

# Meeting Minutes for Weaver Street Market's Board of Directors

*February 2013 Meeting*

*Monthly Board Meeting, Carrboro Century Center, Carrboro, NC on February 13, 2013, 6:15 pm to 9:30 pm*

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

**Others attending:** Andy Sachs (facilitator), Brenda Camp (notes), Julie Boykin (worker owner), Geoff Gilson (worker owner), Kristina Janson (worker owner), Adrienne Jimenez (worker owner), Victor Jimenez (consumer owner), Amy Lorang (worker owner), Meg McGurk (guest speaker, Executive Director, Chapel Hill Downtown Partnership), Rob Nichols (worker owner), and Allie San Filippo (worker owner), and Robert Short (consumer owner).

## Pre-Meeting Session on 2020 Goal 3: Invigorate downtowns

A pre-meeting session was held from 6:15 to 7:30 pm with guest speaker Meg McGurk. Notes from the conversation are recorded separately since the discussion was not an official Board meeting.

### 1. Preliminaries

**Owner Input:** There was no owner input.

**Agenda:** The board budget was removed from the agenda and setting a date for the January retreat was added.

**Minutes:** Minutes from the December meeting were approved.

**New Owners:** There were no exceptions to the owner lists for December 2012 and January 2013: 201 new consumer owner shares, 10 new worker owner shares, and 36 refunded shares.

**Decision:** The Board approved the December minutes.

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

### 2. Elections Committee Report Follow-up

In its report to the Board in November, the Elections Committee presented a list of “advice for next year’s EC on procedures.” (See table below.) The Board agreed that first five points of advice were within the responsibility of the Elections Committee as laid out in Board Policy 2-9, 2c and don’t require any board action. (See Policy 2-19, 2 below.) The sixth point suggests adding two additional members to the Elections Committee. Board decided to modify 2b to read as follows.

“The committee is composed of 5-7 members...”

This provides the flexibility to add two additional members, but does not require it. The seventh point suggests making the Elections Committee a year-round committee. The Board agreed that the definition of the Elections committee in 2a of the Policy as a “standing committee” suggests the committee is already a year-round case in the policy and that it is authorized to do so in practice.

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**Advice from 2012 Elections Committee for the 2013 Elections**

1. More English ballots! We only need a few Spanish ones.
2. Some of the application questions (specifically past experience with Board-like activities) don't apply as much to worker-owners as they do to consumer-owners. Maybe separate questions for the two types of candidates?
3. Change the counting procedures to include ordering the ballots by number as a necessary step. This allows the committee to weed out multiple votes from the same owner number.
4. Send the cash register prompts later, maybe a week before the election ends. Get the GM and managers on board with spending some resources on this.
5. Look into utilizing the registers system or the internet for online or check-out voting.
6. Increase the size of the EC to at least six or seven members.
7. The EC may be more effective at advertising for election candidates as a year-round committee.

**Board Policy 4-19, Section 2. Elections Committee:**

*2. Elections Committee*

*a. The Elections Committee is a standing committee that is responsible for implementing election procedures that are fair, consistent and accountable.*

*b. The committee is composed of 5 members appointed by the board in a manner to ensure independence of special interests and transparency to owners and is made up of:*

*i. Board member*

*ii. At least one Worker Owner*

*iii. At least one Consumer Owner*

*c. The Elections Committee is responsible for maintaining an election Procedures Manual that is relevant, up to date, in compliance with the Bylaws and Board Policies and approved by the Board.*

**Appointment Timeline for Elections Committee**

The Board set a timeline recruiting new EC members and beginning the new Elections calendar:

**October:** Board chair asks elections committee members if they are willing to serve an additional year. This will identify the number of vacancies.

**November-December:** Advertise for new members.

**January:** Appoint new members at the same time as Board officers.

Since these actions did not occur at the end of 2012, the Board will appoint EC members at the March meeting.

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The Board Chair noted that the EC had also talked to him about the lack of co-operation among staff in supporting actions the EC wanted. The 2013 EC was charged with working out any structural changes in the 2013 Elections Procedural Manual. Another Director asked the EC to consider developing a separate, more streamlined procedure for years in which candidates were running uncontested.

**Decision:** The Board approved the change to Board Policy 4-19 item 2b so that it reads, "The committee is composed of 5-7 members."

**Decision:** The Board approved the appointment timeline for the Election Committee.

**Task:** The Board will ask the 2013 EC to look at the elections procedures to see if there is an efficient alternative **procedures for counting ballots for an uncontested election.**

**Task:** The Board Directors will solicit owners to serve on the Elections Committee. Brenda will place an announcement in *The Beet and the Market Messenger*.

### 3. General Manager Reports

#### General Managers Report

The General Manager answered questions on his monthly General Report. *General Report* included figures on Panzanella and the Food House. The report included the following highlights:

- Taken together, December and January sales exceeded budget by 2%. January sales growth was higher and December sales growth was lower because of the way the holidays fell compared to last year.
- Sales in the stores in the last three months have slowed a little and are now tracking close to budget. January Panzanella sales were down compared to last year because last year we did a big "Groupon"-type promotion in January.
- International Cooperative Alliance's General Assembly adopted its final form for The Blueprint for a Cooperative Decade. It contains an ambitious plan for the co-operative form of business by 2020 to become:

The acknowledged leader in economic, social and environmental sustainability  
The model preferred by people  
The fastest growing form of enterprise

See the entire document at:

<http://ica.coop/en/media/library/member-publication/blueprint-co-operative-decade/february-2013>

A Director asked if there were specific plans for increasing the profitability of Panzanella. The GM stated that there were no specific plans at this time.

#### Monitoring Report 2-6: Financial Condition

The GM presented his Financial Condition report A Director asked about the difference between the budget and actual depreciation expense. The GM observed that they had over-estimated the depreciation. The Director asked if the mistake impacted taxes? The GM observed that we don't budget

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for taxes. Another Director observed that it was difficult to move from the Net Profit chart early in the report to the actual vs budget chart later in the report. The GM agreed to reformat the figures to make the comparison easier to see. A Director asked if the accounts receivable figure was still mostly the co-ops who were behind in payments. The GM acknowledged that most of the amount belonged to Chatham Marketplace and Company Shops. Another Director suggested that there be a maximum that the accounts could not exceed and suggested that a timeline of past due accounts be included in the report.

In response to a question about expenses being over budget, the GM pointed out that operating expenses are sensitive to sales, that they include sales associated fees like credit card costs. Consequently, if sales are more than budgeted, then some of the expenses are more. When asked what falls under "Innovation," the GM responded that it was for new stuff, like the initiative to switch to bag free.

**Decision: The Board accepted Monitoring Report 2-6: Financial Condition.**

#### 4. Board Process

##### Board Priorities

At the January 2012 Retreat, the Board established three priorities (listed below). A Director who had not attended the retreat asked about the "Ends-based speakers bureau." The GM clarified that this meant the Directors would be available to talk to organizations about the co-op's plans and goals. The Board agreed with the priorities listed:

1. **Telling the Story:** Understand our approach to accomplishing WSM goals and communicate our progress. This includes:
  - a. Develop the story as a group
  - b. Answer frequently asked questions
  - c. Develop an Ends-based speakers bureau
  - d. Ongoing clarification of values expressed in the Ends
2. **Tracking Management Accountability:** Understanding management's plan and monitoring compliance with board policies. This includes:
  - a. Managing accountability information
  - b. Managing FYI information
  - c. Being prepared for knowable decisions
  - d. Being knowledgeable about financial model in order to ensure viability during expansion
  - e. Having a common language regarding projects

##### 3. Driving Participation

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The General Manager proposed three ways to work on these priorities:

1. **Track important documents for telling the story.** Brenda has added documents on the Yahoo Group in a folder called “Important documents for telling the story”:
  - a. Annual report with 2020 Goals
  - b. Owner feedback from the annual meeting, Facebook, and goal boards
  - c. Articles in *The Beet* about pre-meeting sessions and Jan retreat
  - d. GM presentation at the January retreat
2. **Actively plan the three priorities.** There is another new Yahoo group folder called “Priority Plans” which so far contains:
  - a. Annual Board calendar with publication calendar
  - b. Placeholder for potential owner FAQ’s
  - c. GM FYI reports about the Carrboro remodel this summer
3. **Evaluate how our work moves us forward** by asking these questions each month:
  - a. How has tonight's meeting moved us forward on one or more of our priorities?
  - b. What questions still need to be addressed for the board to be knowledgeable and comfortable with this topic?
  - c. Write a few sentences about an aspect of tonight's meeting that could be used in a message to members.

The Directors agreed to answer the questions in #3 above at the end of each meeting.

### **Board Budget**

The Board Chair asked that the budget be moved again. The Treasurer observed that she had yet to see a Board budget in her year tenure on the Board. She expressed the need to have a working budget in place.

**Task: Curt, Ruffin, and Lisa will prepare a board budget for the March meeting.**

### **Summary of Last Year’s Board Monitoring Surveys**

From the 2012 surveys, the Board Chair identified three policies for which Directors indicated the need for improvement: 4-5: Linkage with owners, 4-15: Appointment of New Board Members, and 4-16: Cost of Governance. He suggested that the Board had improved its linkage with owners since the survey was taken and suggested that there were no needed improvements at this time. He observed that additional work needed to be done with building a candidate pool for elections and suggested that the Board needs to schedule this on the agenda of a future meeting. The Chair acknowledged that the Board does not have a budget and needs to have one in place.

The Board agreed to continue to use the monitoring surveys as an efficient way to monitor the processes and identify issues that need to be addressed.

**Task: Curt scheduled a review of Board Monitoring 4-15: Appointment of New Members.**

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### Report on Board Emails

The Board received no emails during December and January.

### 5. Closings

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

#### March Agenda Items:

- Appointments to the Elections Committee
- Review the Board Monitoring 4-15: Appointment of New Members
- Board Budget

#### Meeting Evaluation:

The Directors answered a set of questions identified earlier in the meeting:

a. **How has tonight's meeting moved us forward on one or more of our priorities?**

#### Telling the Story:

- ✓ The worker owners voiced concerns in the pre-meeting session that the Board needs to consider. What would the plan be if we doubled the FH or what would the process be as you add more production while maintaining a good work environment.
- ✓ The evening's discussion added another facet to conversation—We need to have the processes at the FH attuned so that the employees are at a place where they're ready to embrace the change.
- ✓ We're special in that we're a co-op, not that we're a grocery store. That's where the Board can tell the story.
- ✓ It's more of a challenge to talk about this goal; it's not as intuitive. This is a sign that we need polish the story.
- ✓ It's interesting to see the different angles at which individuals view this goal.
- ✓ The guest speaker opened my eyes to what makes options viable. I had not considered Franklin Street as a possibility.

#### Tracking Management Accountability:

- ✓ The three questions that came up in the discussion of the monitoring report present an opportunity to achieve more clarity.
- ✓ The broader question of future budgets was identified as important.

#### Driving Participation:

- ✓ Having interesting topics and speakers drives participation; it gets owners here to talk to other owners. More and more owners will want to join conversation.

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- ✓ It's a challenge to engage 20,000 owners who will not come to the meetings but are interested in the goals.
  - ✓ With the new generation the need driving participation is community. This requires a broader concept of what participation is.
- b. What questions still need to be addressed for the board to be knowledgeable and comfortable with this topic (agenda topics)?**
- ✓ What do downtowns want WSM?
  - ✓ What type of communities should we be looking at?
  - ✓ What would it take operationally to open a new store?
  - ✓ What types of criteria should we use in the selection criteria? Do the proposed ones need to be fleshed out?
  - ✓ What is the selection process?
  - ✓ How will new stores be financed?
- c. Write a few sentences about an aspect of tonight's meeting that could be used in a message to members.**
- ✓ Being a vital part of downtowns is our marketing niche that helps us eliminate competition; we don't need to compete.
  - ✓ Do whatever it takes to convince the world that the cooperative model is a viable economic model.
  - ✓ The topic of invigorating downtowns will require a lot of conversations with owners if we are to understand their concerns.
  - ✓ There are remarkable parallels between WSM's mission and that of the Chapel Hill Downtown Partnership.

## 6. Executive Session: GM Evaluation