

Meeting Minutes for Weaver Street Market's Board of Directors

August 14, 2024 Meeting

Board Business Meeting, August 14, 2024, online, 6:00 pm to 8:00 pm

Directors attending: James Watts (general manager), Deborah Gibbs (consumer owner), Allanah Hines (worker owner), EmJ Jakubowics (worker owner), Jon McDonald (consumer owner), and Amy Wares (consumer owner).

Others attending: Mark Goehring (consultant), Brenda Camp (notes), Jason Baker (consumer owner), Mason Chamblee (consumer owner), Willow Dees (worker owner), Portia Hackett (worker owner), Carole Hoffman (consumer owner), and Makeda Ma'at (consumer owner).

1. Preliminaries

1a. Owner Input:

Willow Dees, worker owner, made an appeal on behalf of a co-worker who had been terminated at the Carrboro store. Discussion was moved to the Executive Session.

Carol Hoffman, consumer owner, expressed her love for Weaver Street Market and noted her interest in running for the Board in the upcoming elections.

1b. Agenda: B2 - Planning and Budgeting Monitoring Report was removed from the agenda; the General Manager will submit the report in October.

1c. Minutes: Board Minutes from the June 5, 2024 Board Business Meeting were approved.

Decision: Minutes from June 5, 2024 Board Business Meeting were approved.

2. General Manager Accountability Reports

a. General Manager Report

James Watts, General Manager, presented his August 2024 General Manager Report. Watts provided the following clarifications:

- In the store operations update, the door that needs replacing is a refrigerated case door that is no longer available.
- Alice Lamson, Hillsborough store manager, will transition to half-time salary as an employee not as a consultant.
- The fluctuations in sales between June and July were due to refrigeration problems in Southern Village and disrupted deliveries to all the stores from our primary cost-of-good suppliers. Remediation talks are in process with the supplier.

b. Dividend Review

James Watts, General Manager, presented his recommendation to declare no dividend for FY2024 as there was not a profit. Dividend information will be included in the financial section of the Annual Report, which is due to be released on September 24.

August 2024

NOTE: The Board Chair noted that there was no dividend decision for FY2024 as there was no profit.

3. Monitoring Reports

a. Policy B1—Financial Conditions and Activities Monitoring Report

James Watts presented his Policy B1—Financial Conditions and Activities Monitoring Report. He reported compliance with all provisions of the policy except for Provision 2: Net Profit and Provision 3: Allow Liquidity to Be Insufficient. Watts added the following clarifications:

- Financial conditions were back in compliance with Provision #6 Loan Covenants. Net income will not change until the co-op starts making a profit, and with a rolling four-quarter measure, the Net Profit Provision will remain out of compliance for a while.
- The National Co-op Bank requires the co-op to maintain a reserve fund of \$450,000 for medical expenses. The co-op had to withdraw \$353,000 to cover medical expenses and will start making monthly payments of \$10,000 until the reserve fund reaches \$450,000.

Allanah Hines moved to accept the report with contraventions and one edit noted / Jon McDonald seconded the motion.

Decision: The Board accepted Policy B1—Financial Conditions and Activities Monitoring Report with acknowledgement of contraventions and one typo edited in Provision 6. The report provides evidence that the General Manager has operated within the constraints of this Executive Limitation except for the contraventions indicated in the monitoring report. The Board finds that the rationale for the contraventions and the commitment for future compliance to be acceptable.

b. Policy B3—Asset Protection Monitoring Report

James Watts presented his Policy B3—Asset Protection Monitoring Report. He reported compliance with all provisions of the policy except for Provision 5a, due to the lack of a published Member and Customer Privacy Policy. He also noted the difficulty in gathering all the data for his first round presenting this monitoring report to the Board.

Mark Goehring clarified that Provision 8 is about public image, that people are still shopping at the co-op. He noted classic instances in US history—the Alar apple scare and the Tylenol poisoning—which led to people not buying products and dramatically eroded public confidence.

Watts provided additional views for looking positively at the number of owners, customer count, and basket size: The average transaction size went up in the pandemic, but it has not dropped as quickly as we thought it would. The average basket size is also much higher than it was pre-pandemic, which means more items in the cart but shopping slightly less often. Therefore, we are having fewer incidental visits to the co-op than we did pre-pandemic

Watts acknowledged that the towing situation at Carr Mill Mall does have some potential to impact public image negatively. He noted that the towing seems to ramp up every five or so years, but one of the differences this time is the dramatic high expense associated with the towing, essentially the highest amount the state will allow.

Deborah Gibbs moved to accept the report with contraventions / Amy Wares seconded the motion.

August 2024

Decision: The Board accepted Policy B3–Asset Protection Monitoring Report with acknowledgement of a contravention. The report provides evidence that the General Manager has operated within the constraints of this Executive Limitation except for the contravention indicated in the monitoring report. The Board finds that the rationale for the contravention and the commitment for future compliance to be acceptable.

4. Board Process

a. Final FY2024 Board Budget

Amy Wares, Board Treasurer, presented the final FY2024 Board Budget report. Wares noted that the report finishes the 2024 budget reporting cycle. She observed that the actual expenses for the fiscal year were considerably less than the budget because pre-pandemic expenses were left in the budget in case they were still needed. She reminded the Board that many of those expenses were removed from the FY2025 Budget.

5. Closings

NOTE: Anna Cates Williams resigned from her appointed Board seat in July.

Decisions and Tasks

Meeting Evaluation

6. Ongoing Board Training and Executive Session