

Meeting Minutes for Weaver Street Market's Board of Directors

April 8, 2020 Meeting

Monthly Board Meeting, April 8, 2020, Virtual Conference, 6:30 pm to 8:40 pm

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

Others attending: Mark Goehring (facilitator), Brenda Camp (notes).

1. Preliminaries

Agenda: At Linda Stier's request an agenda item was added after 3a to consider the questions: "What does the Board need to look at during this pandemic? What is impacted in our policies? What role can the Board play?"

Minutes: Minutes from the March 2020 meeting were approved.

Decision: Minutes from the March 2020 meeting were approved.

2. GM Reports

Ruffin Slater, General Manager, presented a 2-part General Manager's Report. He noted that he had been thinking about the pandemic from a governing perspective and that report looked at the parts of the Board policies that are relevant to the pandemic and provided information to support that reasonable steps were being taking.

In *Part 1: Pandemic Response*, Slater identified the steps taken to mitigate the risk to workers and the steps taken to mitigate risks for consumers. He noted that he was providing weekly updates on the Covid-19 response to workers and consumers.

He presented details about the new online shopping and pickup service that started April 1. The online service, he noted, helps meet the community need for having access to good food while mitigating the risk of the shopping experience. He noted that the service had been implemented in 10 days, rather than the typical 90 days to implement.

Jon McDonald, the Board Chair, noted the strength of having the governing policies already in place and agreed that they provided a frame for evaluating the actions undertaken to address the pandemic. He also recommended that the Board consider the frequency of Board meetings during the pandemic.

Glenda Clare commended Ruffin on the steps taken and noted that the actions undertaken met all the guidelines she had heard.

In response to questions about the guidance he used in making decisions, the GM identified the Food Marketing Institutes and the National Cooperative of Grocers, who both put out bulletins with guidance, as well as members of the county health departments.

In *Part 2: Financial Situation*, the GM presented financial highlights for the January-March quarter. Highlights include

- Store sales skyrocketed in the first three weeks in March. Compared to last year, March sales were up 19% in Carrboro, 21% in Southern Village, and 24% in Hillsborough. March sales in Raleigh were \$163,000/week, up from \$125,000/week in February.

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- Health care costs were down. After 18 months exceeding budget, we had three consecutive months during which costs were back in line.
- We met all our bank ratios. After negotiating reduced covenants, it turned out we did not need them as we met the original covenants. In addition, our banks gave us covenant waivers for not meeting the covenants last fiscal year.
- Cash Flow was positive. Our cash from operations (\$435k) more than compensated for an increase in fixed assets for Raleigh (\$131k) and principal payments on our loans (\$187k).
- Closed on our loan from LEAF. The loan amount was \$420,000 (we received \$404,000 net of loan fees) and the interest rate was 5.5%. LEAF was very accommodating to our needs and extended the interest-only period to 24 months and the repayment period to 102 months.

The GM speculated that the April-June quarter would be challenging. He reported sales dipped below last year starting with the March 27 stay-at-home order, and then climbed above last year when online sales started on April 1. The GM noted the challenges facing the Food House kitchen with the food bars closed in the stores. He noted the Food House staff were developing a new offering of family-sized meal offerings that would be launched in April.

Mark Goehring, the Board's consultant from Columinate, asked the Directors to identify an appropriate motion that acknowledged both the long-term pattern of duty of care during an unordinary time and the Board's review and discussion of the prepared report.

Glenda Clare applauded the efforts and the excellent work, and she declared, "We approve this." Linda Stier requested that it be noted in the minutes that from the perspective of policy governance, the GM showed he had not left the Board uninformed regarding a major event.

The Board accepted the report as a framework for a response to the crisis. The Board agreed to pencil in a second April meeting on Wednesday, April 22, if required by the crisis.

Decision: The Board accepted the General Manager's Report in response to the Board's policy that requires the GM to keep the Board informed. Ruffin organized the co-op's response to the pandemic within the context of the Board policies to show that reasonable, diligent care had been given to proactively mitigate the risks. The Board and GM agreed to continue with this level of reporting until the issue subsides.

Decision: The Board authorized the GM to apply for a Paycheck Protection Program loan through the National Cooperative Bank for \$2.435 million.

3. Board Business

Appointed Board

Appointed Board member Dave Bright agreed to extend his term through the end of the year.

Decision: The Board extended Dave Bright's term through the end of 2020.

Charles Traitor Departure

Charles Traitor notified the Board that he intends to serve as a Director while on a leave of absence. Previously, Traitor had indicated he would be unable to serve. Since that time, the Gm informed him of

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the option of continue to serve while on leave of option. Traitor noted that would keep the Board updated on changes in his plans at the early possible moment.

Approve Revised Elections Timeline

The Board reviewed a revised elections timeline in response to the pandemic. The timeline moved the elections out two months. Linda Stier, Chair of the Elections Committee, expressed concerns about the short time span between new date for ballot counting and the date for presenting the elections report to the Board. The June meeting, which was omitted, was added to the timeline.

Decision: The Board approved the proposed Elections Timeline delaying elections two months.

4. Open Board Time

Task: Linda will review the policies and bylaws to see if there is anything that the Board needs to acknowledge or attend to related to virtual meetings and owner input not being included in virtual meetings.

5. Closings

Decisions and Tasks

Next Month's Agenda: Explore whether there is a way for the Board to relate to owners during the crisis?

Meeting Evaluation