

Meeting Minutes for Weaver Street Market's Board of Directors

March 2014 Meeting

Monthly Board Meeting, Carrboro Century Center, Carrboro, NC March 12, 2014, 6:15 pm to 9:30 pm.

Directors present: Ruffin Slater (general manager), Curt Brinkmeyer (chair), David Bright (secretary), Lisa Best (treasurer), Michael Marotta, Jon McDonald, and Linda Stier.

Others attending: Andy Sachs (facilitator), Brenda Camp (notes), and Amy Lorang (worker owner).

1. Preliminaries

Owner Input: Amy Lorang observed that it would be good to revisit the recycling initiative of the 2020 Goals.

Agenda: Two additions were added to the agenda: a bank resolution and a retreat date for January 2015.

Minutes: Minutes from the February meeting were approved.

New Owners: There were no exceptions to the owner lists for January 2014: 73 new consumer owner shares, 4 new worker owner shares, and 14 refunded shares.

A future agenda item was identified: What percentage of disconnect are we concerned about as expressed in share refunds?

Decision: The Board approved the February meeting minutes.

Decision: The Board made no exceptions to new consumer and worker owners.

2. Board Elections

Report from Elections Committee Meeting

Linda Stier, chair of the Elections Committee, reported on the EC meeting on February 26. She described her intent for the meeting as educating the committee on the roles and authority of the Board, particularly the specific delegations of the Board to the EC. She described a draft document she created on the relationships between the Board and the EC. The document, based on the charter presented at the February meeting, identified the Board's tasks and those that were specifically being delegated to the EC. The Elections Committee suggested placing the charter at the beginning of the Elections Manual.

Stier identified the tasks the Board needs to assume:

- Determine benchmarks for gauging the success of an election.
- Determine who will manage the candidates through the elections process, including application, attendance at Board meetings, orientation, and so on.
- Review the qualifications listed in the Call for Candidates packet.
- Review the questions asked in the application packet, looking specifically at how the questions relate to the qualifications and whether the same questions are effective for both consumer and worker owners.
- Create a leadership list.

March 12, 2014**Appointments to the Elections Committee**

The Elections Committee submitted three names for appointment to the EC: Hank Becker, consumer owner; Lynn Nash, worker owner; and Neil Shock, worker owner. The EC requested the appointment of all three owners to the committee. The EC Chair noted that "Board Policy 4-19: Election of New Board Members allows for 7 members." She reported that the EC had agreed to meet monthly. She also reported that one of the EC members might be taking leave during the middle of the elections process.

In the ensuing discussion, the Directors agreed that serving on the EC was an effective introduction to Board work and a good place for potential Board candidates to start their participation. The Directors confirmed that it was the Board's responsibility to continuously identify and encourage qualified candidates for the elections.

The Board made an exception for Elections 2014 and appointed all three proposed owners to the Elections Committee. The EC is now composed of four worker owners, four consumer owners, and the chair, who is a consumer owner.

Decision: The Board appointed three additional members to the Elections Committee: Hank Becker, Lynn Nash, and Neil Shock.

Tasks: The Board will review the Call for Candidates Packet via email before the EC meeting on 3/19.

Board Candidate Ideas

Directors identified potential 2014 Board candidates whom they would like to invite to the April meeting.

- Matt Conklin, worker owner (Linda)
- Deb Gallagher, consumer owner (David)
- Ian Florian, consumer owner (Lisa)
- Tandy Jones, consumer owner (Ruffin)
- Erin Kimrey, consumer owner (Linda)
- Zack Robertshaw, worker owner (Curt)
- Buffy Weber, consumer owner (David)
- Lanis Wilson, consumer owner (Curt)

Directors also noted names for consideration for future elections:

- Amy Lorang, worker owner
- Neil Shock, worker owner
- Michael Silverberg, consumer owner

The Directors putting the names forth will contact the individuals and invite them to attend the April meeting. The meeting agenda was modified so that the meeting will start at 6, with a light meal, a pre-meeting session that presents an overview of Board work and authority with Board members sharing their experiences, and a Q&A following the official meeting.

Task: Board Directors will contact the potential candidates they identified to invite them to the April meeting, at which there will be a pre-meeting education session.

March 12, 2014

3. Board Process Policy Revisions

The Board continued the work undertaken to revise the Board Process policies. The group reviewed new drafts for C1, C2, and C4; reviewed responses from the co-op consultant on C6 and C7; and identified the next steps to be taken in the process.

Review of Drafts for C1, C2, and C4

The Directors reviewed drafts submitted for C1: Governing Style; C2: The Board's Job; and C4: Board Meetings.

C1: Governing Style; C2: The Board's Job; and C4: Board Meetings.

Lisa Best and Michael Marotta were assigned this policy. Lisa recommended leaving the current policy as written rather than adapt the CBLD template. She observed that the first paragraph of CBLD template hinges on the concept of the "Four Pillars," which the Board as a group does not fully understand. She noted that section 2a of the template refers to the 10 Policy Governance Principles, which are not listed. She concluded, "Our existing document does a better job of explaining our style, and the name itself reflects that it is our style. It would seem ironically backwards to change our 'style' to fit a CBLD template when ours is so nicely worded as is."

The Board reviewed the existing Governing Style policy. The Directors agreed with Lisa that the existing policy is preferable to the template. The Chair recommended reviewing the existing Governing Style Policy for revisions to align it with current practices. This review will occur in the next pass review of the draft policies.

C2: The Board's Job

Linda Stier and Dave Bright were assigned this policy. Linda and Dave identified the need to define the intent of the policy. They posed two possible intents for consideration: 1) Is it to clearly specify the unique governance contributions whose authority cannot be delegated? OR 2) Is it a list of job responsibilities?

Linda provided the following observations for the discussion about intention:

Board policies overall lay out the governing framework that further defines the Board's authority as authorized through the By-Laws. One aspect of this is to define the Board's unique governance contribution distinct from what authority the Board can delegate. Included is any authority the Board chooses to retain from what can be delegated. Thus, the originating intent of having a Board Job Products policy is to specify those outputs unique to governance plus any additional items that place organizational aspects off-limits to the GM. This is different than a list of responsibilities.

Authority that is unique to governance, that is, authority that can never be delegated:

1. Ownership Connection: The connection between owners and the operational organization. (This specifically relates to the Board being the articulator of owner intent and accounting for intent being fulfilled. This is not to say operational ways of getting input or educating owners, etc. cannot be done by others in support of the Board accomplishing this.)
2. Written board policies that encompass the whole of risk, prudence, ethics, delegation of authority and monitoring of organizational performance, and monitoring of the board's own performance.
3. Assurance of successful performance as defined by Board policies.

March 12, 2014

David and Linda provided a draft of Board Job Products that addresses the intent discussed above. The draft identifies four areas of responsibility. They asked the group if there is anything missing that should be there. Ruffin liked it better than the template but added some additional information in a second draft. The new information included some rewording to reflect the existing policy, and a new item was added that addressed the responsibilities acknowledged at the previous meeting. The Directors agreed that the draft with the additions was preferable to the template. The draft will be included in the next review of the set.

C4: Board Meetings

Curt Brinkmeyer and Jon McDonald were assigned this policy. They reviewed the previous policy and added elements to the template that they felt were important. They discussed the following changes:

They added the following paragraph to item 1:

Documents required by the Board will be circulated only to directors and other individuals as may be approved by the Board and shall remain confidential unless released for general circulation by specific affirmative decision of the board as a whole.

They added the following two items to item 2 on Executive Sessions:

- b. Any Board member may request an executive session by contacting the Chair for its inclusion on the agenda
- c. Executive sessions may include no one else or anyone else the Board chooses.

They reworded the sentence about decisions to read:

We will then finalize and document decisions through the use of the decision-making process.

They added item 4 about visitors at the meetings:

The membership and visitors will only observe unless requested by the board to contribute to the discussion or during a set time on the agenda.

The ensuing discussion included whether Board meetings were open only to owners, the specificity required for about executive sessions, and the ordering of the numbered elements in the policy. The group agreed to move the proposed draft forward. Jon and Curt will reorganize the numbered elements so that 4 becomes 2a..

Task: Curt and Jon will rework C4 to address tonight's discussion.

Review of Responses on C6 and C7

The Directors reviewed the responses from Mark Goehring about the CBLD templates of C6: Officers' Roles and C7 – Board Committee Principles.

C6 – Officers' Roles

The Board asked the following questions about C6 3a. "The President is authorized to use reasonable interpretation of the provisions in the Board Process and Board-Management Relationship Policies."

- Why is this provision needed?
- What are some examples of issues where this authority is needed?

Mark responded:

March 12, 2014

This policy simply builds on the value of having a sole point of delegation. On behalf of the group, the president ensures the integrity of the board's process. That requires decision making on an ongoing basis, and that decision making is based on the president's interpretation of group expectations codified in policy.

This is just a fancy way to say that the board authorizes the president to make decisions -- as long as he/she is being reasonable. If the board hasn't specified something in policy, then it's up to the president to decide what to do. This sort of delegation of authority makes it possible for things to happen without the board having to meet and decide on every detail.

The Directors agreed with the identified intent but found the wording inconsistent with that intent.

Task: Ruffin will rework C6 to make the wording consistent with the intent identified.

C7 – Board Committee Principles

The Board also asked Mark the following questions about C7: "Where do committee charters go? Are they a part of the policy?" He responded that charters are separate from policy so that a committee charter can be changed without having to amend the policy. In WSM's case, since there is just one standing committee, he thought it made sense to turn the Elections Committee Charter into a policy, and reserve committee charters for ad-hoc committees that we might have in the future. Mark also offered some thoughts on when and how a Board can most efficiently review and revise policy.

The Directors agreed that the Elections Committee charter will remain a policy, and that charters will be used for ad-hoc committees.

Steps for April Meeting

The Directors discussed some broader concerns about the policy revisions. A Director stated that what would be most helpful in the process would be the identification of "what wasn't working with the policies in place." The Director asked, "Even though 100 co-ops have come up with a new way, what does that have to do with us?"

Another Director expressed alignment with the need for simplification and clarity, but also suggested that there are places where specificity is needed. The Chair offered that reviewing the policies was a good exercise that helps ensure that the policies are aligned with the 2020 goals.

Another Director advocated an improved process for keeping policies updated and suggested that the previous survey process used for policy monitoring was not good enough. The Director suggested an ongoing process rather than this review since no issues had come up with the existing policies.

The Board discussed the next steps in the revision process.

Task: Ruffin and Jon/Curt will send their assigned revisions within a week. Prior to the April meeting, Directors will have a complete set of revised drafts to compare with existing policies.

4. Board Business

Board Emails

The Chair reported that there were no Board emails this period. He acknowledged that some of the Board Directors had been included on emails from worker owner Geoff Gilson. The GM reported that he had met with Geoff and that Geoff was happy with the discussion and no further action needed to be taken.

Task: The GM will forward the emails from Geoff Gilson to the Directors who were not copied on the messages.

March 12, 2014

Trip Plans for the Co-op Café in Asheville

The group of five Directors attending the event intend to carpool to Asheville Friday at 3 pm and will attend the session on Saturday.

5. General Manager Reports

General Manager's Report

The General Manager answered questions on his monthly *General Manager's Report*. The report included a number of highlights for the past month:

- Sales growth is holding steady at 5%.
- Winter Weather: It is our intent to always be open even in inclement weather. At the same time, we ask employees to come to work only if they feel safe and to leave early if needed to get home safely. Typically the number of staff who can work balances the number of customers who shop. We make decisions about closing in real time based on actual conditions. We feel that we are an important community service and find that our owners and customers appreciate our efforts to be open.
- One of our ongoing goals is to provide owners and customers with better value and to make our food more accessible. In the last few weeks we have experimented with deeply discounted weekend deals on a couple of products. These are products where we can make a large purchase and take advantage of seasonal markets. For example, last weekend we sourced two pallets of asparagus which allowed us to sell it for \$0.99/pound compared to the regular price of \$3.99. The result was that over 1,000 people were able to purchase asparagus compared to the typical 100.

We imported a container of organic estate-grown olive oil from Greece. This is our first time to buy in such a large quantity. We are warehousing the product at a logistic provider and pulling it in by pallet as we need it. This allows us to sell it for under \$10 and to promote it at an even lower price.

- We are planning to remodel the Carrboro deli and café in April. The engineering for the kitchen area has taken longer than expected, which pushed back our timeline.

The Chair asked about the missing Food House numbers. The General Manager reported that it was 13%. He noted that in general sales at grocery co-ops are slowing down, with 5% the average. He reported that Carrboro sales in areas remodeled are doing well, but sales in the bakery and kitchen are pretty flat.

2-12 : Treatment of Vendors

The General Manager presented his report on the treatment of vendors.

Decision: The Board accepted 2-12 : Treatment of Vendors.

6. Closings

The GM requested approval of a bank resolution establishing a \$100,000 credit limit on WSM credit cards.

Decision: The Board approved a bank resolution for \$100,000 credit limit on WSM credit cards

March 12, 2014

The Directors confirmed the next two retreat dates: Tuesday, July 1 and Tuesday January 6. Both retreats will be held at the Food House in Hillsborough.

Tasks and Decisions: The Board reviewed and confirmed its tasks and decisions.

April Agenda Items:

- Pre-meeting session
- Policy revisions

Meeting Evaluation:

The Directors provided the following feedback on the meeting:

- aWe're excited about the EC and the elections.

The Directors identified a question that still needs to be addressed:

- What is Mark's rationale for all the revisions made to the policies?

The Directors crafted a headline about the meeting to share with owners:

"Come to the pre-meeting to learn about how the Board works?"

7. Executive Session: GM Evaluation and Appointed Member