

Meeting Minutes for Weaver Street Market's Board of Directors

September 2016 Meeting

Monthly Board Meeting, WSM Admin Center, Hillsborough, NC on September 14, 2016, 6:00 pm to 9:30 pm

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

Others attending: Andy Sachs (facilitator), Brenda Camp (notes), and Hank Becker (consumer owner).

1. Preliminaries

Owner Input: Hank shared with the Board that he talked to a couple hundred owners during the elections campaign and that there was widespread excitement about engaging owners in more conversations.

Agenda: There were no changes to the agenda.

Minutes: The minutes from the August meeting were approved.

Decision: The Board approved the August minutes.

2. Ends Report Presentation and Monitoring Report

General Manager Ruffin Slater presented an update on the Ends and answered questions about “Monitoring Report A: Ends.” His Ends report was based on the interpretations and measures captured in the Ends scorecard. The GM responded to requests for a few clarifications.

- The data reported for downtown transactions are for shopper transactions in our three stores—with transactions approaching 2 million.
- There are established economic indicators that are used to measure local economic impact, including local purchasing and use of local services.
- The average hourly wage for non-managerial pay for store employees will be \$14.75 effective September 18.
- Collecting data about community gathering place is sometimes a matter of observation, like when we need to buy more chairs to have enough seats.

Directors also made suggestions for additional data or tools that might be useful:

- Consider using different forms of technology for connecting with owners, such as Instagram.

ENDS	INTERPRETATION	OPERATIONAL DEFINITIONS/MEASUREMENTS
A vibrant sustainable, food marketplace--	<p>Four 2020 goals:</p> <ol style="list-style-type: none"> 1. Make healthy eating accessible, tasty, and fun; 2. Drive the growth of local and sustainable foods; 3. Invigorate downtowns; 4. Use net zero energy, create zero waste, and promote responsible packaging. 	<p>1. Healthy Eating</p> <ul style="list-style-type: none"> • WSM foods sales • Produce/salad bar sales • Healthy food provided for food insecure • Ending hunger in Orange Co. in five years <p>2. Local & sustainable</p> <ul style="list-style-type: none"> • WSM local food sales • WSM co-op produced food sales <p>3. Invigorate downtowns</p> <ul style="list-style-type: none"> • Local economic impact • Downtown transactions • Number of downtowns with a WSM store <p>4. Net zero</p> <ul style="list-style-type: none"> • Net energy use • Waste to landfill • % of packaging that can be recycled or reused
defined by shared economics, shared community, and shared knowledge;	<p>Shared economics There is a close connection between the well-being of the workers, shoppers, and the co-op itself.</p> <p>Shared Community WSM is a community hub for enjoyable work and shopping experiences, fun events, and connecting with the greater community.</p> <p>Shared Knowledge Co-op ownership is seen as the preferred business model. Owners can “see through” WSM to greater marketplace and provide input that improves WSM.</p>	<p>5. Worker well-being</p> <ul style="list-style-type: none"> • Worker pay • Worker dividend • Benefits • Overall satisfaction <p>6. Consumer well-being</p> <ul style="list-style-type: none"> • Affordable prices • Great quality • Great service • Overall satisfaction <p>7. WSM well-being</p> <ul style="list-style-type: none"> • Sales growth • Profitability • Expense reduction • Efficiency <p>8. Shared Community</p> <ul style="list-style-type: none"> • Event attendance • Community gathering place • Respondents citing “community” in survey <p>9. Shared Knowledge</p> <ul style="list-style-type: none"> • Sharing information • Providing input • Promoting the co-op model
driven by widespread and diverse participation;	There are convenient and rewarding ways for owners to participate in accomplishing co-op goals.	<p>10. Driven by widespread and diverse participation.</p> <ul style="list-style-type: none"> • Number of owners who shopped/worked • Community Food Partnership donations & volunteers • Participation in co-op planning events • Contribution to Co-op Community Fund
for owners and potential owners.	WSM serves current owners and those who want WSM to transform their community too.	<p>Owners and potential owners</p> <ul style="list-style-type: none"> • Number of owners (see #10 participation) • Number of stores (see #3 invigorate downtowns)

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- Collect data on how co-op leadership is growing.
- Using the term “worker efficiency” can make the workers feel that they just need to work harder. Instead focus on improved processes and better tools to do the job, which will increase efficiency.

Decision: The Board accepted Monitoring Report A-Ends.

3. Potential Changes to the Consumer-Owner Share System

The Directors continued their discussion of potential changes to the consumer-owner share system. The proposed changes were communicated to owners in the annual report, an owner e-news, and a Board blog. The Board received feedback from 13 owners, 5 through emails and 8 through comments in the owner survey. In the ensuing discussion, the Directors expressed agreement on moving toward a one share/one vote structure and on offering a low-income share for \$25. Benefits identified for the one share/one vote structure included:

- Encourages more people to participate and means more people are committed to the co-op.
- Simplifies voting, makes voting rights more equitable, and aligns with voting rights of worker owners.
- Aligns with what other co-ops are doing and ties in with the CRM system being developed for shared use among co-ops.
- Creates a share system that easy to understand.
- Makes administrating shares more efficient.

The Directors discussed elements involved in moving to a one share/one vote system, including share cost, share structure, messaging, and a transitioning process. A number of considerations were identified:

- The proposed share amount places a much greater burden on single-adult households, while current share system allows for multiple-adult households to misuse single-adult shares.
- The new system needs to include a more rigorous system for paying off the share cost.
- The share cost needs to capture the most people while also remembering that share cost is an investment and not to be conflated with the ability to shop.
- Changes in the structure, especially the costs, need to encourage more people to participate.
- The amount of the share needs to be in alignment with the value of being owner and that value needs to be articulated in new messaging about ownership.
- A transitioning process is needed that produces clarity and participation with the least amount of negative impact.

Other considerations and possibilities were identified in relationship to offering a low-income share:

- A process and criteria for qualifying individuals for the low-income share
- A low-income discount as offered by other co-ops, including the Durham Co-op
- A low-income share that is subsidized through donations but is still full price

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- A mid-tier share that costs more than a low-income share but less than a full share
- A lower-cost student share or a short-term share tied to a set number of years, which could be converted to a regular share
- A reduced-cost share for seniors
- A “membership” share that is cheaper but provides fewer benefits

Tasks: Ruffin will investigate and return with information on share amount sizes and benchmarks, options for transition plans, leverage options, and clearer messaging on “why become an owner?” Additionally, he will identify the options for dividends.

4. Co-op Fair Debrief

The Directors shared their assessments of the Co-op Fair:

- More energy, more families, more kids this year.
- Felt like a fair.
- A highlight noted by several Directors was talking to the Progressive Farmers who expressed great enthusiasm about their connection with us and excitement about the possibilities for partnering.
- Vertical posters in the Food House were striking.
- Not as much conversation with the Board. There were more comments on the posters before.
- Liked the setup of the elections where owners had a quiet space for reading about candidates while the candidates mingled with the owners.
- Vendors were quite engaged with owners.
- The tour of the Food House was phenomenal with compelling statistics showing the productive output of the co-op.

The Directors agreed to host another Co-op Fair in late April. Suggestions for the next fair include:

- Find ways to both get more workers engaged and to create cross engagement among workers and consumers.
- Promote how great the fair is and add even more fun elements, such as a bouncy house.
- Use the fair as opportunity to promote ownership.

5. GM Reports

September GM Report

The General Manager answered questions on his monthly GM reports. Highlights from the report include:

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- **Sales Growth:** We achieved 5% sales growth for the month of August. Carrboro sales were up 4%; Southern Village sales were up 8%; and Hillsborough sales were up 6%.
- **Owner survey has 1,850 responses so far.** The survey will run through the end of September, and the final report will be ready for the October Board meeting..
- **WSM certified as living wage employer.** WSM has been certified by Orange County Living Wage effective September 18. The non-profit plans to put a picture of WSM on the cover of their new brochure. They will be having a "buy-in" at Living Wage employers in Hillsborough beginning on Oct. 15.

Monitoring Report: Policy B-3 Asset Protection

The General Manager answered questions on "Monitoring Report: Policy B-3 Asset Protection." The GM responded to a question about credit/debit transaction being PCI (Payment Card Industry) compliant if we're not accepting chip cards. He noted that there is not a hard deadline for accepting chip cards, but the co-op expects to be compliant in the fall.

Decision: The Board accepted Monitoring Report for B-3 Asset Protection

6. Closings

- Decisions and Tasks
- Next Month's Agenda: Share changes

7. Executive Session: Real Estate, Audit