

Meeting Minutes for Weaver Street Market's Board of Directors

July 21, 2021 Meeting

Board Business Meeting July 21, 2021, Online Meeting, 6:30 to 9:30 pm

Directors present: Ruffin Slater (general manager), Nazmin Alani (consumer owner), Alice Ammerman (consumer owner), Caroline Anders (worker owner), Allannah Hines (worker owner), Linda Stier (consumer owner), and Anna Cates Williams (consumer owner).

Others attending: Mark Goehring (consultant), Brenda Camp (notes), and a consumer owner.

1. Preliminaries

Owner Input: A consumer owner visiting the meeting shared with the Board that she was a new Food for All owner and happy that we offered the new share for SNAP recipients. She noted participating in a similar program at the Durham Co-op Market.

Agenda: There were no changes to the agenda.

Minutes: Minutes from the June 23, 2021 Board Meeting were approved.

Decision: Minutes from the June 23, 2021 Board Meeting were approved.

2. General Manager Accountability

July General Manager Report

Ruffin Slater, General Manager, answered questions about his July General Manager Report. He clarified that the fiscal year can be 52 or 53 weeks, and that 2021 was a 53-week year. He also noted that for the prior year, the Raleigh store was only opened 43 weeks, which effects the annualized sales for that year.

B2-Planning and Budgeting Monitoring Report

The General Manager answered questions about the *B2-Planning and Budgeting Monitoring Report*. The GM noted that the report had three parts: the monitoring report itself, which reports that he has done the required planning, and the plan and the budget, which provide evidence that the planning meets the criteria established in the executive limitation policy.

Linda Stier, the Board Chair, observed that the report included a great amount of financial data and assumptions and that there was time built into the discussion for Directors to identify any parts where they would benefit from discussion.

The GM provided the following clarifications:

Sales Projections in the 2022 Budget: Slater clarified that sales growth had dropped 6% in 2021, and that the 9% in the 2022 budget is regaining that 6% drop plus 3% sales growth. He also pointed out that chart of sales growth by store shows a conservative

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2% growth for all the stores but Raleigh, which has a projected 14% sales growth because it's still in its new store growth phase.

Slater also pointed out the data that show sales growth now compared to two years ago:

- Sales are now above two years ago in Hillsborough, and the budget expects that trend to continue.
- Sales are approaching two years ago in Carrboro and Southern Village, and the budget expects that trend to improve until sales are slightly above two years ago.
- Raleigh has only recovered 52% of its pre-pandemic customers, so the Raleigh sales budget shows much more growth than it has experienced in the last six weeks. Most of downtown Raleigh is expected to reopen by September.

Slater noted that his working assumption is that people will go back to their pre-pandemic shopping habits. He identified two ways shopping patterns were returning to the way they were pre-pandemic: online shopping has shifted from 25% of sales to 5% of sales, and the number of customer transactions increased when the coffee bar and hot bar opened.

Slater also clarified that much of the lunchtime business at the Raleigh store has not returned because the downtown businesses are still closed but that there are many projected openings around Labor Day and after schools reopen.

Gross Margins, Wages, and Sales/Labor Hour: The GM provided clarification about the reasonableness of his benchmarks for gross margin, wages, and sales per labor hour. He noted that for margins and sales per labor hour the goals are reasonable mostly because we've done it before, and we're redoubling our efforts to do it again because it's needed for solid financial performance. For wages, he noted that our goal is to be ahead of the Orange County Living Wage and to avoid wage compression, which means we keep the distance that exists today in wages for an existing employee and a new employee next year. He noted that double-digit increases in healthcare costs equate to an additional \$2 per hour over the last five years.

Board Directors made the following additional suggestions: help owners understand the impact their shopping makes on the co-op's financial stability and employee wages; use social media as a tool of communicating with owners and potential owners; and find additional ways to help employees financially in addition to the employee shopping discount.

Decisions: The Board approved B2-Planning and Monitoring Report. The report provides evidence that the General Manager has operated within the constraints of this Executive Limitation.

3. Board Process

Board Calendar

Linda Stier provided in the Board packet a review of the activities involved in the ongoing discussion about the Board's Calendar for the next six months as well as a draft work plan for the Board Calendar.

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Prior to opening the discussion, she noted that the Board Agenda Planning Committee (Linda Stier, Ruffin Slater, and Mark Goehring) had taken the next step in the process to draft a coherent and doable Board work plan.

Ruffin Slater identified three elements underlying the approach to the work plan. He noted that 2 and 3 enable 1.

- 1 Incorporate items that Board members said they wanted.
- 2 Consolidate "Board business" into one meeting each quarter to free up time.
- 3 Schedule one Board meeting and one other board activity each month.

The Directors made the following observations and suggestions in the discussion of the work plan:

- The Board Directors were not finished with the previous step of getting input from everyone, including identifying resources.
- The topics are still wide open and the work plan forces the Board to prioritize so that it can move into the "doing process."
- The Agenda Planning Committee needs a way to build out the plan and to create a structure.
- The Board is being asked for a considerable commitment of time with this calendar.

The Directors expressed alignment on the proposed structure identified in #2 *Consolidate "Board business" into one meeting each quarter to free up time* and #3 *Schedule one Board meeting and one other board activity each month*. Additional suggestions were noted:

- For months with business meetings, provide the monitoring reports a week in advance.
- If a Board member cannot attend one of the meetings, listen to the audio recordings.
- Use shorter programming slots so that more speakers can participate and with less of a time commitment.
- Do deep dives on topics at the retreats.
- Hold retreats in person and consider hybrid formats for other meetings.
- Ask for Board members to volunteer to take on each topic and come back with a plan.

The Directors agreed that as a next step they would use the work plan document to brainstorm for ideas and to express their interests and priorities.

Decision: The Board approved the FY2022 Board Calendar.

Task Noted for Board: The Board Members will review the June Topic Brainstorm tab on the Board Calendar 2021-2022 to review themes and questions, add thoughts and resources, and add feedback to ideas entered from other board members. The Board members will also note themes and key questions that they feel the Board should consider as priorities.

Board Intro for Workers

Prior to the Board meeting, Board Directors provided feedback on the WMS Board Intro to Workers document that Caroline Anders and Allanah Hines had prepared to introduce workers to the Board of Directors. Anders noted that the document has two parts: the introduction to the Board and suggestions for participation.

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Task Noted for Board: Board members will review the WSM Board Intro for Workers document and provide feedback by the end of this weekend. Allanah and Caroline will then create the final version based on the feedback and use as needed.

Board DEI Work

Linda Stier reviewed the Board DEI workshops that are upcoming:

- DEI Workshop #2 – Saturday, August 14, 1-5 PM
- DEI Workshop #3 – Saturday, September 18, 1-5 PM
- DEI Workshop #4 – to be scheduled

Stier then reviewed the results of the WSM Board DEI Work Survey that was distributed prior to the meeting. The document identified the next actions for each Director and suggested options for individual and group support.

Task Noted for Board: Linda Stier will send to the Board members the video of the DEI workshop #1 with the assignment by Friday, June 23.

4. Closings

Decisions and Tasks

Meeting Evaluation

Next Meeting Agenda