

Meeting Minutes for Weaver Street Market's Board of Directors

October 2014 Meeting

Monthly Board Meeting, Carrboro Century Center, Carrboro, NC on October 8, 2014, 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), Barbara Becker (consumer owner), Hank Becker (consumer owner), Amy Lorang (worker owner), and Lonnie Lempert (worker owner).

1. Preliminaries

Owner Input: Hank Becker observed that strengthening consumer owner input is important step in encouraging consumers to shop at the co-op. He beseeched the Board to find ways to involve owners in order to make the co-op feel like a co-op to its 18,000 owners. He encouraged the Board to emphasize and prioritize the task forces and committees.

Agenda: There were no changes to agenda.

Minutes: Minutes from the September meeting were approved.

New Owners: There were no exceptions to the owner lists for August 2014: 139 new consumer owner shares, 2 new worker owner shares, and 21 refunded shares.

Decision: The Board approved the September minutes.

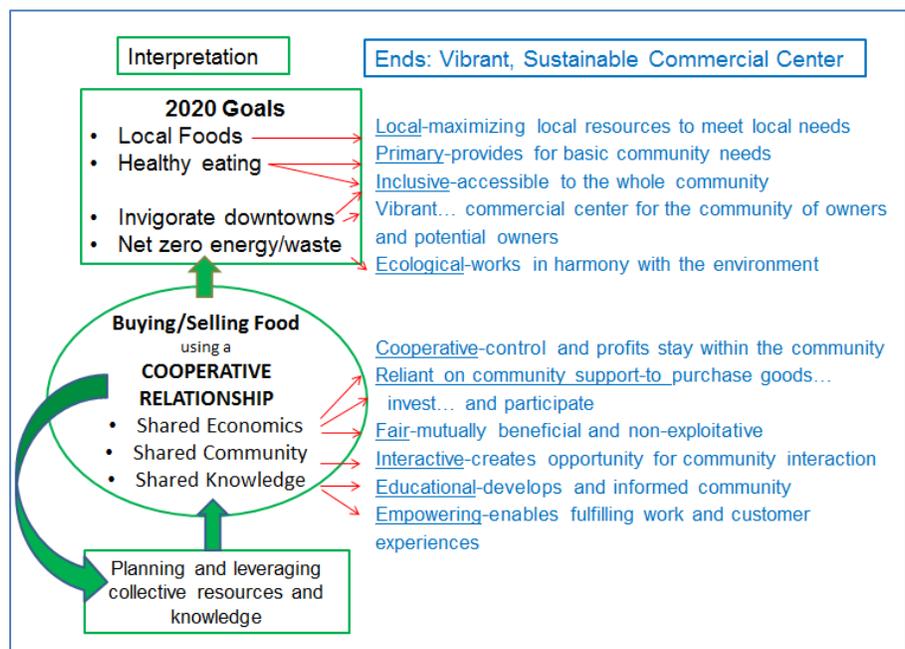
Decision: The Board made no exceptions to new consumer and worker owners.

2. General Manager Reports

Ends Report Presentation

The General Manager delivered a presentation of the Ends Monitoring Report. The presentation addressed two primary questions implied by the monitoring report: Are the ends interpretations reasonable? Do the data demonstrate reasonable accomplishment?

The GM's interpretation drew upon the WSM's 2020 Goals and its Cooperative Relationship model to discuss Ends accomplishment.



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During the discussion of the interpretation, Directors made the following comments and suggestions for the final report, which will be submitted at the November meeting:

- It might be more beneficial to provide comparison of ourselves for sales of local food than to conventional groceries.
- In addition to demonstrating that WSM is a great place to work, it would be valuable to focus on opportunities for growth and advancement.
- Employees might be interested in an investment opportunity similar to the consumer owner loan program, especially if it allowed payroll deductions.
- It's hard to quantify "partnership." WSM has social capital—influence and impact—beyond its community foundation. Partnership is leveraging that influence and impact.
- It's important to understand how owners use information, so we can know if the way we are communicating is impacting knowledge.
- Employees are valuable resources for achieving Ends. As employees understand more about processes and planning, they can offer their perspectives and ideas, and the co-op can find ways to reward them.
- It might be beneficial to include partnerships and shared knowledge with other co-ops.

During the discussion of the data that demonstrate Ends accomplishment, the Directors made the following observations or suggestions:

- In addition to showing the overall gross margin, it might be helpful to show the different margins for produce and healthy foods, or a basic-needs margin.
- It would be in alignment with owner values to sell back the compost the co-op collects and processes.
- Metrics are always in progress. It would be helpful to state the critical metrics that we're choosing and the timeframe, such as "by the end of this year," and then track, assess and adjust the metric as new information is collected.
- When there is uncertainty with metric, it may be helpful to identify and focus on the areas of certainty.
- It would be easier to compare progress on Ends accomplishment if the format of the reports were more consistent in presentation of interpretation and data.

September GM Report

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

- Sales growth in September was steady at 7%. Sales growth for the July-September quarter was unusually high at 10% because it includes a comparison to year when most of the Carrboro store was closed for four weeks.
- Sales growth compares favorably to same store sales growth for the industry, which is slowing down. Co-ops nationally as well as Whole Foods are achieving only about 4% same-store sales growth.

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- **Carrboro Remodel Refinement:** We continue to refine the Carrboro remodel. We made a change to expand the self-service coffee area to achieve better customer flow. We have an application in to the Town to get permission to finish the entrance vestibule on the café side.
- **Weekly Scorecard:** We are refining a weekly “scorecard” that tracks co-op sales and profits and calculates the potential worker-owner dividend on a weekly basis.

2-1 GM Constraint Report

The General Manager presented his 2-1 GM Constraint Report.

Decision: The Board accepted the 2-1 GM Constraint Report.

2-8 Communication and Support Report

The General Manager presented his 2-8 Communication and Support Report.

Decision: The Board accepted the 2-8 Communication and Support Report.

3. Board Business

Approval of Revisions to the Board-Management Policies

The Directors reviewed the final wording of the revisions made to the Board-Management Policies and agreed the revisions were ready for approval with the correction of one typo.

Review of FY2014 Budget vs Actual

The Board Treasurer presented the actual versus budget figures for Q4 of FY2014. The Board budget came in under budget for the year, primarily due to cuts in printing costs with the move to online communications. The Election Committee chair requested using some of the Unplanned and contingency funds for the new fiscal year to increase the stipend for the Election Committee.

Review Dividend Mailing

Dividend reports and coupons will be distributed beginning Wednesday, October 15.

Dividend Reports

6,700 owners will receive a dividend report and percent-off coupon in the mail.

- The dividends will be available as store credits on Wednesday morning October 15 and will remain effective through January 31, 2015.
- This year’s report includes a side bar that shows the impact owners have made through the dividend amounts retained. It identifies the total amount retained and the ways in which those retained funds have improved the co-op’s financial stability.
- Last year owners donated a total of \$4,589 in dividend distributions to CCF: \$1,249.36 at the register and \$3,339.68 reversed on February 1.

Email Coupons

An additional 8,800 owners who shopped during FY2014 but did not qualify for a dividend disbursement will receive a percent-off coupon. The coupon will be part of an email announcement about the dividend.

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- The coupon will be sent to owners who have given us their emails and who did not qualify for the \$1 minimum disbursement.
- The coupon will also be sent to new owners who joined the co-op after the fiscal year ended.
- New owners joining the co-op from October 15 to November 15 will receive a print copy of the coupon in their new owner coupon packet.

Annual Meeting Date

Owner Services Coordinator reported that the Carrboro Century Center is available Wednesday, September 9. Having the meeting on a Wednesday will avoid conflicts with PTA night, which was identified as a conflict with this year's Tuesday meeting. Monday, September 7 is Labor Day and not a viable alternative. Tentative date for the Co-op Fair is Saturday, August 22, which aligns with the Elderberry Festival in Carrboro and falls two weeks before Labor Day.

Decision: The 2015 Annual Meeting will be held Wednesday, September 9, 2015 at the Carrboro Century Center.

4. Closings

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

November Agenda Items:

- EC Report
- Ends Report

5. Executive Session: Financial Audit and GM Evaluation