

Meeting Minutes for Weaver Street Market's Board of Directors

June 2016 Meeting

Monthly Board Meeting, WSM Admin Center, Hillsborough, NC on June 8, 2016, 6:00 pm to 9:30 pm

Directors present: Ruffin Slater (general manager), David Bright (secretary), Barbara Keith, Jon McDonald (chair), Linda Stier, and Charles Traitor.

Others attending: Andy Sachs (facilitator), Brenda Camp (notes), Alicia Altmueller (consumer owner), Hank Becker (consumer owner), Amy Lorang (worker owner), Alex Nickodem (consumer owner), Rob Pengelly (consumer owner), John Rintoul (consumer owner), Betty Rintoul (consumer owner), Kathy Stewart (consumer owner) and Three Rivers Marker's Board of Directors: Jacqueline Arthur (general manager), Chris Bottoms (vice chair), Gabrielle Boudreau, Graciela Cabana, Nina Gregg, Dave Penegar (chair), Drew Thurman (secretary/treasurer), and Jennifer Weisent.

Meeting Format and Candidate Orientation Session

The June meeting combined a regular Board meeting with an orientation for prospective candidates on how the Board works. Attending a candidate orientation session is a requirement for candidacy. Special guests for the meeting included the Board of Directors and General Manager from Three Rivers Market in Knoxville, Tennessee. Three Rivers Market is considering adding worker ownership to its co-op structure, and the visitors came to learn more about WSM's hybrid form of ownership.

1. Preliminaries

Owner Input: Hank Becker suggested to the Board that Weaver Street Market would benefit from consumers having more opportunities to participate in the cooperative. He distributed a proposal called "Consumer Engagement Initiative." Amy Lorang shared with the Board that online voting looked likely for the upcoming election.

Agenda: There were no changes to the agenda.

Minutes: Minutes from the May meeting were approved.

Decision: The Board approved the May minutes.

2. Overview of WSM and the Role of the Board

Board Chair Jon McDonald explained to candidates and visitors important aspects of our hybrid ownership model and the Board structure:

- Ownership currently includes 220 workers and more than 18,000 consumers.
- The Board includes two elected worker owners, two elected consumer owners, two appointed directors, and the general manager.
- The Board operates by consensus, and directors represent the interests of the entire co-op, not just their ownership class.
- Profits are split 50%/50% between worker owners and consumer owners.

McDonald told candidates that "accountability resides with the Directors" and that at WSM, the Board is accountable for defining and achieving **Results**, ensuring that the General Manager uses prudent **Means**, and ensuring that the Board uses an effective **Process** among the Board and in its relationships with management. The topics on the agenda provided an example of each area of accountability.

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3. Plan and Budget Presentation

General Manager Ruffin Slater introduced the process being used to review the 2017 Budget and Plan. He pointed out that it's his job to turn the "B2 Planning and Budgeting" policy into an operational plan, which the Board then reviews and evaluates. He described a new step in the review process this year: Staff are invited to review the draft plan, meet and work on project teams, and participate in Co-op Plan meetings. He noted that the 2017 Plan is organized around the Ends statement and that there is a scorecard that assesses how the co-op is making progress toward each area of the Ends. He reported that we're using feedback from last year's owner survey as a check to see that we're pushing forward with the most important items.

The GM noted that the scorecard assesses how we are making a difference. He observed that the process involves tradeoffs, implications, and balance—identifying the result you want to achieve, identifying endeavors that will have the highest impact, continuing what's already making an impact, adding brand new things, and involving partners who need to be ready or need help to be ready. He also pointed out the challenge in translating concepts into something we can measure to see if we advanced the goal forward and at a rate that we'll arrive at the goal at a reasonable time.

The GM asked for feedback and questions from the Board and visitors. Highlights of the conversation include:

- We're at the cusp of being our own determinant, taking our own direction, which make us more independent of the marketplace.
- It's important to identify potential impediments, not necessarily threats or risk as much as system impediments.
- The National Co-op Grocers (NCG) helps us do some of things we cannot do on our own, such as sourcing food and in the coming year, developing a database/CRM system for grocery cooperatives.
- When expanding to additional stores, it's important to look at diversity—economic diversity as well as demographics.
- The Board is organized so that *ad hoc* groups are formed to work on topics outside of the Board meetings and make reports and suggestions to the Board.
- With policy governance, the Board hands over authority to the GM for the making the plan and budget, and then it determines if that plan is reasonable. The monitoring process is based on the dynamics of trust, and it encourages full disclosure from the GM.

4. Means Example: Limitations Monitoring

Linda Stier noted that the Board was about to evaluate a monitoring report on a policy in the area of constraints. She observed, while the Ends give the GM a charge to fulfill, policies give limits and constraints. She described the monitoring reports as including an interpretation of the governing document into something that's operational and data that demonstrate compliance. She described the Board's role as assessing whether the interpretation is reasonable and the data show clear compliance. The General Manager presented his written monitoring report for B-9 Emergency GM Succession.

In the discussion that ensued, a question was raised about the Board's process for addressing suggestions or issues presented in the "owner input" segment of the Board meetings. The Board acknowledged that they consider the input and have taken action when deemed appropriate; however, there is no structure in place to follow up with the owners who provide input.

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Decision: The Board accepted B-9 Emergency GM Succession Monitoring Report.

Task: The agenda committee will draft a form for disposition of items brought up during the owner feedback session.

5. Candidate Information and Questions

Brenda Camp answered questions about the candidate application package and reviewed the elections timeline.

6. Three Rivers Market

The General Manager from Three Rivers Market reviewed the history of the co-op and the path that led to their consideration of adding worker ownership.

7. Closings

- Review Decisions and Tasks
- Meeting Evaluation