

Meeting Minutes for Weaver Street Market's Board of Directors

October 2019 Meeting

Monthly Board Meeting, October 21, 2019, WSM Admin Center, Hillsborough, NC 6:15 pm to 9:30 pm

Directors present: Ruffin Slater (general manager), Alice Ammerman (treasurer), Glenda Clare, Jon McDonald (chair), Linda Stier, and Charles Traitor.

Others attending: Susan Sachs (facilitator), Brenda Camp (notes), Sarah Carroll (consumer owner), Ben Haney (consumer owner), EmJ Jakubowics (worker owner), Rachel Whetten (consumer owner, former worker owner).

1. Preliminaries

Owner Input: Sarah Carroll addressed the Board about the 2020 Goals being removed from the website. She expressed that it doesn't feel transparent when a very specific goal had been identified, tracked, and then disappeared. She asked how this came to be and how it was communicated to owners. Rachel Whetten stated that she had the same concerns as Sarah.

Jon McDonald acknowledged that the Board failed to communicate the move from the 2020 goals to the four pillars. He assured Sarah that the 2020 goals remain operational in how the co-op achieves its Ends. Charles Traitor added that he too wondered how the Board is assessing the zero energy goal and whether it will be achieved in 2020. Linda Stier noted the importance of viewing things consciously from the owners' experience.

EmJ Jakubowics remarked that she was curious to hear what the Board had to say about the Raleigh store. She noted that the experience was different than expected—business is much slower and she's looking for hard information to do her job effectively. Ben Hansen noted that he was attending because he's curious about Board meetings and concerned about marketing for the Raleigh store.

Agenda: There were no changes to the agenda.

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

Decision: Minutes from the July meeting were approved

Decision: Decisions from the August retreat were approved

2. Ends Report.

Ruffin Slater presented his Monitoring Report A – End. He provided the following clarifications:

- The methodology for the annual Net Promoter Score survey and the cash register surveys, is similar, and the results seem to support each other.
- Price is the overall deterrent to the Overall Value rating in the cash register surveys.
- Data will soon be available to track loyalty of owners using the weekly owner coupons. However, no specific data are available on whether the coupon program is generating new shoppers.
- For the Raleigh store, marketing includes more traditional advertising, including direct mail, to acquire new shoppers.

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Linda Stier requested that future Ends reports include the benchmark set in the plan and budget so that the Board can have comparative data to go with the achievements being reported.

Task: Ruffin will look up Wegman's Net Promoter Score.

Decision: The Board accepted Monitoring Report A - Ends.

3. Raleigh Opening Report

Ruffin provided a report on the opening of the Raleigh store. He described the current status as a gradual process of building the business and acquiring more customers every week. He noted that in particular the store needs more grocery shoppers and diners outside of lunch.

Linda Stier suggested that Board be involved in new owner orientation sessions for the Raleigh store.

Jon McDonald requested that the GM include in his General Report a customer count for the four stores as well as notes on lessons learned.

4. Board Business

FY2019 Dividend Decision

The Board made its formal decision about dividends for FY2019: Since there were no profits for the year, there is not a pool to allocate either patronage dividends or interest on retained dividends. The GM reported that he had not received negative feedback on the lack of a dividend. He confirmed that the dividend decision was discussed in the financial section of the annual report published in August.

Charles Traitor suggested that the Board consider giving owners the option to donate their dividend distribution to organizations working on initiatives potentially valuable to the co-op, such as diversity training.

Decision: The Board agreed that there would be no patronage dividend and no interest on retained dividends for FY2019.

5. GM Reports

GM Report

General Manager Ruffin Slater presented his 2019 May General Report. Highlights include:

Sales Growth: Sales grew 2% over last year for the quarter ending in September, with Carrboro up 4%, Southern Village down 3%, and Hillsborough up 2%.

Glenda Clare asked what was being done to increase sales at the Southern Village and Hillsborough stores. Ruffin replied that the trend is about the same amount of people but more sales growth. He identified eliminating single-use bags as a potential cause and observed that Hillsborough may be

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reaching its sales potential for the size of the town. He noted the importance of learning how to be profitable with minimum sales growth.

Monitoring Report B3 – Asset Protection

General Manager Ruffin Slater presented Monitoring Report B3 – Asset Protection. Charles Traitor asked Ruffin what it means to insure a 401k plan. Ruffin explained that it protects the employees' funds against such threats as malfeasance.

Decision: Board Directors accepted Monitoring Report B3 – Asset Protection.

Monitoring Report B1 – Financial Condition and Activities Report

General Manager Ruffin Slater presented Monitoring Report B1 – Financial Condition and Activities Report. Charles Traitor posed the question—at what point is it the Board's responsibility to take a hard stand that the financial condition cannot go on further and requires a different plan for a different outcome?

The GM responded that it means giving more frequent reporting with a detailed budget and data such as the number of customers and what we're doing improving that. He reported that he's doing a weekly income statement for each unit.

Decision: Board Directors accepted Monitoring Report B1 – Financial Condition and Activities Report with acknowledgement of contraventions. The Directors requested detailed monthly reporting related to the financial condition policy.

Monitoring Report B5 – Treatment of Consumers Report

General Manager Ruffin Slater presented Monitoring Report B5 – Treatment of Consumers Report. There were no questions about the report.

Decision: Board Directors accepted Monitoring Report B5 – Treatment of Consumers Report

Monitoring Report B6 – Staff Treatment and Compensation

The GM observed that the workers compensation rating was still out of compliance even though there were only two claims for the reporting period. He explained that the three-year trailing measure includes the high 2018 rating in its calculation.

Decision: Board Directors accepted Monitoring Report B6 – Staff Treatment and Compensation with acknowledgement of contravention.

6. Open Board Time

7. Closings

Decisions and Tasks

Next Month's Agenda: Elections Reports, Raleigh update

Meeting Evaluation