

Meeting Minutes for Weaver Street Market's Board of Directors

September 2017 Meeting

Monthly Board Meeting, WSM Admin Center, Hillsborough, NC on September 6, 2017, 6:15 pm to 9:30 pm

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

Others attending: Andy Sachs (facilitator), Brenda Camp (notes), and Claire Bates (intern Dispute Settlement Center).

1. Preliminaries

Owner Input: Claire stated that she is observing Andy in his role as facilitator, and that as a consumer owner she is also interested in what the Board does.

Agenda: Item 3c Draft Bylaw Revision was added to the agenda.

Minutes: The minutes from the July meeting and the decisions from the August retreat were approved.

Decision: The Board approved the minutes from the July meeting and the decisions from the August retreat.

2. Ends Report Presentation

Ruffin Slater, General Manager, presented his yearly Ends Report. He noted that his interpretation of the Ends is, in essence, the same interpretation as last year, only framed around the four pillars of “trusted quality,” “locally sourced,” “for the community,” and “by the community” rather than the 2020 goals. The report describes how the four pillars align with the four 2020 goals. The GM also pointed out that his interpretation is driven by input from consumer and worker owners in three surveys given in 2016 and 2017. The Directors made the following observations and recommendations:

- Additional sales data might be helpful. For example, are increases in sales from shoppers buying more versus are more people shopping, what’s the average shop per owner, what’s the average number of owners who shop during the week, are owners increasing the frequency of their shopping?
- Isolating sales patterns might be beneficial. For example, as secondary drivers became more primary, are people going to Weaver Street for dinner or beer and wine rather than for groceries.
- Is there a way to show the simple, powerful relationship between consumers and workers in shared economics so that it could be communicated to owners, perhaps a balance sheet?
- It’s important to actively engage owners who have participated in committees and leadership roles, including those who ran for the Board but were not elected.
- It would be beneficial to add to the report what is being done to achieve these results. For example, include what is being done that is making work easier and more efficient, which is leading to higher sales and lower margins.

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- In addition to the Net Promoter survey, it is important to collect information from owners on a regular basis, including behaviors and opinions about the market.
- In areas where progress is slower because of the scope, focus on smaller, incremental steps rather than big impact ones.
- Owners are missing out by not having access to the Ends Report and the knowledge it imparts about who we are.

Decision: The Board accepted Monitoring Report A: Ends.

3. Board Business

Update on Owner Survey

The Owner Survey continues through September. An analysis will be provided at the October meeting.

Draft Proposal for the Establish of Term Limits

Charles Traitor and Alicia Altmueller presented a draft proposal for term limits for elected directors. The proposal also included a rationale for the change.

1. Proposed Text for the Establishment of Term Limits.

The relevant sections governing candidacy for the Board of Directors are Article VII,

Sections 3 and 5.

Section 3 defines Eligibility. It is the authors' opinion that the current language may stand without emendation or addition.

Section 5 defines Term of Office. It is the authors' opinion that the following text may be inserted as a separate paragraph after the current full text of Section 5:

“Consecutive Term-Limit. Elected Directors may serve up to four (4) consecutive two-year terms. Upon election to a fourth term, said Director may not run for the Board nor otherwise hold appointed office on the Board for two (2) consecutive two-year terms.”

2. Rationale for the Establishment of Term Limits.

a. Under WSM Board Process Policies, the Board of Directors is responsible for its own governance process (C2. Section 3c) and its own performance in its governance process (C2. Section 4b). The Board further assumes the obligation to ensure a robust recruitment process (C2. Section 5b).

b. Under Article XI: Miscellaneous Provisions, Section 4, the Board of Directors is empowered to alter, rescind or amend the By-laws of the corporation.

c. At the Board Retreat of 9 August 2017, and in view of the addition of a new store, the Board of Directors discussed board composition and term limits. Three of the four elected members of the Board (75%) argued in favor of term limits and the Board moved

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unanimously to a term limit for elected members of four (4) consecutive two-year terms and a necessary interval of four (4) years for renewed eligibility to serve.

d. The Board of Directors avers that a term limit implies neither discontinuity nor a loss of expertise or institutional memory. A given board need only to ordain a term limit of sufficient length. The Board further asserts that a policy which provides for continuity and yet safeguards against stasis, entrenchment, and/or consolidation of power, is sound.

e. The Board of Directors avers that a term limit increases the likelihood of true democratic representation, if only by virtue of a wider array and number of office holders; that a term limit tends to uphold not the individual but the governing body and its responsibilities as a whole; that a term limit tends to promote more widespread and diverse participation, and thus is in accord with our Ends statement.

f. The Board of Directors avers that the consecutive nature of the proposed term limit -- that is, the fact that no board member is finally denied from running, but only temporarily -- sufficiently preserves the democratic principle of free access and free choice. The Board recognizes also that rotation in office is viewed historically as healthy and restorative.

g. The Board of Directors avers that the proposed term limit will not result necessarily in the loss of engagement with the departing member. Weaver Street Market provides all members with multiple ways to participate.

For these reasons, both timely and progressive toward our Ends as a co-operative, the Board of Directors puts its faith, its purpose and its power into the establishment of a term limit for elected members.

Five Directors voted in favor of the change; two directors abstained.

Decision: Five Board members voted in favor of adding the following paragraph to the Bylaws, Article VII, Section 5: "Consecutive Term-Limit. Elected Directors may serve up to four (4) consecutive two-year terms. Upon election to a fourth term, said Director may not run for the Board nor otherwise hold appointed office on the Board for two (2) consecutive two-year terms." Two members abstained.

4. September 2017 GM Report

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

- **Sales Growth:** Sales in the first 8 weeks of the current quarter are up 2% overall, with Carrboro up 1%, Southern Village down 1% and Hillsborough up 6%. Sales growth in Southern Village is starting to rebound now that the expansion is over.
- **Southern Village Remodel:** The Southern Village remodel is complete and the new space looks great.
- **Owner Survey Underway:** We've had a good response so far to the owner survey. Our goal is to equal last year's record of 2,400 responses.

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6. Closings

- Decisions and Tasks
- Next Month's Agenda: GM Compensation, Open Board Time, Election Results, Survey Results, Calendar Review, Executive Session
- Meeting Evaluation

7. Executive Session: Audit, Real Estate

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