

Meeting Minutes for Weaver Street Market's Board of Directors

December 2013 Meeting

Monthly Board Meeting, Panzanella meeting room, Carrboro, NC on December 11, 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**, **Jon McDonald**, and **Linda Stier**.

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

1. Preliminaries

Owner Input: There was no owner input.

Agenda: One change was made to the agenda: Bank Resolution was added to the General Report agenda item.

Minutes: Minutes from the November meeting were approved.

New Owners: There were no exceptions to the owner lists for October 2013: 88 new consumer owner shares, 2 new worker owner shares, and 11 refunded shares.

Decision: The Board approved the November minutes.

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

2. General Manager Report

The General Manager answered questions on his monthly General Report, and then discussed the Bank Resolution that was added to the agenda.

General Report included a number of highlights for the past month:

- Sales growth has been tracking budget for the first five months of this fiscal year. Sales were down in Q1 in Carrboro due to the remodel. Sales growth has improved in October and November.
- About 15 of the 25 Panzanella staff are moving to other jobs at WSM, and the rest will be taking the severance package. Panzanella's last day of operation will be December 22.
- We are planning to remodel the Carrboro deli and café area after Valentine's Day.
- 2014 will be the fifth year in a row that we haven't increased the employee contribution for health insurance. This is possible because of our good experience with self-insurance. In 2014 we will offer a second health insurance option that costs 30% less than the original option. We are starting a wellness program in 2014 in which employees can earn additional health insurance cost savings for reaching certain wellness thresholds.

Bank Resolution: The GM asked the Directors to approve a resolution to move deposit accounts from PNC to BB&T. He observed that BB&T is the appropriate size, a local business, but not "hyperlocal." He noted that layoffs each month at PNC have made it difficult to establish a relationship with personnel. He also noted that credit unions do not service transactional commercial banking, and that Harrington is not big enough or stable enough for a business of our size and needs. A Director observed that BB&T was financially sound even during the downturn.

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Decision/Task: The Board approved a resolution to open a deposit account at BB&T.

3. Board Process

Report on Board Emails

The Board received an email from an owner who wanted to attend the meeting, but the owner did not attend.

Board Expenses vs Budget

Board Treasurer Lisa Best reported on Board Expenses for Q1 of the Board Budget. The Board is on budget for the year. The Treasurer asked for suggestions about cutting costs. The Chair asked to add a salary entry for staff support. A Director asked for updates on cost savings with the e-news and annual report.

Board Education Opportunities for 2014

The GM reported on a number of education opportunities being offered through CBLD in 2014. The Directors discussed who would go to the following sessions:

- **CBLD101: A Foundations Class for Directors** (January 25, Asheville). Since there are no new Directors to attend, the Board is sending two Elections Committee members: Tim Donahoe and Amy Lorang.
- **Leadership Training** (January 25, Asheville). Leadership training is a good opportunity for existing Board members to grow their leadership skills. It is designed for Board members in leadership roles or those who want to take on leadership roles. Curt noted that the course also provided an opportunity to see other co-ops. No Directors were confirmed for the January course, but Curt expressed interest in attending the training later in the year.
- **Cooperative Café** (March 22, Asheville). Cooperative Café is a good opportunity for all WSM Board Directors and Brenda to explore best practices for owner participation in a group setting with other Co-op boards. Several co-ops have had their whole Board attend. All of the Directors expressed interested in attending this session.

CBLD Video about Growth

The Board watched and discussed a CBLD video about growth. The film posed a choice: rebirth or decline—grow or die. The speaker suggested that if a co-op does not grow it becomes irrelevant or “shrivels on the vine,” that if a co-op maintains its size, stagnation occurs. It suggested that although most struggle taking risks, growth matters—it allows an organization to do more good, touch more people. The video advocated intentional growth that is planned, executed, and bold.

The Directors discussed the video and made the following observations:

Dave: The issue isn't around bold, growth, and planning. The issue not talked about is dealing with owners who are resistant to growth in general. This is typical for people who seek out co-ops—the tendency is to be resistant to growth associated with big business, corporations. There needs to be a convincing argument for growth.

Jon: The video argues for growth from a negative point of view. It's better to say what's positive: lowering prices, improving wages, more communities having better grocery stores.

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Curt: Growth, rebirth—How do we get the ownership on board? How do you communicate without using the language of decline? It should be communicated as an exciting time, a time to build ownership engagement, not as gloom and doom. It's a small percentage—1 or 2 percent—who say no to growth each time. I ask them to give me something other than “no”—to give me a good reason for not growing.

Linda: I like that growth is seen as a reaction to the alternative, death. With owners, we need to ask about the source of their uncertainty: What are you afraid of? What are you going to lose? What's your biggest concern? What would you value over what you currently have? We need advocate the creative aspect of change and growth in organic systems.

Lisa: The fear of growth expressed in the last election was about “not growing.” We need to communicate how we have *already* grown and how the new organizations are strong.

Michael: We present a more pure footprint than the corporate world. We're not a corporation. We need to communicate what owners have in the co-op that they don't have in a corporation, what we have built into our system. This is where we're growing, how we're growing, and what you're going to have.

Ruffin: My impression is that it's hard to make a rational argument; it needs be emotional. Get people excited! For example, the Forks over Knives diet program tells a passionate story of transformation. The program advocates a vegan diet to save the world. The story does not present an intellectual argument, instead it builds on connection through local “celebrities” who are doing it, showing both that it can be done and why it should it be done. They recognize that you don't convince someone to change with numbers.

We're not selling growth, we're selling more health, a better life—growth comes along with it because people want the food. There's a need that we're meeting. This is how people perceive it.

Linda: We can't convince anyone. Hearing the story, people think differently about something. People are enjoying aspects of WSM that they wouldn't enjoy now if we hadn't expanded. We need to track our history and what expansion has provided—identify the benefits that are now available.

Jon: The decision to close Panzanella brought up conversations about how different we are, like letting the Panzanella employees stay on after closing. This is story we have to be telling—This a great place to be employed. As we look at future plans, workers don't always know if we're ready. Listening is part of being a leader.

Ruffin: Another example is our health insurance. It's exciting that we have created our own health system. Ours could be a model, an alternative, our small group putting together a program that makes sense from the user point of view. We need to help people see that we can change things through this cooperative model. It's exciting when you can see a change, like a change in cholesterol from eating a plant-based diet.

The Directors talked about the next steps in communicating about growth. Some ideas included the following:

- ✓ Proactive versus reactive.
- ✓ Creative and adaptive. How we are doing both. Create health, great jobs, communities.
- ✓ Evolution: What makes sense for the next stop? It's an evolutionary process of discovering what's on the horizon, what's emerging on the other side.

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- ✓ Another step in the evolution of who we are.
- ✓ A longer approach and evolve. Not the revolution approach.
- ✓ Evolution implies flexibility and adaptability.

4. Closings

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

Tasks: Brenda will register everyone for the Cooperative Café.

Meeting Evaluation:

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

“We spent the evening telling the story.”

“We’re figuring out a way to not say *grow*, but to say *evolve*.”

“The woman in the video is telling her story. It sparks us to tell our stories, makes it more real seeing the video.”

“In telling the story, what does it take to shape thinking? What are the different elements—signs in the store? things on the wall about our story? What are the pieces that create the experience of being at the co-op? How do we communicate who we are, how we evolved so that people feel connected?”

The Directors also suggested headlines that captured their excitement about the meeting:

Weaver Street evolves!

Evolving with and for you!

Cool that our elections committee is going to get some education!

Weaver Street Market revolutionizes the business model!

Excited about going to Asheville together!

5. Executive Session: GM Evaluation