

Meeting Minutes for Weaver Street Market's Board of Directors

November 2013 Meeting

Monthly Board Meeting, Panzanella meeting room, Carrboro, NC on November 13, 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 (remote), Jon McDonald, and Linda Stier.

Others attending: Andy Sachs (facilitator), Brenda Camp (notes), Amy Lorang (Elections Committee 2013 Chair), and Tim Donahoe (Elections Committee Member and 2014 Chair).

Pre-Meeting Session: Panzanella Update

General Manager Ruffin Slater provided an update on the closing of Panzanella, Weaver Street Market's restaurant, located in Carr Mill Mall, Carrboro. The restaurant is scheduled to close on Sunday, December 22, with a staff party on December 9 for restaurant employees, present and past. The GM reported on three items related to the closing:

1. **Identifying WSM jobs for Panzanella employees who wish to stay employed at the co-op after the restaurant closes.** Fifteen of 25 employees are interested in staying, and managers from the stores and Food House are discussing job possibilities. Prospects look good for 14 of the 15. There may be some transition time, with some employees doing a job for now that may not be the best match until something more suitable comes open. The other employees intend to take the severance option, which will be based on how long they have worked at WSM.
2. **Communicating with owners and media on closing Panzanella.** The GM reported that the dialogue has been primarily supportive, especially after providing the background information that led to his decision not to renew the restaurant lease. Board members were provided copies of all the communications and interchanges of information.
3. **Moving WSM activities out of the adjoining space, which is part of the expiring lease.** The Panzanella lease also includes space used for meeting rooms, offices, and storage. Starting in February, Board meetings will be held at the Carrboro Century Center. Other office space is being located for Carrboro store meetings. WSM will attempt to sell the restaurant equipment to the new tenants.

The Directors and owners attending the pre-meeting session discussed the closing. A Director asked how owners have responded to the news. The GM reported receiving 10 communications in which owners said, "We love it," "Sorry to see it go," "It was a special place for us" and so on. Many of the initial communications expressed disagreement with the decision and asked for additional information. The GM reported to the owners that the most significant factor in the decision was that the restaurant currently has 25% fewer customers than it did in 2008. This trend prevails even promotions such as owners coupons and groupons. Nothing has brought sales back. The expiring lease forced the GM to decide whether it was a sound choice to sign up for another three years of loss when subsidizing Panzanella's losses meant there were other things not being done. The GM described it as a difficult decision, nonetheless.

He noted that Panzanella employees are affected the most by the decision. There is not a good job match for wait staff, especially given the compensation they receive through tips. The GM observed that most owners have appreciated the additional information and that most agree. Some continue to disagree. The ones who disagree suggest that there should have been a different process or more done sooner. An owner at the meeting asked about using Panzanella as a brand name at the Food House, which the GM thought was a good idea.

November 13, 2013

1. Preliminaries

Owner Input: Amy identified a community need for affordable day care and asked the Board to consider providing day care services for employees and owners.

Agenda: The agenda was approved.

Minutes: Minutes from September and October meetings were approved.

New Owners: There were no exceptions to the owner lists for August and September 2013: 251 new consumer owner shares, 9 new worker owner shares, 41 refunded consumer owner shares, and 6 divested worker owner shares.

Decision: The Board approved the September and October minutes.

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

2. Elections Committee Report

Amy Lorang, Chair of the Elections Committee, presented a report on the 2013 Board Elections. Highlights from the report included:

- Lisa Best was reelected as consumer candidate on the Board with 196 votes. Teresa Jimenez received 167. Voter turnout was 20% higher than in 2012.
- Curt Brinkmeyer was reelected as worker candidate on the Board with 32 votes in an untested bid for the seat.
- There was one incident related to combining two goals into the tabling events—encouraging owners to vote while also providing them an opportunity to meet the candidates. The EC will investigate solutions prior to the 2014 elections.
- Tim Donahoe will be the EC Chair for the coming year.
- The EC posed four questions for the 2014 Elections Committee:
 - 1) Is there a better way to encourage owners to participate in the election by voting?
 - 2) Is there a better way for owners to learn about (“meet”) the candidates?
 - 3) What other ways can we encourage owners to consider running for the Board?
 - 4) What do other co-ops do regarding their Boards and elections that we might find helpful?
- The EC identified three procedural issues to address before the next election:
 - 1) Redesign the ballots to make them easier to use and reduce the number of invalid votes.
 - 2) Before validating ballots, discuss as a committee how to handle certain common issues (e.g., inconsistent use of maiden and married names).
 - 3) Make a final decision about each questionable ballot BEFORE counting them, to eliminate subconscious bias.

The 2014 EC Chair asked about education possibilities for the EC members and the candidates, specifically on how Board process works and how Directors work within it. The Board Chair suggested that CBLD 101 might be appropriate for the EC.

November 13, 2013

In the ensuing discussion, Directors agreed that more protocols were needed for the tabling events and that it would be valuable to assess the effectiveness of the tabling activities. The GM appreciated how quickly the EC handled an incident at one of the tabling events and designed new arrangements that allowed the tabling to continue successfully.

The Board liaison to the EC, Linda Stier, asked what additional support the EC needed. The 2014 EC Chair requested that election events be integrated with the Marketing events and efforts. The 2013 EC Chair suggested it would be helpful to know the scope of the EC's work—the extent of its purview. For example, he asked, "Is it within the EC's purview to solicit candidates and to communicate about the Board?"

The EC 2014 Chair reported that the EC will research what is working at other co-ops and who is best to do the pieces of the work. Staff member, Brenda Camp, is to assist in these efforts.

3. General Manager Report

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

- Sales growth has been tracking budget for the first four months of this fiscal year. As expected, sales were down in Q1 in Carrboro due to the remodel. Sales growth improved in the first month of Q2.
- We are planning to remodel the Carrboro deli and café area after Christmas.

Monitoring Report 2-6: Financial Condition

The General Manager presented his Financial Condition report. A Director asked about the large increase in debts payable. The GM related it to sales to other co-ops that are not doing as well as they need to and noted that it's a matter of how much we want to be the "bad guy" in demanding payments. Currently there are three co-ops in this role that alternate being in arrears. He reported that the Greensboro's co-op, Deep Roots Market, is the newest one, and that Chatham Marketplace is doing better. He noted that he is taking the most generous role possible with them with the intent of evolving into a more traditional business relationship.

A Director asked for the report to show this figure by co-op across more than the current time period being reported. A Director asked how far the co-op could stretch out doing this and what the limits were that protected us. The GM suggested that reporting the trend would show more of the overall pattern of payments.

The Board accepted the report as is.

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

4. Board Process

CBLD Video

The Board watched a draft video presentation on Co-op Participation by CDS Consulting Co-op. The video identified participation categories that included Own, Use, and Serve. After watching the video, the Directors discussed the video. Some observations included:

November 13, 2013

Jon McDonald appreciated the focus on “celebrating participation” and “linking participation goals to everyday shopping.” He liked the idea of linking products to goals, but wanted a more meaningful system than Whole Foods’s confusing system for rating meat from 1 to 5.

Curt Brinkmeyer reported having trouble conceptualizing what “participation” is. He observed that the video narrator says “participation” many times and essentially describes “anything anybody does as participation.” Brinkmeyer suggested that “participation” is doing something more active.

David Bright suggested that participation be linked to the four goals. For example: “How do I participate in healthy food?” He observed that owners are in the store all the time and suggested that the store is a good place to tell the story, to give the information to owners and shoppers as they walk through the store

Linda Stier observed that those new to the co-op are unaware of the impact the co-op has had in the communities where the stores are located. She recommended, “First, get engagement and pride for new people.” To do this, she suggested making the connection to the business model in the communities where we are, communicating that as the backdrop for a broader impact, and then communicating to owners how they can further the success.

Ruffin Slater observed that the co-op is facing the challenge every food co-op is facing in the world—“Connection/participation needs to be a competitive advantage.” He suggested that the types of questions we need to be asking are: “What are the ways people are interested in participating?” “What’s the hook that’s going to get people excited—Is it something like frequent flyers, points toward dividends?” He noted that the new employee wellness works on a points system.

Lisa Best observed that “people like to be on winning teams” and suggested that the co-op find ways to capture “the bigger context of what’s happened over the 25 years” to find new pathways of participation. She suggested looking at how to integrate new people joining the co-op. One suggestion offered was to have an orientation manual or session for new owners that included information on how to participate.

Michael Marotta observed, “Participation is a blend of passive and active membership.” He noted, “Some active members will naturally seek news to participate” while “other passive members, the vast majority, will remain silent regardless of efforts to engage them.” He suggested that “the co-op [already] strikes the appropriate balance between these groups” and cited the large attendance and engagement at the annual meeting as a direct indication that the Board is on the right path for participation.

5. Closings

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

December Agenda Items:

- Board Budget
- Retreat
- Executive Session for GM Evaluation

November 13, 2013

Meeting Evaluation:

The Directors evaluated the meeting. A Director expressed appreciation for the good report by the EC evaluating the election process. When asked what messages could be used to owners, Directors responded:

“Big progress from the Elections Committee”

“Anticipation. Participation”

“Unique selling point that we’re not utilizing enough—Participation!”

“How buying this stuff sticks it to the ‘Man’”

“No better way than being wildly successful”

8. Executive Session: GM Evaluation