

Meeting Minutes for Weaver Street Market's Board of Directors

August 2018 Meeting

Monthly Board Meeting, WSM Admin Center, Hillsborough, NC on August 8, 2018, 6:00 pm to 9:30 pm

Directors present: Ruffin Slater (general manager), Alice Ammerman, Hank Becker (treasurer), David Bright (secretary), Jon McDonald (chair), Linda Stier, and Charles Traitor.

Others attending: Andy Sachs (facilitator), Brenda Camp (notes), Dick Howard (consumer owner), Audra Jenson (consumer owner), and Lauren Tilley (worker owner)

1. Preliminaries

Owner Input: Lauren Tilley noted that her attendance at the meeting was in response to what she heard at the unit meeting about worker-owner participation. She identified a need for worker owners to have a closer connection to the Board and suggested the idea of having a worker owner from each unit serve as a liaison to the Board. Jon McDonald noted the timeliness of Tilley's feedback as the first agenda item for the night's meeting is a discussion of increasing owner participation and cultivating leaders in both classes of owners. Audra Jenson observed that she's a new consumer owner and had come to see what's up with the Board.

Agenda: There were no changes to the agenda.

Minutes: Minutes from the July meeting were approved.

Decision: The Board approved the July minutes.

2. The Board's Job and Discussions at Board Meetings

Review of the Policy C2: The Board's Job

The Board continued a discussion of "Policy C2: The Board's Job," which began at the July meeting. The Board agreed that the new interpretation by the General Report was sound. The discussion included several suggestions and observations:

- Hank Becker, who was pleased with the continued focus on owner communications, suggested that communications with owners fall under "linkage" rather than "cognition" in the framework outlined in the interpretation. He observed that "cognition" was more focused on education—informing consumers about the market, while "linkage" focused on the consumer point of view and on creating an environment conducive to conversation about what owners care about.
- Ruffin Slater described his idea as being similar to the co-op café events the Board attends each spring: A group of owners and board members would be engaged with a topic of discussion to learn together about subjects and issues important to the co-op with the results of the explorations potentially informing changes in the future.
- Charles Traitor noted that he found the interpretation sound but was uncomfortable with the act of codifying what the Board does in the operational definitions as a standard. He observed that the Board could fulfill all that is outlined in the operational definitions but not address the gap in knowledge of worker owners about what the Board really does. He wanted the operational definitions to be open enough that the Board could talk about ideas brought up by an owner and say "yes" or "no" based on the merits of the idea.

August 2018

- Linda Stier described linkage as having a number of different layers, including the Board hearing and responding to concerns communicated by owners, the Board educating owners or what it doing, and knowledgeable owners participating in informed conversations.
- Jon McDonald pointed out that the Board had effectively communicated about the role of the Board at the candidate orientation session and suggested that the Board distill that language into a consistent story that's easy to share.

Discussion of Plans for Board Meetings.

The Directors had previously aligned with the idea of incorporating topics for conversation and discussions with owners at the Board meetings. Tonight, they discussed plans for how these sessions might be incorporated in the upcoming Board calendar. Suggestions were made for making the sessions engaging and relevant to owners:

- Host regularly scheduled sessions (such as quarterly events) and communicate with owners about engaging in the discussions.
- Select topics that are exciting, fun, and relevant—"big dollar issues that we're trying to tackle because we're a co-op."
- Engage a core group of owners in conversation about the topics and spread engagement to other owners.
- Invite worker owners to attend and report back to their units.
- Invite individuals from under-represented groups.
- Take time to explore what to do with the information that results from the sessions.
- Create an environment that encourages participation from owners attending, an environment that is not as imposing as Board meetings and with a better balance between number of owners and Board directors attending.

3. Preparation for the Carrboro Lawn Public Hearing

Ruffin Slater identified two upcoming meetings related to the Carrboro lawn improvements: A display and discussion on the Carrboro lawn Sunday, August 26, and the public hearing at the Board of Alderman meeting on Tuesday, September 4. Hank Becker asked why the co-op needed approval to make the improvements. Slater responded that permission was required to make a modification to Weaver Street's conditional use permit, in particular, the proposal to increase the footprint of the building. He noted that there was more concern about the lawn, in particular, adhering to the limit on the amount of impervious surface.

Task: Ruffin will provide information to the Board about the artificial grass before the Carrboro lawn meeting on August 26.

4. Board Business

Patronage Dividend: The Board agreed that since there were no profits for Fiscal Year 2018, there would be no patronage dividend.

August 2018

Decision: The Board agreed that there would be no patronage dividend for FY2018.

Review Annual Report: Ruffin Slater presented a draft of the annual report.

Task: Directors will provide additional feedback on the annual report by Friday, August 10. Ruffin will provide the Board with a narrative on the financial results.

Task: Brenda will send out an email to coordinate the times for the Directors to man the Board areas at the Co-op Fair.

Review Owner Survey: The owner survey will start with the launch of the Annual Report on August 22. As with previous surveys it yields a Net Promoter Score. It also asks owners to identify the most important change the co-op could make, and it gives them the option of identifying their primary store, contact information, and owner number. Slater noted that as the Board learns more about surveys, the questions and design could be reconsidered.

Co-op Fair Plan: The Board area of the fair will focus on the Raleigh store opening and how it relates to the other stores. For example, the need for new product lines for Raleigh has led to rolling out new product lines now for the existing store. The Board area will also include information about the improvements to the Carrboro lawn and expansion of the café.

5. GM Reports

GM Report

General Manager Ruffin Slater presented his August 2018 General Report.

- **Sales Growth:** Sales growth was 5% over last year for the quarter ending in June, with Carrboro up 1%, Southern Village up 12% and Hillsborough up 5%. (Sales growth in Southern Village is up 12% compared to two years ago, or an average of 6% per year.) The national co-op sales growth benchmark for this period is 1%.

Sales growth for July, the first month of FY 2019, was up 7%, with Carrboro up 2%, Southern Village up 20%, and Hillsborough up 6%. (Sales growth in Southern Village was up 14% compared to two years ago, or an average of 7% per year.)

- **Raleigh Managers Hiring:** In addition to store manager Micki McCarthy, we have hired four department managers. Three are internal hires.
- **Raleigh Opening Update:** Raleigh opening is now scheduled for January 2019, due to construction delays and the Just Food software implementation timeline.
- **Staff Meetings:** We are holding staff meeting in all the business units Aug 5-10.

Monitoring Report B1: Financial Condition

The GM answered questions about “Monitoring Report B1: Financial Condition.”

- Hank Becker asked how sales could be up but profits down. Slater responded that sales were up the second half of the year and met the budgeted sales numbers but did not meet the budgeted numbers the first half of the year.

August 2018

- Dave Bright asked about the expenses being high at the Food House. Ruffin responded that Food House sales were the opposite of the stores—they were higher the first half of the year and then lower for the second half. He identified Factors contributing to this, including the reduction of shrink in the Carrboro store and reducing wholesale sales in preparation for the Raleigh opening.

Decision: The Board approved the Monitoring Report B1: Financial Condition with acknowledgement of contravention.

Monitoring Report B6: Staff Treatment and Compensation

The GM answered questions about “Monitoring Report B6: Staff Treatment and Compensation Staff Treatment and Compensation.”

- Charles Traitor asked if there was a time limit on the forklift certification for staff. Slater responded that he would investigate whether forklift certification needs to be reupped after a time interval.
- Traitor also inquired whether departments are having regular department meetings. Slater responded that he would document the participation.
- Dave Bright recommended seeing more information on accidents when the trend is up, including the percentage of staff who are first aid trained as well as the targeted goals to ensure that stores and operations are effectively covered.

Decision: The Board approved the Monitoring Report B6: Staff Treatment and Compensation with acknowledgement of contravention.

6. Open Board Time

Brenda will send information to the Directors about their participation at First Fridays at The Dillon on September 7, 2018.

7. Closings

- Review Decisions and Tasks
- Meeting Evaluation
- Next Month Agenda: Auditor