus also of the board’s endorsement of those actions. Two sections of Policy 4-3 were identified as relevant:

4-3.1 “Members must represent unconflicted loyalty to the interest of Weaver Street Market. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups .... It also supersedes the personal interest of any board member acting as a consumer of the organization’s services.” This was interpreted to mean that in public statements as well as in Board discussion a director should take care not to advocate for their own interest or that of any particular group over the interest of the coop as a whole.

4-3.3 “Board members may not attempt to exercise individual authority over the organization except as explicitly set forth in board policies.” It was suggested that an individual public statement that was intended to rally support for a position or bring external pressure to bear on the

Board's deliberations would constitute an attempt to exercise individual authority over the organization.

It was also suggested that inappropriate public statements by directors could create a misleading and deleterious public impression of the cooperative and its board, a concern that might be addressed by adding language to existing policy similar to Executive Constraint 2-7.11 (Asset Protection - public image and credibility). This suggestion was met with the comment that development of board policy in this area should not have the effect of discouraging the expression of dissent from the majority view. The Board was agreed that any discouragement of dissent in board discussion was unacceptable and affirmed the value of inclusive discussion and the incorporation of all available perspectives into consensus decisions. Dissent in discussion however should not preclude the need for the board to speak with a single voice after a decision had been reached, an essential condition if it was considered important that the General Manager receive clear and consistent direction and the ownership was to have confidence in the integrity of the board's process. It was agreed that more needed to be done to ensure that incoming members in particular are fully aware of their duty as representatives of the ownership to participate fully, openly and without reticence in the discussion at the time when significant decisions are being made.

Decision: flag for review procedures for induction and training of new directors and consider adding more detailed guidance to Policy 4.3 - Board Member Code of Conduct.

## **7. Closings**

Decisions and tasks were reviewed.

Comments in evaluation: We need to be able to process controversial issues like the Food House debate more efficiently: it had taken large parts of three meetings and delayed other substantive work to conduct an essentially procedural review. There's also a need to make sure that incoming directors do not feel inhibited from full participation including requesting further information in GM reports. The willingness of the Board to seek a healthy and productive way to deal with dissent and disagreement was appreciated.

The meeting was adjourned at 9.30 p.m.