

Meeting Minutes for Weaver Street Market's Board of Directors

August 10, 2022 Meeting

Board Business Meeting, August 10, 2022, Online Meeting, 6:00 to 9:00 pm

Directors present: Ruffin Slater (general manager), Nazmin Alani (consumer owner), Deborah Gibbs (consumer owner), Allanah Hines (worker owner), EmJ Jakubowics (worker owner), Linda Stier (consumer owner), and Anna Cates Williams (consumer owner).

Mark Goehring (consultant), Brenda Camp (notes), Portia Hackett (worker owner), Amy Lorang (worker owner), Cole McMullin (consumer owner), and Amy Wares (consumer owner).

1. Preliminaries

Introductions: Attendees introduced themselves.

Owner Input: Amy Lorang expressed her excitement about worker owners receiving a dividend this year. Cole McMullin shared that he was happy to be attending the meeting as a new owner.

Review of the Agenda: The review of the annual report and the dividend decision were moved to follow the monitoring reports.

Minutes: Minutes from May 11, 2022 Board Business Meeting were approved with one copyedit.

Decision: Minutes from May 11, 2022 Board Business Meeting were approved with one copyedit.

2. General Manager Reports

a. Policy B1- Financial Condition Monitoring Report

Ruffin Slater answered questions about his Policy B1 – Financial Condition and Activities Monitoring Report. He reported compliance with all provisions of the policy. Slater clarified that in Provision 1, Benchmark 1, he used Weaver Street Market's actual price inflation of 2.6%, which he noted is more accurate than the national food inflation number. He also observed that the Rolling 4-Quarter Net Income was just in compliance and that it did not include a government subsidy; the previous three quarters had included subsidies.

Anna Williams noted that terms *will*, *shall*, *must*, and *may* have specific meaning and encouraged the Board to think about how they use the terms interchangeably.

Nazmin Alani observed that the balance sheet does not balance. Slater clarified that it balances in the accounting system, but he rounded up the numbers for his report, which makes it off by \$2. Slater noted that he would use one more digit in subsequent reports.

Decisions: The Board accepted Policy B1 – Financial Condition and Activities Monitoring Report. The report provides evidence that the General Manager has operated within the constraints of this Executive Limitation.

Note for policy review: Review in the policies the use of *will*, *shall*, *must*, and *may*.

b. Policy B2 – Planning and Budgeting Monitoring Report

August 2022

Ruffin Slater answered questions on his Policy B2- Planning and Budgeting Monitoring Report. He reported compliance with all provisions of the policy. Allanah Hines pointed out mislabeling in two of the charts, which Slater noted for editing. Slater clarified that the strategy listed in the report is not a draft, but the initiatives for achieving the strategy are listed as drafts because the processes for the initiatives will unfold throughout the year.

Decision: The Board accepted Policy B2- Planning and Budgeting Monitoring Report with the copyedits to charts as noted. The report provides evidence that the General Manager has operated within the constraints of this Executive Limitation.

c. Policy B3 – Asset Protection Monitoring Report

Ruffin Slater answered questions about Policy B3 – Asset Protection Monitoring Report. The following information was identified as missing and in need of being added:

- In Provision 2, add *discrimination* and *code of conduct* as liabilities, and add policies that address these in the employee handbook.
- In Provision 8, add a definition for *valid negative publicity*.
- In the interpretation, address risks associated with *cybersecurity*.

Decision: The Board did not accept Policy B3 – Asset Protection Monitoring Report with a request for additional information. The report will be resubmitted at the next Board Business Meeting on November 9, 2022.

Additional information requested for the monitoring report: The operational definition for Provision 2 needs to include *code of conduct* and *discrimination*, and the employee handbook needs to include written policies that address these. Provision 8 needs a definition of *valid negative publicity*. The policy interpretation needs to address risks associated with *cybersecurity*.

d. Preview Annual Report

The General Manager reviewed the outline for the 2022 Annual Report. The draft report and draft survey will be emailed to Board Directors on Monday for review. Comments are requested within a week.

e. Patronage Dividend Review

The General Manager provided the following clarifications about his Patronage Dividend Decision Memo, which outlined dividend options for worker owners and options for consumer owners.

- The options in the memo are the same that were discussed at the August retreat.
- Options for one group of owners are not dependent on the choice for the other group of owners.
- The dividend portion of the profit that is declared is not taxable to the co-op; the other portion of the profit is taxable.
- The worker owner rate is based on total hours worker owners worked over total hours all employees worked. The consumer rate is based on consumer-owner purchases over total shopper purchases.

August 2022

- The 5% interest suggested for worker-owner savings accounts is the same as interest paid on owner loans.
- A portion of the dividends is retained to build equity, which can be used to leverage loans.
- IRS regulations require that at least 20% of the dividend to be distributed.
- Raising the minimum consumer payout to \$15 would avoid making small consumer payouts, which in the past have been annoying to recipients. Due to the small profit, it means that no consumer owners would receive a payout this year.

Decision: The Board approved a patronage dividend for FY2022:

100% of the worker-owner portion is being declared. 20% of the worker-owner portion will be distributed, 80% will be retained in worker-owner savings accounts; 5% interest will be paid on worker-owner savings accounts; and the vesting period is being removed. Nazmin abstained.

100% of the consumer-owner portion is being declared. 20% of the worker owner portion will be paid out with a minimum for payout being \$15. 80% will be retained.

3. Board Process

a. Board Elections

Linda Stier, as Board liaison to the Elections Committee, conveyed the Elections Committee's request that consumer owner Denise De La Montaigne be appointed to the committee.

Decision: The Board appointed consumer owner Denise De La Montaigne to the 2022 Elections Committee.

b. Board Calendar Review

Allanah Hines, Board Chair reviewed plans for the Co-op Fair, which will be held Sunday, September 11, from 2 to 5 pm on the Carrboro lawn.

4. Closings

Decisions and Tasks

Review Board Calendar

Meeting Evaluation