

Meeting Minutes for Weaver Street Market's Board of Directors

December 2015 Meeting

Monthly Board Meeting, WSM Admin Center, Hillsborough, NC on December 9, 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 (via phone).

Others attending: Andy Sachs (facilitator), Brenda Camp (notes), Alicia Altmueller (consumer owner), Paul Cough (consumer owner), Geoff Gilson (worker owner), Deborah Konneker (HR Manager), Amy Lorang (worker owner), and Charles Traitor (worker owner).

1. Preliminaries

Owner Input: Amy Lorang pointed out that voter participation is not addressed in the Elections Committee charter. She noted that the EC would like to take on that responsibility or would be available to assist the Board if it is their role. Geoff Gilson addressed the Board concerning the revisions to the Treatment of Staff policy. He suggested that a test for any further changes to the policy should be whether or not the Board is seeking to clarify the policy, as previously suggested to employees, or whether the Board is seeking to change it.

Agenda: Election Committee item was moved forward in the agenda.

Minutes: Minutes from the November meeting were approved.

Decision: The Board approved the November minutes.

2. Elections Committee

The Board reappointed five returning members to the Elections Committee. Linda Stier, consumer owners, chair; Bart Dunlap, consumer owner; Amy Lorang, worker owner; Lynn Nash, worker owner; and Elizabeth Thurstone, worker owner. Two consumer-owner members were not returning. The EC chair recommended that there be at least two consumer workers on the committee.

The Board awarded the EC members an honorarium for their work on this year's elections: \$100 members and \$150 for the chair.

Barbara Keith proposed that the Board take a fresh look at the elections. She suggested that the amount of effort to produce the low level of voter participation distracted resources from other areas. She suggested that the Board explore other options, such as industry representatives who evaluate and interview applicants and then elect the Directors.

The Directors agreed that it was important to continue to engage in conversation about increasing voter participation and participation in general. However, the GM, the Chair, and Jon McDonald all noted that the main principle for co-op voting is one person, one vote. The Directors agreed to continue the discussion at the January retreat.

Task: Brenda will reach out to consumer owners on the leadership list for interest in serving on the Elections Committee.

Decision: The Board reappointed Linda Stier (consumer owner, Board director); Bart Dunlap (consumer owner); Amy Lorang (worker owner); Lynn Nash (worker owner); Elizabeth Thurstone (worker owner) to the Elections

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Committee; and it reappointed Linda Stier as the chair.

Decision: The Board awarded an honorarium of \$100 for the Elections Committee members and \$150 for the Elections Committee chair.

3. Update on Goal 1: Make Healthy Eating Accessible

The General Manager presented a progress update on Goal 1: Make Healthy Eating Accessible. (This part of the meeting was open to participation for all present.) He reported on three measurements that help assess progress toward the goal—accessible prices, healthy food sales, and low-income access to healthy food. The GM reminded the Board that these three metrics were in the top five identified by consumer owners in the Ends survey. The presentation focused on the third area.

WSM prices are accessible. The GM reviewed three initiatives in place:

- In partnership with National Co+op Grocers, WSM is now offering “Co-op Basics,” a set of products across segments of the store offered at prices equivalent to other retail grocery stores. WSM is also carrying an assortment of Field Day private-label organic products at discount prices through pricing arrangements with NCG.
- WSM is growing its “direct buying” relationships with other co-ops; these relationships enable the co-op to offer more quality products at lower prices. Similarly, cross-docking at the food house facility allows the co-op to source products at lower costs.
- The GM reported continued progress toward reducing the gross margin from 33% to 27%. He observed that greatest contributor to the reduction is increases in sales. He noted that Harris Teeter’s new lower house-brand organics are 10% lower than ours and that achieving the reduction in gross margins would make up that 10%.

WSM healthy food sales. The GM observed that healthy food sales can be measured by increases in overall sales and increases in produce and salad bar sales. (Most literature on healthy diets recommends 50% of the diet being fresh produce.) In 5 years, we want to have more people shopping at WSM. Sales had been increasing at 7% but are now down to 4%. For overall sales increases to occur at this level, we need to open more stores. Produce and salad bar sales are growing by 17.5%, which is quicker than overall sales. WSM recently hired a designated produce merchandiser.

Expanded low-income access to healthy food. The GM identified an opportunity for greatly expanding the Community Food Partnerships initiated in 2015. He reported on the overall challenge of food access in Orange County: 21,000 individuals are food insecure, 40% don’t qualify for SNAP, and 20% of children in the county are food insecure. One option is to do as much again this year as last year—we raised more than \$80,000 for healthy food. Another option is to join together as a community and commit to having “enough good food for everyone in Orange County.”

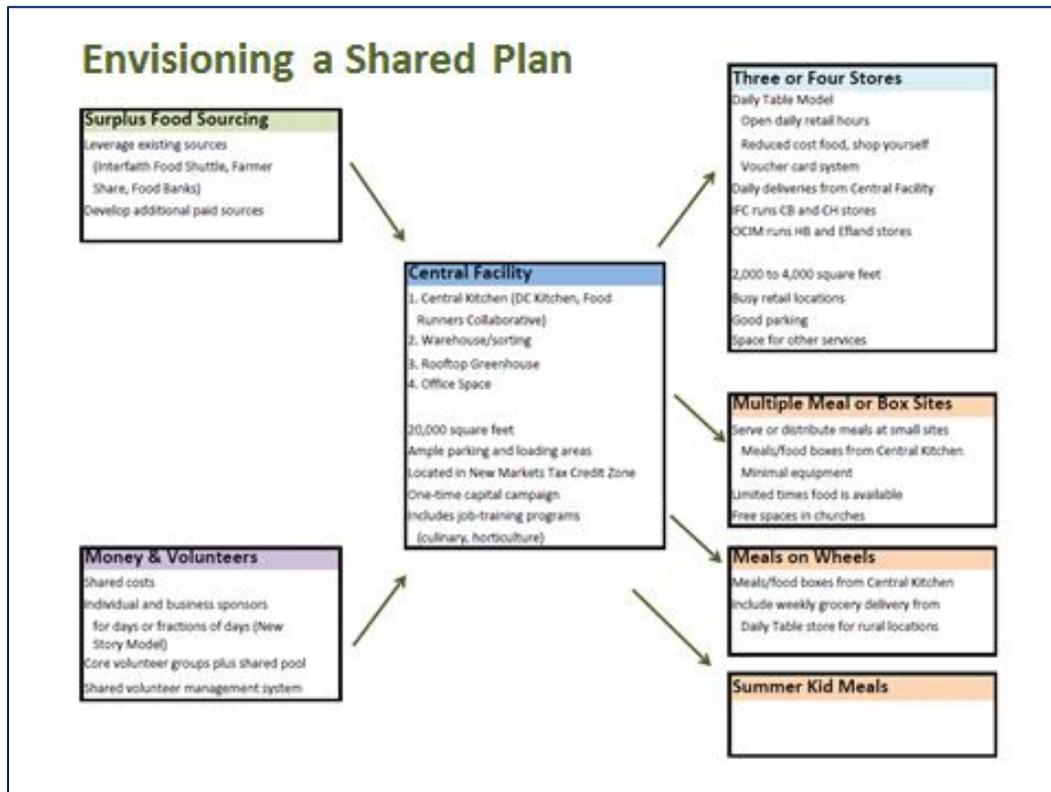
The larger initiative dovetails with several exigencies facing a number of the hunger-relief organizations in Orange County. The most pressing is IFC’s need for a new location for its community kitchen and food pantry. A public hearing in March has escalated conversations about mutually beneficial locations for the kitchen. Other food partners, including TABLE, PORCH, OCIM, and Meals on Wheels are also looking for new facilities.

Our two goals—access to healthy food and invigorating downtowns—have positioned us to play a key role in facilitating the discussion among the organizations. The discussions have focused on how the organizations could share resources to expand the reach of their services, particularly to the northern

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parts of the county, and at the same time offer new ways of connecting the food insecure with healthy food. Through a shared initiative the organizations would also be able to offer more food choices—prepared meals, self-serve low-cost grocery stores/food banks—as well as easier to access to the food sources and services. The project would also address issues of food sourcing and food waste.

The GM shared the following sketch of what a shared initiative might look like:



Those listening to the presentation expressed overall enthusiasm for a community-wide campaign. Many ideas were offered:

- Lisa Best has a group of students studying the Daily Table store model and would like to get them involved.
- Amy Lorang loved the idea of using the Food House after hours and using our trucks to retrieve food that would be wasted.
- Alicia Altmueller pointed out that it's an opportunity to engage more consumer owners, more ways to engage people and cross-pollinate volunteers.
- Geoff Gilson declared that this initiative “makes us a co-op.” He suggested two steps—conversations that promote participation among with worker owners, consumer owners, and shoppers and setting up a committee to organize the initiative and our contributions.
- Barbara Keith pointed out that WSM is the best place to make the coalition happen and suggested that the group find additional partners among the large number of life and health sciences companies in the Triangle.

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- Dave Bright expressed excitement about what WSM could contribute to a shared vision that would pull together universities, students, churches, and businesses.
- Curt Brinkmeyer observed the needs to explore the broader question—“Why is there food insecurity?”
- Jon McDonald was excited about the potential for a facility that offered one-stop shopping (a food bank) plus services (social services, health clinic).
- Linda Stier expressed excitement about “pushing the envelope as a community.” She saw the community as having the wherewithal to achieve the initiative and found it particular intriguing that that the initiative lies with an organization like us, not a nonprofit.
- Paul Cough observed that leadership in this context is really good.

4. Treatment of Staff Policy

The Board continued its discussion of the revisions to the Treatment of Staff policy. HR Manager, Deborah Konneker, reported that WSM employees were asked to provide feedback on the second draft of the policy and that feedback was supportive of three of the changes: retaining the Board’s role in the grievance process, removing “at-will” references, and retaining the statement to allow employees to express ethical dissent. She reported that the feedback was mixed about the rewording of the clause about participation. There was a general consensus among the Directors that participation needed to be addressed in the policies, and the ensuing discussion focused on where it should be addressed.

Points raised in the discussion included:

- The need to define *participation* in a way that the Board could effectively monitor the GM.
- Acknowledgment that decision making is more Ends related.
- The need to always look back and forth between Ends and the policy.
- The distinction that executive limitations, which include the Treatment of Staff policy, are the conditions to be avoided; participation actually resides in the Ends.
- The need to consider *participation* and *fulfilling worker experience* into the Ends discussion.

The Directors approved Draft 2 of the Treatment of Staff policy. (See inset below.) *Participation* as part of the Ends will be discussed at the January retreat. The Directors also identified the need to communicate back to employees and others who providing feedback about the revisions. The communications will include *what’s been decided* and *why*.

Decision: The Board adopted the Draft 2 revisions to the Treatment of Staff policy.

Task: Ruffin and Brenda will draft a document for staff about how the feedback was included in the discussion and will be addressed at the Board retreat.

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B6 – Treatment of Staff

The General Manager must not treat staff in any way that is unfair, unsafe, or unclear.

The GM must not:

1. Operate without written personnel policies that:
 - a. Clarify rules for staff;
 - 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.
 - d. Are accessible to all staff.
2. Be unresponsive to employee needs or operate without a transparent system for communicating information and for soliciting and considering worker opinion and concerns.
3. Cause or allow personnel policies to be inconsistently applied.
4. Provide for inadequate documentation, security and retention of personnel records and all personnel related decisions.
5. Discriminate against any staff member for expressing an ethical dissent.

5. Board Business

Retreat Agenda

The Directors agreed upon the retreat agenda, which will include key plans for the coming year and plans for increasing participation. An agenda item was added for discussing changes to the Ends to include more about participation.

6. GM Reports

December 2015 GM Report

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

- **Sales Growth vs. Budget:** Sales growth in November improved to 3%, up from 1% in October.
- **Southern Village Front:** The Chapel Hill Town Council approved plans to expand the front of our Southern Village store and improve the outdoor dining area. We are currently working with our landlord to finalize the plans and timeline.
- **New Produce Merchandiser:** We promoted Carolyn Twesten to produce merchandiser to improve our produce sourcing and retailing. Carolyn has been produce manager in Hillsborough for last seven years. This is a job that I've been filling to save money, so it should also free-up some of my time to focus on other priorities.

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- **Co-op to Co-op Trade.** We quickly sold our first container of La Riojana wine and will soon be carrying their olive oil too. This month we started to buy cheese and butter directly from Cabot Co-op in Vermont.
- Read the blog post on the revised Ends policy here:
<http://www.weaverstreetmarket.coop/weaver-street-market-board-updates-ends-statement/>
- **National Co-op Grocers (NCG) Member Agreement:** Weaver Street is a member of National Co-op Grocers, a cooperative of 135 food co-ops. NCG was started in 1999 to bring together the combined purchasing power of co-ops to save money, gain access to products, and to have more impact. WSM has had a written agreement in place with NCG since 2004. This agreement is updated every two years. This time, NCG added a requirement for each co-op's Board to specifically authorize the GM to sign the agreement. The goal is to increase Board awareness of participation in NCG and to enhance accountability between co-ops and NCG.

Decision: The Board authorized the GM to sign the National Cooperative Grocers Member Agreement.

Monitoring Report: B1-Financial Condition and Activities

The General Manager is continuing to work on the first financial condition report under the new policies. He will present the report at the February meeting.

7. Closings

- Review Decisions and Tasks
- Rolling Board Calendar

8. Executive Session: GM Evaluation