

Meeting Minutes for Weaver Street Market's Board of Directors

August 2016 Meeting

Monthly Board Meeting, WSM Admin Center, Hillsborough, NC on August 10, 2016, 6:00 pm to 9:30 pm

Directors present: Ruffin Slater (general manager), Alicia Altmueller (consumer owner), David Bright (consumer owner), Barbara Keith (consumer owner), Jon McDonald (worker owner), Linda Stier (consumer owner), and Charles Traitor (worker owner).

Others attending: Andy Sachs (facilitator), Brenda Camp (notes), Hank Becker (consumer owner), Holly Hough (consumer owner), Rob Pengelly (consumer owner), and Kathy Stewart (consumer owner).

1. Preliminaries

Owner Input: Hank Becker inquired about feedback from the Board on his proposal. Board Chair Jon McDonald responded that the Board's goal is to have a more regular internal process for getting back to owners offering feedback. Rob Pengelly observed that the election process has been really positive and supportive. Kathy Stewart added that she found that election process straightforward and transparent. Holly Hough noted her agreement with Rob and Kathy.

Agenda: There were no changes to the agenda.

Minutes: The decisions from the July retreat were approved.

Decision: The Board approved the decisions recorded from the July retreat.

2. Board Business

Patronage Dividend

General Manager Ruffin Slater reported that the dividend distribution had changed slightly once the final numbers reported. The Board agreed to the distribution proposed at the July retreat.

Decision: The Board approved the patronage dividend for FY2016: 20% of the profit is to be distributed and 80% retained.

Board Budget

Board Treasurer Alicia Altmueller reported that the Board was under budget for FY2016, and she presented the 2017 Board Budget for approval. Linda Stier asked about the retreat costs, which are higher in July and January. Brenda Camp reported that consulting costs for the January retreat are included in the yearly fee with CDS Consulting, and that the consulting fees for the second retreat are not included in that base fee.

Decision: The Board approved the 2017 Board Budget.

Quarterly Board Process Policy Review

Board Chair Jon McDonald reviewed the results from the Board's survey process for evaluating its new policies. He observed that the Board processes are working work smoothly and that the review process serves as a good reminder of where responsibility exists for the Board. He noted that "building links between consumers and Board" was a common thread among the survey comments.

Alicia Altmueller noted that the survey process was a good reinforcement of Board's roles and responsibilities. Linda Stier noted that while the Board trusts the system, it needs to be prepared for

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challenges. She suggested that the Board undertake a scenario-based test to see how it would approach a challenge. Andy Sachs agreed that he could work the Board through hypothetical situations.

The Board agreed to continue the survey process once a quarter.

Co-op Fair and Annual Report Planning

Brenda Camp reported on plans for the Co-op Fair, which will be Sunday, September 11, and gave an update on the 2016 WSM Annual Report, which will be online Wednesday, August 24.

3. GM Reports

Monitoring Report: Policy B-1 Financial Condition

The General Manager answered questions on his Monitoring Report: Policy B-1 Financial Condition. He noted that because of the purchase of the Southern Village store, there is a new loan that requires a 2-to-1 debt-to-equity ratio. The GM answered a question about benefit expenses being higher than expected. He noted that because the co-op is self-insured, it's more challenging to predict healthcare costs. He also noted that the payroll is higher because sales are higher, but that the percentage of sales is where it should be.

Monitoring Report: Policy B-2 Southern Village Expansion

The General Manager answered questions on his Monitoring Report: Policy B-2 Southern Village Expansion. He noted that this is an additional monitoring report triggered by the planning policy: "The expansion of the Southern Village store triggers Policy B1 because it incurs new debt to finance the expansion. It triggers Policy B2 #3 because it exceeds the \$250,000 threshold for feasibility testing as defined in the July 2016 plan and budget report."

Monitoring Report Policy B-6 Staff Treatment and Compensation

The General Manager answered questions on his Monitoring Report: Policy B-6 Staff Treatment and Compensation.

Decision: The Board accepted Monitoring Reports for B-1 Financial Condition, B-2 Southern Village Expansion, and B-6 Staff Treatment and Compensation. The Board authorized the Secretary to sign any purchase and loan documents associated with the Southern Village expansion.

Election Committee

Linda Stier reported that online voting will be an option during the Board elections.

4. Closings

- Decisions and Tasks
- Next Month's Agenda: Auditor meeting, results of elections