

Meeting Minutes for Weaver Street Market's Board of Directors

July 2013 Meeting

Monthly Board Meeting, Panzanella meeting room, Carrboro, NC on July 10, 2013, 6:15 pm to 8:30 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).

1. Preliminaries

Owner Input: There was no owner input.

Agenda: The agenda was approved with the addition of recording the approval of Monitoring Report 2-5: Planning and Budgeting.

Minutes: Minutes from the May meeting were approved.

New Owners: There were no exceptions to the owner lists for April and May 2013: 181 new consumer owner shares, 7 new worker owner shares, and 55 refunded consumer owner shares. The Owner Services Coordinator reported that as of June 30, there are 184 worker owners, approximately 74% of the qualified employees. Since the policy changes in October 2011, the number of worker owners has more than doubled.

Monitoring Report 2-5: Planning and Budgeting

At the July 2013 retreat, the Board approved Monitoring Report 2-5: Planning and Budgeting.

Decision: The Board approved the May minutes.

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

Decision: The Board approved Monitoring Report 2-5: Planning and Budgeting.

2. Patronage Dividend

The Board discussed the patronage dividend decision. This discussion came earlier this year because the Annual Meeting is two weeks earlier. The General Manager reviewed the process used in the two previous dividend decisions and answered questions from the Board.

Information provided included the following:

- \$830,00 profit for Fiscal Year 2013. 1.32% of sales is allowable with .26% distributed.
- The dividend declared is to be split equally among owner classes—50% to consumer owners and 50% to worker owners.
- For 2013, owner patronage accounted for 60% of sales with 15,000 owners shopping during the year. Overall sales were 9% higher, and the percentage of consumer owner sales was 9% higher.
- For 2013, worker owners accounted for 63% of the labor hours. Worker owners worked 47% more hours than in 2012, and the percentage of hours was up 17.1%. The number of worker owners grew from 124 eligible for dividends in 2012 to 177 in 2013.

July 10, 2013

- The 2013 dividend is based on same assumptions as the 2012 dividends: 100% of the allowable amount claimed, distributing 20% of the dividend, and excluding dividend distributions below \$1.

Decision: The Board approved the patronage dividend decision in which 100% of the allowable dividend amount will be claimed. The dividend will be split 50%/50% among the consumer and worker owners, with 20% distributed and 80% retained.

3. Owner Communications

Owner e-News

The Owner Services Coordinator presented the topics for the July *Owner e-News*, which will be emailed on July 18:

Headline: Self-Help Credit Union Invests in Historic Resurgence [Self-Help will participate in the nonprofit day at the Hillsborough store on Sunday, July 21.]

Story 1: WSM Owners Choose to Reuse [includes feedback from three focus groups that explored the issue of reusable versus single-use shopping bags]

Story 2: Carrboro Renovations to Start Soon!

Board FAQ: What Makes WSM Unique? [Dave Bright's response]

Weekly updates on the Carrboro renovation will be sent via *The Beet* and through social media. The August e-News will announce the publication of the *WSM's 2013 Annual Report*, invite owners to the Annual Meeting, and announce the beginning of the 2013 Elections.

Annual Meeting Plan

The OSC and GM discussed plans for the September 9th Annual Meeting, which will feature renowned author Gar Alperovitz. The Annual Meeting will present an opportunity to continue organizing to achieve the 2020 goals, to meet Board candidates, and to enjoy the fellowship of WSM owners.

Annual Report Plan

The OSC and GM reviewed the content of the WSM 2013 Annual Report and deadlines for review.

4. General Manager Report

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

- For the year, sales growth was 8%, which was above the budget of 6%.
- In early August, we are planning phase 1 of the Carrboro remodel that includes the entire store except the deli and café area. For approximately 10 days in early August, we will close down the produce, grocery, and checkout areas and set up a “mini-market” in the café. During that time, customers will have access to the deli as usual and to a limited selection of products from the rest of the store in the “mini-market” in the café.
- We had some mild flooding in the Carrboro store on Sunday, June 30, and had to close the store for about an hour to remove the water. We are working with Carr Mill to improve the drainage behind the store to prevent future occurrences.

July 10, 2013

Monitoring Report 2-9: Emergency Management Succession

The Board accepted the report as is.

Decision: The Board approved Monitoring Report 2-9: Emergency Management Succession.

Monitoring Report 2-10: Treatment of Consumers

The Board accepted the report as is.

Decision: The Board approved Monitoring Report 2-10: Treatment of Consumers.

Monitoring Report 2-3: Treatment of Staff

The Board accepted the report as is.

Decision: The Board approved Monitoring Report 2-3: Treatment of Staff.

5. Board Process

Board Monitoring Survey Results for Policies 4-3: Board Member's Code of Conduct, 4-4: Board Member Responsibilities, 4-5: Linkage with Owners, and 4-6: Job Products

The Board Chair reported that the Directors were positive on all the surveys, especially 4-3: Board Member's Code of Conduct and 4-4: Board Member Responsibilities. A Director requested more clarification on specific actions related to the goals. The Director expressed the need to be more fluent in talking intelligently with owners about all four goals and the activities that are occurring in relationship to those goals, particularly the projects that have been reported upon.

The Chair recommended focusing conversations on what's been reported rather than those items still in discussion. The GM reminded the Board of the recommendation to get the FAQs in place for each goal and an archive created.

A Director also asked for clarification of the line between Director opinion and Board position. A Director pointed out that what happens in the context of discussing a decision becomes irrelevant once the decision is made. That is, once the Board has decided, that becomes the position.

Another Director noted that the distinction becomes less clear when talking about what's possible and what the Board is exploring. It was suggested that in these conversations, it's important to qualify that these are the kinds of things the Board is exploring while moving toward the goals and seeking the overall results stated in the goals.

A Director expressed the opinion that the Board is doing much better with its linkage to owners and pointed out that owner communications are more focused on answering questions, that focus groups have been initiated to gather owner feedback, and that goal meetings among work units have received positive feedback.

Report on Board Emails

The Board received emails about general co-op questions that the Chair addressed.

6. Open Board Time

The Board members had open Board time for unscheduled discussions. A Director observed that the percent of sales by consumer owners has been flat. The Director suggested that it was important to

July 10, 2013

explore how that percentage could be increased. Another Director asked how much worker owners spend at the stores and suggested that this was also important to explore.

Another Director suggested that there could be an interesting connection between co-ops and the audits undertaken for B-corps certification. The Director noted that the audits measure some of the social elements the Board is trying to assess.

7. Closings

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

August Agenda Items:

- Board Budget
- Finalize Annual Meeting Plans

Meeting Evaluation:

The Directors identified a number of ways in which the meeting moved the Board forward on one or more of its priorities:

- The Board has a better handle on telling the story to owners.
- The Board is doing much more for owner linkage and communicating more about what the Board's doing.

The Board Directors also identified messages that they would like to communicate to owners:

- "Really excited about the annual meeting!"
- "Really exciting annual report!"
- "We've successfully encouraged more workers to become owners!"
- "Market success increases dividend returns!"

Tasks: Identify FAQs for each Goal. Consider at a later point: Why do shoppers become owners or not?

8. Executive Session