

**Weaver Street Market Board of Directors**

**Minutes of November 2008 board meeting**

**Held at the Food House, Hillsborough 6:15 p.m. Wednesday November 20, 2008**

Directors present: Jacob Myers (chair), James Morgan (secretary), Lori Washington (treasurer), Ruffin Slater (general manager), Linda Stier, Robert Short, David Rizzo.

Others attending: Andy Sachs (facilitator), Kate DeMayo (notes), David Bright (director-elect) Eliza DuBose, Mickey Jo Sorrell, Dan Duffy, Emily Buehler, Ann Bohner, Elliot Barron, Billy Madden (visiting owners)

**1. Preliminaries**

**a. Open session for owner input**

Eliza asked if the Board was going to set up a committee to look at long-term debt as requested at the annual meeting. Chair responded that consideration of the issue would be scheduled on the December agenda. Ann and Elliot spoke as residents of Southern Village concerned about the developer's proposal for a large building next to WSM there. They asked WSM to take a lead in opposing the proposal. Ruffin agreed that the potential effect on WSM and the community was a concern and indicated that he would be leading a variety of responses to it.

**b. Agenda**

The agenda was accepted.

**c. Minutes**

Minutes of the October meeting were approved.

**2. General Manager items**

**a. Communication and counsel to the Board**

The GM reported on the development proposal at Southern Village. He noted Whole Foods expansion in Chapel Hill and that WSM had been required to provide documents in connection with Whole Foods dispute with the FTC.

He reported that the Corner Building in Carrboro is now empty except for WCOM and our occasional use for meetings. A productive use needs to be found for the building.

Ricardo Salvador of the Kellogg Foundation visited recently to tour our Hillsborough store and the Food House and meet with our partners in the local meat initiative.

**b. Consent Agenda.**

The GM requested that the Board authorize additional signatories on an account used for COD payments on beer and wine deliveries as required by state law. The Board instructed the Secretary to sign the resolution on its behalf.

### **3. GM Monitoring Reports**

The General Manager presented the following regularly scheduled monitoring reports to the Board:

#### **2-6 Financial Condition**

In this quarterly report the General Manager reported that the projected return to profitability following completion of our new projects in Hillsborough had been considerably delayed by the general economic recession as well as by the opening of new competing stores in our market area. These factors had compelled him to revise his projections which now forecast continued losses through the third quarter of the present financial year. He still anticipated a return to profitability in Q4 but this was not expected to be sufficient to show a profit for the year as a whole. He indicated several strategies which were being implemented to mitigate this condition including taking steps to reduce labor costs and improve gross margins through efficiency gains. He was also working with staff to develop ways to increase sales and improve profitability and exploring several avenues to improve our cash flow situation. Other aspects of our financial condition are not a matter of immediate concern but the loss of profitability for the year places the report out of compliance with the requirements of the policy. The General Manager indicated an intent to report on this policy on a monthly basis until the situation improves.

Discussion: directors considered the lack of certainty in any financial projections in these uncertain economic times and they welcomed the GM's offer to report with greater frequency. They noted that store discounts to owners accounted to more than half of the total projected loss for the year and there was further discussion of considering alternatives to the present system which would still provide incentive and reward for ownership but which would also allow owners to be more fully involved with the financial performance of the coop.

Decision: the Board accepted the report with acknowledgement of contravention and accepted the GM's proposal for monthly reporting on this policy for the immediate future. A review of the bylaw relating to consumer-owner return would be scheduled for inclusion in the December agenda.

### **4. Policy Review and Development**

None scheduled this month

### **5. Board Development**

#### **a. Election Committee update and comments**

The Board had received the minutest from the committee's last meeting which included its general report on the election. Eliza, Mickey Jo and Emily were invited to add their oral comments as members of the committee. They reported that the work had been more

time-consuming and extensive than they had anticipated but they also found it fulfilling and rewarding. There was still one piece of work to complete, the draft elections manual. They did not expect the work would be so demanding for next year's election committee as much of the groundwork had been done for an effective ongoing system. The committee had not been able to address the issue of increasing voter turnout and one member suggested this would be an appropriate task for a different body.

The Board expressed its deep appreciation for the work of the committee which had resulted in an extremely well-run and fair election process. The committee offered its thanks to the two directors who had provided process support, to Ruffin for his excellent staff support and to Fernando for the Spanish translations of the election materials.

**b. Annual Meeting debrief**

Directors had received table notes from the small groups as well as general feedback from the flip chart. While owner turnout was not large participants seem to have enjoyed the opportunity for close participation and had provided excellent input for the Board's ongoing work. There were suggestions that such gatherings could be held to good effect more often than once a year.

**c. Cooperative Board Leadership Development**

This had come back with a proposal for a reduced fee of approximately \$1,000 plus travel and accommodation expenses for Mark Goerhing's visits. The Board agreed to participate in the program.

**d. Board Support**

A proposal was presented to regularize the job description of the Board's administrative assistant in order to provide a substantive base for improvements in Board efficiency and to enable continuity and excellence in Board performance. The Chair offered to circulate the job description that had been used in previous years to compare with the present proposal and to include the topic with the list of items to discuss in the CBLD program starting in January.

**6. Closings**

**a. Review Tasks & Decisions**

The Board reviewed and confirmed its tasks & decisions

**b. Inputs into owner newsletter & other owner linkage**

Agenda items for December would include an updated Financial Condition report from the GM, consideration of the debt review committee proposal from the Annual Meeting, and consideration of Policy 2-11 and the final sentence of Section 8 of the bylaws referring to consumer-owner return.

**c. Special requests for staff support**

The Board asked the General Manager to initiate a discussion with owners concerning the Southern Village development proposal.

**d. Meeting evaluation**

Meeting in different locations each month was of questionable benefit. Changing locations was intrinsically disruptive, and most visitors as well as directors had travelled to Hillsborough from Carrboro and Chapel Hill for this meeting. Some visitors had reported difficulty in finding the meeting place.

**d. Adjourn**

The meeting was adjourned and the Board went into Executive Session to conduct their annual performance evaluation of the General Manager and set his compensation for the 2009 calendar year.