

Meeting Minutes for Weaver Street Market's Board of Directors

February 2021 Meeting

Monthly Board Meeting, February 10, 2021, Online Meeting, 6:30 pm to 8:30 pm.

Directors present: Ruffin Slater (general manager), Nazmin Alani (consumer owner, treasurer), Alice Ammerman (consumer owner, secretary), Dave Bright (consumer owner), Allannah Hines (worker owner), and Linda Stier (consumer owner, chair).

Others attending: Mark Goehring (facilitator), Brenda Camp (notes), Emj Jakubowics (worker owner), Sally Parlier (worker owner), Tim Summers (worker owner), and Windy Willer (worker owner).

1. Preliminaries

Owner Input: Owners attending introduced themselves and noted they wanted to observe a board meeting.

Agenda: There were no changes to the agenda.

Minutes: Minutes from the December 9, 2020 Board Meeting were approved with one typo corrected, and Decisions from the January 15, 2021 Board Retreat were approved.

Decision: Minutes from the December 9, 2020 Board Meeting with one correction, and the Decisions from the January 15, 2021 Board Retreat were approved.

2. Board Process

a. Planning

i. DEI Outcomes

The Board continued its conversation from the January retreat about the outcomes the Board wanted to achieve with its DEI work. Linda Stier, Board Chair, began the discussion by noting the importance of governance as the framework for what the Board needs to do with regard to DEI and with the whole co-op.

The Directors offered the following perspectives on DEI outcomes for consideration:

- The Board needs to 1) craft into the Ends statement a certain experience that people will come away with and 2) place into policy the conditions that are completely unacceptable.
- The Board needs a new skill set in order to see the blind spots of the Board members, to listen and speak to owners intelligently, and to determine whether an interpretation is reasonable and that data provided is acceptable.
- The Board needs to consider the makeup of the Board, how to attract new members, and how to bring on new Board members.
- The Board needs to have separate conversation about what happens in the short term to ensure that change happens and that it happens early.
- There are four areas in which the DEI work shows up for the Board: 1) Board policies (the Ends, the limits, Board processes), 2) monitoring and assessment, 3) Board composition and practices, and 4) Board communications to owners and the community.

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- It's important to focus on the activeness and intentionality of the current process, rather than anticipating what will be needed in 12 months.
- It's important to look at how the Board goes about the process and measures its progress, checking that progress is trending in the right direction.

Tonight's discussion is in preparation for the meeting in two weeks, at which time the Board will discuss the DEI proposals and decide which consultant to hire.

ii. Review Work 2021

Linda Stier prepared a Board-Goal Worksheet for the meeting. The worksheet mapped the July 2020 Board Goals onto the Board Job policy. Stier asked the Directors for feedback on the worksheet given the discussion about DEI outcomes, and she asked if there were a sense of priority to the items. The following suggestions were made:

- The worksheet could be incorporated into agenda planning as a frame that shows the scope of the whole Board process and encourages the good use of the Board's time and resources.
- Each of the goals requires much work and great detail, so it's important to ask, "How are we going to accomplish this and what's the timeline?" Once the Board has a clearer picture of time frame—is it 4 weeks or 6 months—that level of clarity would enable the Board to then prioritize the work.
- With the Board having retreats every six months, the Board could ask "What is the direction and movement that we'll realize before the next retreat?" Then, six months later ask, "How are we tracking?"

The Board Worksheet will be discussed further at subsequent meetings.

iii. Board calendar and meeting dates

The Directors discussed the 2021 Board calendar and agreed upon the following:

- The Directors confirmed that the Board will continue to hold monthly business meetings on the second Wednesday of the month, with retreats in January and in June or July.
- The Directors agreed to continue to add a placeholder on their calendars for a second Board meeting during the pandemic.
- The Board set an executive session on Tuesday, February 23, 2021 to appoint a worker-owner board member and choose a DEI consultant.

Decision: The Board confirmed that the Board Business Meetings will continue to be the second Wednesday of the month, starting at 6:30 pm. The Board set a special executive session on Tuesday, February 23, 2021.

b. Board Budget

Nazmin Alani reported that the Board is under budget since many of projected expenses did not occur during the pandemic. He recommended leaving the budget as is and adjusting later if needed.

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c. Appointed Board Member Selection

Linda Stier led a discussion about the process for appointing Dave Bright's replacement on Board. The Board agreed to create an Appointment Committee tasked to undertake the process of searching for potential candidates for the appointed Board member position that will be vacant at the end of Dave Bright's term June 30. Committee members are Dave Bright, Nazmin Alani, and Allanah Hines, with Dave Bright leading the committee. Linda Stier and Brenda Camp will provide support for the committee.

The following timeline was identified for the committee work:

March: Committee reports on the scope and process for their work

April: Committee presents a status report

May: Committee comes back with appointment options; Board selects the appointed member.

June: Appointed member attends the business meeting. Bright completes his term.

July: Appointed member is active.

Directors noted additional questions for the committee to consider: What contributions would we want for replacing the Board member? Is there a diversity component? How and where to look for eligible individuals? Interview questions? What are the skills and strengths of the current members and what's missing?

Decision: The Board tasked a Committee of Dave Bright, Nazmin Alani, and Allanah Hines to undertake the process to search for potential candidates for the appointed Board member that will be vacant at the end of Dave Bright's term in June. The committee will have a process plan for the March meeting. Dave Bright will take the lead on organizing the committee. Linda Stier and Brenda Camp will provide support for the committee.

3. Accountability - GM

Linda Stier provided a "Notes on Monitoring" document in the Board packet with the goal of helping all the Directors become efficient in knowing whether a policy got accomplished or not and having a better sense of a reasonable interpretation. She described the General Manager's skill set as translating the governance policy into operational strategy in a way that it's measurable.

a. Incidental Information

February GM Report

The General Manager presented his February General Manager Report. The GM informed the Board that Governor Cooper had announced today that on March 10 Weaver Street workers would be in the group to be vaccinated. He noted that HR would help employees schedule their vaccinations by using the Teams channel to provide information and tips, and that workers would help each other find open slots. He confirmed that all workers would be vaccinated, but that there would be reasonable accommodations for those who had medical issues or religious conflicts.

b. Monitoring Information

i. B1-Financial Condition Monitoring Report

The General Manager answered questions on his B1-Financial Condition Monitoring Report. He noted that the report, which addresses the September to December quarter, identifies 2 of the 10 provisions as

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being out of compliance: Provision 1: Allow sales growth to be inadequate and Provision 3: Allow liquidity (the ability to meet cash needs in a timely and efficient fashion) to be insufficient.

The GM explained that sales growth is required to meet certain benchmarks—one of the highest right now is food inflation which is 4%. In this quarter, sales were down 5% which means a delta of 9%. He noted that the monitoring report includes rough projections of the implications.

The GM explained that the liquidity is the ratio of savings—the ratio of assets to liabilities—and that savings are going down because we're using savings related to lost sales. He noted that at the March 10 meeting he will provide an updated Plan and Budget that shows when these financial conditions will come into compliance and that will identify other provisions that may be impacted or move out of compliance.

Board Directors made the following suggestions for the GM to consider in his Plan and Budget:

- Include scenarios with different timelines and implications for opening back up the different areas in the store, such as the hot bars.
- Provide a “voice over” sharing your take on what the next quarter is looking like given the uncertainties, which would give the Board members a better sense of what to expect.

The GM observed that he would be much better prepared do so in March when there were fewer unknowns. He also reported on work being undertaken to get more sales prior to reopening the closed areas in the stores.

Decision: The Board accepted B1-Financial Condition Monitoring Report with acknowledgment of contraventions. 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 contraventions and the commitment for future compliance to be acceptable. The General Manager will bring a revised Plan and Budget to the March meeting; the plan will show how the financial condition will come back into compliance.

B9-Emergency Management Succession Monitoring Report

The General Manager answered questions on his B9-Emergency Succession Monitoring Report.

Decision: The Board accepted B9-Emergency Succession Monitoring Report. The report provides evidence that the general manager has operated within the constraints of this Executive Limitation.

4. Closings

a. Decisions and Tasks

b. Meeting Evaluation

c. Next Month's Agenda

Report from Appointment Committee, Plan and Budget from GM