

Meeting Minutes for Weaver Street Market's Board of Directors

November 2015 Meeting

Monthly Board Meeting, WSM Admin Center, Hillsborough, NC on November 4, 2015, 6:15 pm to 9:30 pm

Directors present: Ruffin Slater (general manager), David Bright (secretary), Lisa Best (treasurer), Curt Brinkmeyer (chair), Barbara Keith, Jon McDonald, and Linda Stier.

Others attending: Andy Sachs (facilitator), Brenda Camp (notes), Alicia Altmueller (consumer owner), Hank Becker (worker owner), Emily Buehler (worker owner), Deborah Konneker (HR Manager), Amy Lorang (worker owner), and Charles Traitor (worker owner).

1. Preliminaries

Owner Input: Amy Lorang shared a suggestion for increasing worker-owner participation: Pay worker owners to participate for a set number of hours once a month. She suggested that participation could include volunteering or swapping jobs with other employees to learn about their work.

Hank Becker addressed consumer-owner participation. He described this year's voting turnout as an indicator that owners lack identification with co-op. He encouraged the Board to make a policy decision to increase owner engagement and then to appeal for ideas for participation and entertain ways of measuring that participation.

Agenda: No changes to the agenda

Minutes: Minutes from the October meeting were approved.

Decision: The Board approved the October minutes with one correction.

2. Treatment of Staff Policy

The Board continued its review of the Treatment of Staff Policy.

Review of Policy Revision Process

Curt Brinkmeyer, Board Chair, provided an overview of where the Board stands in the policy revision process. He observed that the Board periodically reviews its policies to improve them and to incorporate learning from other co-ops. He noted that the policy revisions have been a year-long process and that the Treatment of Staff policy is the last piece of the process. The Board submitted its first draft of the policy to employees for feedback in October, and tonight's discussions include reviewing the feedback and creating a second draft, which will also be submitted to employees for feedback.

Feedback from Employees on the Draft Policy Revision

Deborah Konneker, HR Manager, reported that in October employees were given the opportunity to provide feedback on draft revisions for the Treatment of Staff policy. She noted that feedback on the draft policy is happening simultaneously with feedback about potential changes to the Employee Policy Handbook, since the two documents are related. All employees received a copy of the draft changes for the policy and for the handbook. In addition to written feedback, Konneker reported collecting feedback in the stores and in individual meetings with interested staff.

In response to a Director's query, she reported that two individuals met with her to discuss the changes and that she spoke with another 20 to 30 employees in the stores, but that none of them expressed concerns over the revisions.

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She reported that 15 employees provided substantive feedback on the draft policy revisions. She presented a summary of the feedback and provided the Board with a copy of the complete comments.

Summary of Employee Feedback on Draft 1

1. Board Role in the grievance process

There were five comments on retaining the Board in the grievance process. These comments centered on the thought that it is important to have a protection above the General Manager, even if that avenue is rarely used. There is also no consideration of protection if the grievance is about the General Manager.

2. At-will employment

There were three comments on the "at-will" statement. These comments reflected concern that employment could be terminated for any reason, or that it nullified other parts of the Policy Handbook about reasons for termination. There were also a few neutral comments that WSM should do, or had to do whatever is legally required.

3. Language on participation

There were five comments disagreeing with the changes in the wording on participation. The general opinion expressed was that the new language did not require as much transparency and staff participation in decisions as the present language.

4. Removal of employee right to ethical dissent

There was one comment objecting to striking the sentence that allowed employees to express ethical dissent.

5. Wording of language

There were two comments that the sentence construction with double negatives was difficult to follow (Such as "The GM must not be unresponsive"...) and should be made easier to read.

6. Removal of the word "cooperative"

There were two comments objecting to the removal of the word "cooperative" at the start of the section in the Handbook that covers the Board's Treatment of Staff policy. This reference is actually not in the board's policy, but in Handbook language that introduces the policy. The change was intended to create consistency with the rest of the Handbook, in which the coop is referred to "Weaver Street Market" and not "Weaver Street Market Cooperative."

In response to a Director's query, Brenda Camp, Owner Services Coordinator, answered that the document she submitted in the Board packet included all the consumer feedback received via email on the revisions.

Checking for Alignment between Values Expressed in the Board Policy and in the Employee Feedback

After reviewing the feedback from employees on the policy revisions, the Board identified the values that they heard underlying the employee feedback, and then they identified the values underlying the policy revisions. The point of the discussion was to check for alignment between the two sets of values.

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Values Expressed in Employee Feedback	Values Underlying Policy
<ul style="list-style-type: none"> • Feel like you have a voice 	<ul style="list-style-type: none"> • Legal
<ul style="list-style-type: none"> • Participate in how your workplace looks 	<ul style="list-style-type: none"> • Prudent
<ul style="list-style-type: none"> • Open door to the Board 	<ul style="list-style-type: none"> • Commonly accepted business practices/ethics
<ul style="list-style-type: none"> • Opinion is valued 	<ul style="list-style-type: none"> • Clarity
<ul style="list-style-type: none"> • Being heard 	<ul style="list-style-type: none"> • Fair treatment
<ul style="list-style-type: none"> • Take ownership to what's going on 	<ul style="list-style-type: none"> • Safe
<ul style="list-style-type: none"> • Want protection and safeguards (against being fired, being taken advantage of) 	<ul style="list-style-type: none"> • Fair grievance process
<ul style="list-style-type: none"> • Fairness and freedom to speak without retribution 	<ul style="list-style-type: none"> • Management accessible and responsive to employee needs
<ul style="list-style-type: none"> • Grievances to Board provides a safety net 	<ul style="list-style-type: none"> • Solicit and consider worker opinions
<ul style="list-style-type: none"> • Coop values (international cooperative principles) 	<ul style="list-style-type: none"> • Apply policies consistently
<ul style="list-style-type: none"> • Trust 	<ul style="list-style-type: none"> • Secure personnel records
<ul style="list-style-type: none"> • Fulfilling work experience 	<ul style="list-style-type: none"> • Protection against ethical dissent
	<ul style="list-style-type: none"> • Transparency
	<ul style="list-style-type: none"> • Proper role of the Board versus operations

Where Do the Values Show Up in Board Policy?

The Board examined the set of values identified in the feedback in the boarder context of Board policy. Director Linda Stier pointed out that Treatment of Staff policy is part of a tier document. The treatment of staff policy sits under the broader policy of management constraints. The Ends policy covers this in the larger context of shared economics and shared knowledge.

- i) **Ends policy** under shared economics and shared knowledge. The purpose of the Ends is to define what is to be accomplished in terms of people having some benefit.
- ii) **Broadest Limitation policy** prohibits “unlawful, imprudent, or in violation of commonly accepted business and professional ethics and practices, or in violation of the Cooperative Principles.”
- iii) **Staff Treatment Policy.** The purpose of this policy is limited to describing the conditions to be avoided in accomplishing the Ends. This policy describes the minimally accepted standard.

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Stier identified the need to codify these values within the different policies: The results identified in the Ends need to be the embodiment of the values; whereas, the limitation policies identify the overall unacceptable conditions, and the treatment of staff focuses on constraints related to employees. She noted that the GM interprets what the constraints mean, and the Board applies the “test of reasonable” to the interpretation.

Draft 2 of Treatment of Staff policy

The Board discussed each of the elements of the revisions that had been identified as causing concerns in the employee feedback.

- **At-Will Employment**

Employee feedback: There were three comments on the omission of the “at-will” statement. These comments reflected to concern that the omission nullified other parts of the Policy Handbook about reasons for termination. There were also a few neutral comments about WSM needing to do whatever is legally required.

Discussion: The purpose of the revision was to make it clear that WSM is not in a position to promise lifetime employment. However, WSM has received legal advice that since North Carolina is an at-will state, it is not mandatory to include at-will language, so the Board agreed to remove this provision.

Changes in Draft 2: The Board agreed to remove this provision.

- **Removal of Employee Right to Ethical Dissent**

Employee feedback on Draft 1: There was one comment objecting to striking the sentence that allowed employees to express ethical dissent.

Discussion: This language had been inadvertently removed in Draft 1. A Director asked whether or not it would be prudent to limit “dissent” to “non-disruptive dissent.” Another Director suggested that “non-disruptive dissent” does not make sense as dissent is also disruptive to some degree. The Directors agreed to restore the current language to the policy.

Changes in Draft 2: This sentence on ethical dissent was restored in Draft 2.

- **The Board Role in the Grievance Process**

Employee feedback on Draft 1: There were five comments on retaining the Board in the grievance process. These comments centered on the thought that it is important to have a protection above the General Manager, even if that avenue is rarely used, and it is important to have a protection if the grievance is about the General Manager.

Discussion: The Board agreed that there was value in having the Board as a last resort even if it’s rarely used. Two Directors pointed out the need to identify very specifically and narrowly the focus of the Board’s role; that is, an employee must have gone through the grievance process in place in the employee handbook and have exhausted that avenue before coming to the Board, and they can only do that if they can claim that policy is violated. A Director observed that the two conditions identified in the policy made up an “AND” condition; that is, both a) and b) had to be met.

The Board recognized that it only meets monthly and that it is not trained in handling grievances, so it will need to develop a procedure to clarify its role in the grievance process so it can act in a timely fashion.

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Changes in Draft 2: The Board responded to the feedback by re-establishing the Board's role in the grievance process.

▪ **Language on Participation**

Employee feedback on Draft 1: There were five comments about the wording on participation. These comments expressed concerns that the new language did not require as much transparency and participation in decisions as the present language or that the new language was insufficient.

Discussion: The Board discussed some of the issues with defining and measuring employee participation, including the level of participation that is efficient and practical, the need for a better system for communication and participation, and the need for wording that provides a clearer standard that directs action better. The Chair suggested that the treatment of staff and treatment of consumer policies should be the same. The GM responded that the nature of the relationship of the GM with employees is much more intimate and requires a different level of constraint. The Board agreed that this provision of the policy is intended to set a minimum standard in order to isolate performance that is clearly unacceptable.

The Board also discussed the question raised at the October meeting about "employee experience." The Directors agreed that the employee experience is written into the Ends policy as "shared economics, shared community, and shared knowledge" and that the Ends interpretation has multiple measurements for employee well-being and participation.

Changes in Draft 2: Draft 2 responded to the feedback by adding language that requires a transparent system, both for communicating information to workers and for soliciting and considering worker opinion and concerns.

Comparison of Drafts and Current Treatment of Staff Policy

The chart on page 6 provides a comparison of Draft 2 to Draft 1 and to the current policy. Changes that the Board agreed upon are highlighted in Draft 2.

Next Steps in the Revision Process

The next step in the revision process is to present Draft 2 to employees for review as part of a second-round review on the Employee Policy Handbook. The document will include a summary of what happened at the Board meeting, with the intent to further understanding of the policy and its purpose as well as to expand understanding of the Board's process.

Task: Draft 2 will go to employees for a second round of review with a summary of what happened and including the FAQs given to consumer owners.

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Draft 2 of Potential Changes to Treatment of Staff Policy

Existing Policy	Draft 1	Draft 2 (changes from Draft 1 highlighted)
<p>With respect to treatment of paid and volunteer staff, the general manager may not cause or allow conditions, procedures or decisions which are discriminatory, disrespectful, unsafe, unduly undignified, unnecessarily intrusive, or which fail to provide appropriate confidentiality and privacy. Accordingly, she or he may not:</p>	<p>The General Manager must not treat staff in any way that is unfair, unsafe, or unclear.</p> <p>The GM must not:</p>	<p>The General Manager must not treat staff in any way that is unfair, unsafe, or unclear.</p> <p>The GM must not:</p>
<p>1. Operate without written personnel procedures which clarify personnel rules for staff, provide for effective handling of grievances, and protect against wrongful conditions. 2. Operate without written work safety policies and procedures.</p>	<p>1. Operate without written personnel policies that: a) Clarify rules for staff.</p>	<p>1. Operate without written personnel policies that: a) Clarify rules for staff</p>
<p>5. Prevent staff from grieving to the board when (A) internal grievance procedures have been exhausted and (B) the employee alleges either (i) that board policy has been violated to his or her detriment or (ii) that board policy does not adequately protect his or her human rights.</p>	<p>b) Provide for fair and thorough handling of grievances in a way that does not include the board as a participant in the grievance process.</p>	<p>b) Provide for fair and thorough handling of grievances; c) Permit staff from grieving to the Board when (a) internal grievance procedures have been exhausted and (b) the employee alleges that board policy has been violated to his or her detriment.</p>
<p>6. Fail to acquaint staff with their rights and responsibilities under this policy.</p>	<p>c) Are accessible to all staff.</p>	<p>d) Are accessible to all staff.</p>
	<p>d) Inform staff that employment is neither permanent nor guaranteed.</p>	<p>(Deleted)</p>
<p>4. For paid staff, cause or allow a decision-making standard that is not transparent or does not allow for opportunity to participate in decisions and shape the guidelines for decisions</p>	<p>2. Be unresponsive to employee needs or operate without a system for soliciting and considering worker opinion.</p>	<p>2. Be unresponsive to employee needs or operate without a transparent system for communicating information and for soliciting and considering worker opinion and concerns.</p>
	<p>3. Cause or allow personnel policies to be inconsistently applied.</p>	<p>3. Cause or allow personnel policies to be inconsistently applied.</p>
	<p>4. Provide for inadequate documentation, security and retention of personnel records and all personnel related decisions</p>	<p>4. Provide for inadequate documentation, security and retention of personnel records and all personnel related decisions</p>
<p>3. Discriminate against any staff member for expressing an ethical dissent.</p>		<p>5. Discriminate against any staff member for expressing an ethical dissent.</p>

3. Elections Committee Reports

Linda Stier, EC Chair, presented the 2015 Elections Committee Report. Highlights include:

- **Board Candidates:** The Elections Committee received and accepted 4 consumer owner applications and 3 worker owner applications. One of the consumer owner applicants withdrew his application prior to the start of the candidate process.
- **Results for Consumer-Owner Election:** Alicia Altmueller received 105 votes (47.9%), Jim Porto received 79 votes (36.1%), and Lisa Best received 35 votes (16.0%). Although there were more consumer owner votes than last year, there were fewer votes than in the last contested consumer owner election.

Consumer-Owner Election Results 2011-2015

	2011	2012	2013	2014	2015
Number of Candidates	1	1	2	1	3
Valid Votes	137	297	363	86	219
Invalid Ballots	22	51	48	8	7
Questionable Ballots	0	0	9	6	0
Total Ballots Received	159	348	420	100	226

- **Results for Worker-Owner Election:** The number of workers voting increased by more than 50% from the previous year's election with 56.9% of the eligible worker owners voting; Charles Traitor received 61 votes (52.6%), Cait Williams received 33 votes (28.4%), and Curt Brinkmeyer received 22 votes (19.0%).

Worker-Owner Election Results 2011-2015

	2011	2012	2013	2014	2015
Number of Candidates	1	1	1	2	3
Valid Votes	31	54	32	74	116
Invalid Ballots	1	8	3	2	10
Questionable Ballots	0	0	0	8	0
Total Ballots Received	32	62	35	84	126

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The report identified three items for Board consideration:

1. Determine EC honorarium, if any.
2. Address the question, “What should constitute a ‘winner if there are multiple candidates for a position and no candidate has an absolute majority, and may, in fact, have very few votes numerically or proportionally?”
3. Address the question, “What role, if any, does the EC have in increasing owner participation in elections?”

The EC recommended that 2 and 3 above be addressed early in the year so that any changes could be included in the 2016 Elections Manual.

A Director observed that having a Candidate Recruitment Committee proved effective. Another Director asked the Board and EC to consider the practicality of spending so much time on the elections when there appears to be so little interest among owners. The Director asked if there were other forms of participation that might be more beneficial, such as having a selection committee through which the Board elects its members.

Elections Committee Monitoring Report

The EC Committee submitted its 2015 Monitoring Report.

Decision: The Board accepted the 2015 Elections Committee Monitoring Report.

4. Board Business**FY2016 Q1 Board Budget Report**

Treasurer Lisa Best presented the quarterly budget report and noted that the Board was \$5,000 under budget.

5. GM Reports**November 2015 GM Report**

The General Manager answered questions on his monthly General Report. Highlights include:

- Sales growth in October was only 1%, below the budget of 3%. The first two weeks were actually down 1% from last year. This was the period when it rained for 12 consecutive days. The last two weeks were better at 3.6% sales growth. Sales are being impacted by competition including the remodeled Harris Teeter in Carrboro and Harris Teeter’s new lower prices on natural and organic foods.
- Read the blog post on the revised Ends policy here:
<http://www.weaverstreetmarket.coop/weaver-street-market-board-updates-ends-statement/>
- Community Food Partnership: The campaign to raise money to buy apples for the IFC and OCIM food banks is ending on November 3. It looks like we will only raise half the money of previous campaigns.

Monitoring Report: B1-Financial Condition and Activities

“Monitoring Report B1- Financial Condition and Activities” was moved to the December agenda.

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6. Closings

- Review Decisions and Tasks
- Rolling Board Calendar
- Next Month's Agenda
 - Board Action Items for Elections
 - Monitoring Report B1- Financial Condition and Activities
 - Feedback on Second Draft of Treatment of Staff Policy
- Meeting Evaluation
 - "Made progress that felt good."
 - "Fun, lively discussion. Glad that we got feedback that forced us to think about the staff policy more deeply."
 - "Appreciate having the space to deal with the whole thing."
 - "Productive, ended in good place."
 - "Really good to discuss and bounce off ideas."
 - "Time well spent."

7. Executive Session: GM Evaluation