

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

# **Minutes of June 2007 meeting**

**Held at Carrboro Elementary School & Corner Building, Carrboro**

**6.15 - 10.30 p.m. Tuesday June 19, 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)

Pre-meeting attendees: about 30-40 employees, owners, and members of the press.

### **Pre-meeting**

A group of employees had requested a pre-meeting session with the Board to communicate their feelings about the proposed relocation of the bakery and food production kitchen to the new Food House facility in Hillsborough. To accommodate their numbers the pre-meeting session was held in the auditorium of Carrboro Elementary School prior to the Board Meeting proper in the corner building. The session, which included worker-owners and non-owner employees as well as some consumer-owners and the Board, was facilitated by Andy Sachs. Laurel Goldstein circulated copies to the Board of a petition on the move which had been signed by approximately 100 employees and read a prepared statement on behalf of the employee group. The text of the petition and the prepared statement are attached at the end this document along with notes of the ensuing discussion taken by Kate DeMayo on behalf of the board. At the end of the discussion the board moved to its regular location in the Corner Building to complete its monthly meeting.

### **BOARD MEETING MINUTES:**

#### **1. Preliminaries**

The Board approved the Agenda and the minutes from the May meeting.

#### **2. Consent Agenda**

The board authorized a change in signatories at Harrington Bank in Southern Village

#### **3. GM Monitoring Report 2-9: Emergency Management Succession**

The General Manager's report indicated compliance with the provisions of this policy. The Board accepted the report without discussion.

#### **4. GM Monitoring Report 2-10: Treatment of Consumers**

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

Discussion: the board questioned the “B” sanitation rating. The general manager indicated that the proposed expansion would address this issue. Data collection: a policy line is missing from the owner loan section #5: the GM would correct this.

Decision: the board accepted the report.

## **5. GM Monitoring Report 2-5: Planning and Budgeting**

The General Manager presented his report which indicated compliance with the provisions of the policy. Discussion: what effect would holding the Corner Building property for several years on our financial position? GM: It would not be a problem. If we decide to sell rather than develop it ourselves it will be with restrictions which will ensure that the resulting use will further our Ends policies. Primary: GM confirmed that “Food Houses” (plural) was a typo - it should read “Food House (singular). Fair: in light of the employees’ petition was the board satisfied that the Food House proposal was non-exploitative? Was the goal of 20% increase in pay appropriate - we have a policy that requires pay not to be out of line with local practice for the industry except when that level is too low. By accepting this element of the report we would be agreeing that the local industry average is an unacceptably low standard. Inclusive: with a coop as large as ours is it possible to have 100% of the owners agreeing on 100% of the values? What is an acceptable level of agreement when you have a broad goal of inclusiveness? Educational: the board has direct responsibilities in this area as part of its linkage program with the ownership and will be requiring more support from the GM in fulfilling this responsibility in future. Interactive: this includes interaction both within our cooperative community and between the coop and the larger community. Reliant on Community Support: like the idea of consumer advisory council. Concern at changes in the volunteer program: if for legal reasons we can no longer allow volunteers to do work which is also performed by employees there should continue to be positive roles for volunteers in the coop.

Decisions: there was no consensus reached on this report. Tamara requested more information on the proposals for the volunteer program and how the needs of low-income owners would continue to be met . Seth indicated that more information from the GM would probably not allay his concerns about the Food House proposal.

Tasks: GM to provide more information on future volunteer programs. Seth and James to meet and examine how Seth’s concerns as both a board member and an employee directly affected by the Food House project can best be expressed in terms of compliance with Ends. Robert, Linda and Jacob would meet to prepare a flow chart to process information from the pre-meeting session.

## **6. Agenda**

As the scheduled agenda was incomplete and discussion of the 2-5 report had already taken us well past the allotted meeting time an additional meeting was scheduled on July 2 to complete the remaining items including the full discussion of the employees petition.

## **7. Board payment**

Seth distributed directors store gift card payment for their service in the first half of 2007.

## **8. Closings**

Decisions and tasks were reviewed. Andy was thanked for his excellent facilitation of the pre-meeting. Jacob thanked everyone for their commitment to the process and adjourned the meeting at 10.30 p.m.

# **Appended items:**

## **Appendix A**

### **Employees' petition**

We, the undersigned bread bakers, pastry bakers, cooks, kitchen staff, and meat and seafood staff of Weaver Street Market, along with supportive staff of other departments, believe that the decision to move our food production departments out of Carrboro to a commissary in Hillsborough is a move in the wrong direction for this co-op.

Our work is artisan work and it is work that we attempt to do with pride and creativity every day, recognizing that making food for others is an intimate and honorable profession. We care greatly about what we do and we care about this co-op. It is our hands that make the food produced by Weaver Street Market authentic. Our work has been crucial in making Weaver Street Market the vibrant commercial center that it is. We have met the challenges of growing sales, the addition of another store, and the growing crowds through the years—often doubling our efforts with the same number of workers. Our work has become the heart of Weaver Street Market in Carrboro. We have helped create a grocery store that makes its own world-class bread; bakes its own cakes, pastries, pies, and cookies; processes its own meat and seafood; serves breakfast, lunch and dinner every day; and maintains a full salad bar and extensive prepared foods case. And all of this is done on-site where customers can watch it happening and remain connected to the making of their food.

But now most of our jobs are moving to Hillsborough. Not only are our jobs moving out of what the majority of us consider our community, but they are moving to a place set up to be a food production factory, which is euphemistically called a “Food House.” We are told this is happening because of our success. We are told it will be in our best interest. But we believe it will be a detriment to us and to our customers. This factory will be industrial rather than human in scale. It will be built to provide not only for our current expansion to Hillsborough, but also for future expansions. Our work there will, by necessity, rely more heavily on new machinery rather than value work done by hand. Unlike the current interaction allowed between us and our customers,

visitors to the new facility will not be allowed without an escort. Many shifts will begin even earlier and extend later than they do now—essentially becoming a 24-hour operation. Those of us artisan workers who currently seek to work with care and concern for our final outcome will be faced with producing larger and larger batches of goods that will stretch and finally break our capacity to do mindful and meaningful work. The quality of our food will decline.

For these reasons and more, we are opposed to the Food House plan as it is now being put forth. We call, first and foremost, for the Board of Directors to impose an immediate moratorium on the Food House plan while the co-op reviews the real risks inherent in this plan. This review should involve all worker-owners, all non-worker-owner employees, the Board of Directors, and all interested consumer-owners.

If, after such a review, the decision still stands, we respectfully request that the decision-making standard regarding the Food House be transparent and allow us to fully participate and shape the guidelines for decisions regarding the future of our jobs. There must be limits to what is being required of us. We insist that the transition process be more responsive to our concerns as employees of Weaver Street Market and incorporate our collectively agreed upon requests. To date, we have these three if the Food House plan moves forward:

We ask that Weaver Street Market provide for and pay for all new transportation needs of car-free employees whose jobs are moving and pay for all added expenses of those who drive whose jobs are moving. We ask that this be done for all shifts and for the duration of the need.

We ask that Weaver Street Market ensure empowering and fulfilling work and honor the collective quality of life of its employees by instituting an organization-wide policy that prohibits the scheduling of shifts before 4:00am and after 10:00pm with the exceptions of specific holiday overnight shifts and Panzanella closing shifts.

We ask that Weaver Street Market increase wages for its employees to match the increased demands put on us by expansion by offering a starting-pay living wage for Orange County of \_\_\_\_\_ per hour as calculated by the North Carolina Justice Center and adjust our pay scale accordingly.

## **Appendix B**

### **Statement by Laurel Goldstein**

Following a series of meetings in April and May with management about the production facility, there was a prevailing sense of frustration among workers that our voice was not being heard. And it is largely because we felt that as workers we did not have voice with management that we wanted to present this directly to the board.

So about a month ago, food production workers began meeting once a week at night to discuss our concerns. Originally, the idea of the workers' meeting was just to get people from the differ-

ent departments, bread, pastry, meat and kitchen, in one place to see if we all had the same concerns, and when we did, we decided to write up a statement outlining them. And since not everyone who works in these departments was able to make the meetings, we took it around to be read and signed not just by food production staff, but by any employee who shared our concerns. And the number of signatures shows that it's not just a small group of employees who are worried about the move to a production facility, the sentiments of the people who went to the meetings are echoed by everyone who signed the statement.

We have a few different kinds of concerns. The first is that the work that we do, not just the food production staff, but cashiers, coffeebar, cheese, everyone who is "just a worker", it's our work that, on a daily basis, has made and continues to make Weaver St. successful. And as recognition of the value that our work has to the co-op, we should have real input into determining its future. And as to whether there will be an off-site production facility, we certainly have not had this real input. Furthermore, as a co-op, Weaver St. should be following the seven co-operative principles, one of which is democratic member control. And while this brings up issues of worker-owners and non-worker owners and consumer owners that I don't want to get into here, it doesn't seem as though control over expansion has been very democratic. But really, what I'm trying to say here is that the work that we do is vital to the success of Weaver St. But it's not being treated as though it is.

Another concern a lot of people have is whether a centralised production facility is in line with Weaver St.'s mission statement or end goals. An example of the conflict between the production facility and the end goal is that Ruffin said in an interview with Kirk Ross that what's driving the production facility is "our idea of putting small stores in a downtown." This seems to show that one thing Weaver St. wants to work towards is local self-sufficiency. But if a production facility is necessary for expansion, and the idea of expansion is based, in part, on a town being self-sufficient, then it seems that the stores should be too. I mean, it just doesn't make sense to me to have a bunch of small stores in small towns or communities all supplied by one central facility – it seems to undermine the motivation for having small stores in the first place.

Finally, food production workers, as well as other folks who care about the welfare of their fellow employees, are concerned about what it will be like to work in an off-site production facility. Things people are worried about that have not been adequately addressed thus far include, but are not limited to, the industrialisation and mechanisation of labour, and how this will affect the quality of the product; how this increased production and method of production will likely result in us losing a connection to our work and the people we make the food for. With the focus on always producing more, always on quantity and not quality, there's a real worry that we're going to lose the meaning in our work. There's also plans to extend working hours – earlier starts and later finishes to shifts, without regard to the fact that, for the most part, this will negatively impact our quality of life.

Weaver St. talks about the triple bottom line – financial, environmental, and social. The production facility might meet the financial bottom line – it might make good economic sense. It might even meet the environmental bottom line – abstracting away from possible increases in commutes and store deliveries, all of the energy saving technology that's being planned for benefits

the environment. But at least from the standpoint of the workers, the production facility does not meet the social bottom line, and two out of three is not acceptable.

## Appendix C

### Notes from the Pre-meeting Questions and Discussion

Questions/comments from the floor, speaker identified where known. Responses from the board/GM are in italics.

A questionnaire was sent out to all workers asking their opinion about the production facility, but what came from that? Does the board know the results? It would be helpful to know what the results of that survey were.

*Part of the survey was about products, the advantages and disadvantages of the move to Hillsborough. The responses reflected a variety of opinions, in support and dissent of the move.*

Question from a consumer-owner, Ishmael. Wondering if there was a polling in the community of what people thought and wanted to happen.

*There was no direct polling of the consumers. January, 18 months ago WSM developed a 3 year plan, and it was a process based on our understanding of what consumers wanted, but it was a process undertaken by employees and management. Needs (product and facility) were identified. Already then we were having trouble keeping up with production and we knew when the Hillsborough store opened we would not be able to keep up with demands. There was a process that identified options. Meetings were held with all the departments in all the stores and Panzanella. Plans were drawn up on expanding existing facility and for an offsite production space. Feedback was given and the conclusion was that even with expanded facilities we would not have enough space to keep up. There is very little land zoned in Chapel Hill and Carrboro for that sort of production facilities, thus the search went to Hillsborough.*

Is the board the decision maker for this?

*The board endorsed the plan that the General Manager presented. The board is not directly in charge of these decisions, but sets the policies which govern the General Manager's actions and ensures those policies are observed.*

Can you leave the production facilities in Carrboro and use the offsite production facilities for the other store?

*6 years ago when we decided to open new stores, first in Southern Village and then in Hillsborough, we decided that they would be smaller to fit the downtown. It is not economically viable to have all the production departments replicated in all 3 stores. In order to be able to open up stores of that size we would have to have centralized food production. The model of small stores and centralized food production has been presented to the board each year in the annual report for the last 5 years. The change is that in Carrboro the facilities are no longer big enough to contain that centralized operation.*

Bruno Sorrentino, bread bakery: What is a co-op? The board decides we need a store in Hillsboro? I was never asked, I have said no to expansion and no to the food-house. If it is a co-op do 6 people have a right to make a decision? If I want to keep my job and benefits I will be extremely inconvenienced and I will hate it. Things are getting bad and there is a lot of discontent. When and if the move happens it does not seem likely that this mood will change. Quality will go down, people will do things by hand anymore and they have already started with the mechanization of the food production, like the cookie maker and the pie maker. This is sad and I don't like it and there are others that feel the same way. Obviously this co-op has its parameters, is it really a co-op? we would like more of a voice in the decision making, but it is not set up that way. Ruffin makes the final decision in all matters. If the majority of the workers say we don't want a food house will there still be one?

*The board and the ownership do not generally vote directly on things like, lets open a food house. We come from a variety of backgrounds and do not have the time or the expertise to effectively make the day to day decisions that affect the co-op. The board links with the ownership to set the Ends for the coop and then creates executive limitations for the GM and management. Once the board has set these policies we monitor the GM to ensure compliance. Is what the GM is doing aligned with the ends statement? Do his actions comply with the restrictions of our Executive Limitations? Are we acting correctly on behalf of the ownership? Our failing is that this meeting had not happened earlier.*

When all of the production departments go together to speak about our concerns we knew that the decision had already been made and that we were welcome to go find a job elsewhere. We were made to feel replaceable. I am worried because the Hillsborough store is a large store and we are maxed out. We may be doubling what we do, because the Hillsborough store is a large store. In the production facility people will be doing one task instead of the variety of tasks that people do now. The batches are going to be large. We all care about what we do, we care about what we are making and its getting to a point where we are being told if we don't like it, go elsewhere. People who have left left because they were ill treated. We have managed to do incredible things, like Thanksgiving. And we are moving right before Thanksgiving, which is going to be scary. Folks are scared. What is going to happen with our catering? People call last minute and want stuff put together. What kind of product will the kitchen have available in Carrboro? How will that effect our customers?

Justin, pastry and bread. What I ask of the board is that next year when you come up with goals you really think about what is going on right now. What is the end goal for WSM? Is it our goal to have a store in every county? Or just every town in Orange county? Where does it stop? Where does the food production stop if the co-op keeps growing? Our growth has to be sustained and you really need to think about the future of sustaining it. Our growth should meet our goals and our goals should not change to meet the growth.

Zack, Southern Village: People vote with their wallets. We do not operate like Earth Fare, but rather we go where we are wanted. I don't trust my co-workers or myself to run WSM. WSM

needs to be economically sustainable. I have put all my eggs in this basket and I want WSM to thrive.

Steve Carter, Southern Village. Happy to see such big a turnout. From my own experience, it does make a difference to us if the production facility is offsite. If we cannot find a way to improve our facilities we will lose money because we cant meet demand.

Peg, wine coordinator, all stores. Is there a plan for a 4<sup>th</sup> store? People seem to be thinking that is going to happen.

*There is no plan for a 4<sup>th</sup> store. I cannot predict what is going to happen in the whole future of WSM. The initiatives for new stores started in a community, and no communities have asked for this.*

Peg: In combining all the production departments in a centralized place, in making that decision the management does realize that everyone makes a difference. It would not be feasible to find people like you to staff 3 of each production department in every location. Your knowledge and experience is really important. I realize that this is not what people want to hear. As a person who works in the store and we hear from customers we hear a lot that there is not enough of the great food that people want.

Danielle, specialty: I just wanted to make a point that there needs to be discussion about a more formal input process for workers. It feels too informal to just have to go up and talk to a board member.

Daniel, consumer owner: It is a mistake to think that people just vote with their wallets and that it's just important to increase sales. Historically WSM was affordable but it is not affordable anymore. I cannot afford diapers at WSM, you are doing a disservice in a poor area of Carrboro. It feels disloyal to be looking for people with more money.

Jessica, Pastry. I appreciate your (Andy's) facilitation, our meetings in the past have not always benefited from such facilitation. I appreciate Peg saying that we are appreciated. I also wanted to say that with all the expanding that we do is a lack of systems that are in place, we currently cannot handle the special orders that come in. We don't have simple systems, because the managers are already so stressed they don't have time to create the niceties that would make it easier.

Rob, sub bread. Consumers have the right to vote with their wallets, workers are going to work with their hands. When it comes to the ends, was there dissension at the board meeting when this project was laid out? It gets to a point where it does affect the quality of their life. People are not going to walk out when they love their job. It seems contradictory to WSMs values when workers have to fight for their jobs.

*We are a consensus board. We do have a process for overriding consensus by a super-majority but we have never implemented that in the past 10 years. There have been times when a board member could not agree to consensus and their objection has never been overridden.*

Marilyn, Southern Village store manager, co-founder. I want to continue to do everything that we can to minimize the impact on individual employees. It is very disruptive on a very personal level. WSM is made up of a lot of individuals. Finding a balance in recognizing the needs of the individual while moving things forward as a business has always been a challenge. When we first opened the Carrboro store it was the size of SV and it was really small. We all see our snapshot of time at WSM as the “real” WSM. Even the existence of the bread bakery was controversial. There were a lot of people on the staff who felt like the bakery was the wrong direction to go in. Clearly the bakery has been a success. The first bakery was in the store and customers would grab bread off the peel before it could even go on the rack. There was never enough bread and bakers came in at 2 a.m. to get bread to the customers. There was controversy when the bakery moved across the alley. People wanted to know, can we still call it artisan if we use a divider or a molder. We all wanted to know how the bakers could have contact with the customers if they were across the alley so far away. What would the quality be like? If you worked in Southern Village you would see the bakery in a different way. At Southern Village bread is bagged and customers help themselves. Everyone wants our products in Southern Village and Carrboro. There are weeks when we don’t receive 25% of what we order because we just can’t produce it. I still think that serving the customers is the most important thing. I would ask to propose an innovative way to deal with different start times, such as pay differentials. There are co-ops all over the country that have 3 shifts and people working overnight. Our food helps create community.

What is the board taking away from this?

Jacob: *the first thing that strikes me that everything that people said is really heartfelt and sincere. People see the co-op and their jobs in a way that is different than how most people see their jobs.*

Tam: *we have been assured that there have been efforts to maintain our good staff. If that is not the case we want to know about that. We have been told that efforts have been made to keep employees in the co-op.*

James: *I am hearing a lot of different things. I really disagree with the statement that we are not a real co-op. What makes a co-op is that we are here today having this discussion. I hear that people are concerned about the work experience. We as a board need to know that this is happening. Feedback from all owners and consumers is something that can always get better and we want that communication to become superlative. I happen to think that WSM is one of the best co-ops in the country but there is always room for improvement. Justin is concerned that the goals will expand as we move forward. This is true as we have a bigger impact on more people we need to be conscious of how we have an impact on those people. We are working on more channels of communication to the board.*

Linda: *as a long-time board member I have experienced all the crises of various expansions, as Marilyn described. There is a particular connection and love for WSM. It is obvious that*

*you love what you do. You have concerns that what you love is going to be jeopardized and that the quality of your work experience will be jeopardized. In the midst of change there is no question that when a decision gets made you are left uncertain about the future, that it is now out of your control. What my commitment is as a board member is that however not-smooth the process is we are looking to create a different kind of environment and experience than what already exists.*

*Robert: what I am looking for as a board member is this kind of input all this time. This is such a good forum, we should do it more often, also with consumer owners.*

*Seth: Because my job is moving to Hillsborough I am trying to figure out my different roles, I think that this forum is good and that it moves forward into something, at least more communication. Even if this communication is forced because it needs to happen and it has not been happening.*

*Ruffin: I am left with the point that Jessica made about wanting a response from the board. The board does not have a structure to act really quickly, as it is a volunteer board that meets once a month.*

*Jacob: nothing will be dropped!*