

Meeting Minutes for Weaver Street Market's Board of Directors

November 9, 2022 Meeting

Board Business Meeting, November 9, 2022, Online Meeting, 6:00 to 9:00 pm

Directors present: Ruffin Slater (general manager), Nazmin Alani (consumer owner), Deborah Gibbs (consumer owner), Allannah Hines (worker owner), EmJ Jakubowics (worker owner), Linda Stier (consumer owner), and Anna Cates Williams (consumer owner).

Others attending: Mark Goehring (consultant), Brenda Camp (notes), Kuanyu Chen (consumer owner), Portia Hackett (worker owner), Cole McMullin (consumer owner), Susan Singer (consumer owner), Kirk Stirland (consumer owner), Hallie Stallings (consumer owner), Amy Wares (consumer owner), and James Watts (worker owner).

1. Preliminaries

Introductions: Attendees introduced themselves.

Owner Input: Cole McMullin expressed his appreciation of the wine sale, particularly the selection of wines from cooperatives.

Agenda: The Election Committee Reports were moved to follow the Board Budget Report.

Minutes: Minutes from August 10, 2022 Board Business Meeting were approved.

Decision: Minutes from August 10, 2022 Board Business Meeting were approved.

2. Survey Information

Ruffin Slater, General Manager, submitted two survey reports to the Board—2022 Weaver Street Consumer Owner Survey Report and 2022 Weaver Street Worker Survey Report.

a. 2022 Weaver Street Consumer Owner Survey Report

The General Manager noted that the annual survey did not occur last year, so the report does not include data for 2021. He pointed out a few highlights from the survey:

- The Net Promoter Score was 79 this year. The score is based on owners reporting how likely they would recommend Weaver Street to a friend or colleague. In 2020, the score was higher at 84, but it was lower in 2019 at 77.
- The owners reported spending 46% of their monthly grocery budget at Weaver Street, which was down from 55% during 2020.
- A new question asked owners to rate by importance a list of nine steps for making the North Carolina food system sustainable. The owner ratings ranged from 3.06 to 3.80 on a 4.0 scale.
- Another new question asked owners about their approach to healthy eating and any barriers to healthy eating. The results showed that healthy eating is super important to owners.

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- The survey respondents reported rounding up 76% of their shopping transactions, which is considerably higher than the annual average of 50%.
- Owners also responded that email was their preferred method of communication, which coincides with email being the method used to communicate the survey.

Board members offered the following feedback and questions about the survey:

- The survey provides feedback from those who are already owners, but what about feedback from potential owners?
- There's an opportunity to connect with and build relationships with people beyond the grocery store. Ultimately the success of the co-op rides on our relationships with current owners and people who are not yet owners.
- Since 40% of the owners taking the survey were over 65 years old, how do we reach the 60% who are outside of this bracket?
- While the age distribution for ownership does suggest that our owners are getting older, the size of the sample may not reflect a real trend.
- Highlight in the weekly enews what the owners said was important in the survey. In addition to sales, which was rated the highest, include other subjects such as information that shows that Weaver Street is a good employer.

b. 2022 Weaver Street Worker Survey Report

The General Manager noted that the opening question of the worker-owner survey asks how likely the worker would recommend Weaver Street as a place to work. The worker rating this year was 7.5 on a scale of 10, which is slightly higher than the previous year's rating of 7.3. He pointed out that the workers were then asked the most important reason for their rating and the most important change Weaver Street could make to be the best place to work. He also noted that the survey then focused on the new health plan, with the goal of identifying the trouble areas for workers.

Board members offered the following feedback and questions about the survey:

- Having a benchmark for satisfaction with insurance would be interesting as overall everyone is unsatisfied with their insurance.
- The issues reported with billing and payments creates a heavy burden for grocery workers, particularly during high inflation.
- If 91% of the respondents are not participating in a wellness program, are we providing what workers want or what we want them to have?
- The comments in the responses are worth reading as they provide good insights and are written in earnest.

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- There is a dichotomy in the responses with workers who are dissatisfied—what’s happening is not working—and with others who are satisfied—what’s happening is completely working. What’s the difference? What’s needed for everyone to be served?

The General Manager noted that he would distribute to workers the survey results along with ideas for addressing the issues.

3. Board Budget Reports

Nazmin Alani, Board Treasurer, answered questions on the Final FY2022 Board Budget Report and the Q1 FY2023 Budget vs Actual Report. He noted that the actual expenditures continue to be under budget because of meetings being online versus in person. Alani clarified that the funds budgeted for Advisory Groups were for expenses related to leadership meetings, which did not occur during the pandemic, that the funds for the Columinate Package include consulting, meeting facilitation, and registrations fees for Board workshops.

4. Elections Committee Reports

Kuanyu Chen, Chair of the Elections Committee, presented two reports and supporting documentation for the 2022 Board Elections.

a. Monitoring Report and Supplement

Chen noted that the first report is a monitoring report on the Elections Committee’s delegated responsibilities for the 2022 Elections with a supplemental document, the *2022 Elections Procedure Manual*, which has annotations of any deviations from the manual during the elections.

One correction was identified: In 3c, the wording needs to be changed from *Board approval* to *Board acceptance*.

One item was identified for future consideration: What is the relationship between the Board and Elections Committee going to be as Linda Stier rolls off the Board, and her role ends as Board liaison to Elections Committee?

Decision: The Board accepted the Elections Monitoring Report with the change of the wording in 3c from *Board approval* to *Board acceptance*. The report provides evidence that the Elections Committee has operated consistent with its delegated responsibilities in Board Policy C8 - Election of New Board Members.

b. Elections Committee Report

Chen noted that the second report has several objectives: it reviews the year’s elections, provides follow up on the action items from last year’s elections, identifies action items for the 2023 elections, and suggests items for the Boards consideration. Linda Stier, who serves as the Board liaison on the committee, noted that there is also an action at the end of the report—the appointment of the returning committee members to next year’s committee.

Board directors made the following recommendations:

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- The Board needs to consider the gradual overall decline in the number of candidates in the Board elections.
- The Board needs to reevaluate the effectiveness of the Co-op Fair, which serves as the annual meeting, specifically the role of the event for providing clear communications about Board elections and making Board candidacy much more visible and explicit.

Appreciation was also expressed for the committee's thoroughness and their proactive stance in identifying what needs to happen to improve and streamline election processes.

Decision Item: The Board appointed the continuing 2022 committee members to the 2023 Elections Committee: Worker-Owners: Amy Lorang and Caroline Anders; Consumer-Owners: Kuanyu Chen (continues as Committee Chair), Becky Laskody, and Denise De La Montaigne.

5. Ends Report

Ruffin Slater, General Manager, presented Policy A1 - Ends Monitoring Report. He reviewed the Ends Statement and his interpretation of the Ends Statement:

ENDS STATEMENT

The purpose of Weaver Street Market is:

A vibrant, sustainable food marketplace defined by shared economics, shared community, and shared knowledge driven by widespread and diverse participation for owners and potential owners.

ENDS INTERPRETATION (revised based on August 2022 Strategy)

We achieve the Ends by operating a co-op of vertically integrated grocery stores in North Carolina that offer the best products at affordable prices, the best shopping experience, the best jobs, and the greatest food system impact.

Slater identified the following indicators he is using to report progress toward the four areas identified in the interpretation: the best products at affordable prices, the best shopping experience, the best jobs, and the greatest food system impact.

The Best Products and Shopping Experience

1. The best grocery store in NC
2. The best products
3. Meet the affordability threshold
4. Offer the best shopping experience
5. Make it easy to eat healthfully
6. Stores are vibrant gathering places

The Best Place to Work

1. The best place to work
2. The best pay among grocery stores
3. The best health and wellness benefits
4. The best benefits

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5. Employee and manager racial diversity
6. Pay equity

The Greatest Food System Impact

1. WSM sells products from local, co-op, and game changer producers
2. WSM increases healthy food access
3. WSM improves the environment
4. WSM involves shoppers in changing the food system
5. Sustainable, replicable business model
6. Food production and distribution

Slater noted that more comparison data would be provided over time. He provided the following clarifications in response to comments and questions from the Directors.

- Of the workers who responded to the survey, 14% were not on the Weaver Street health plan, and approximately half of those had insurance elsewhere. In the survey responses, no one said that they did not have insurance because they could not afford it.
- For race and ethnicity, the benchmarks used are the demographics of the surrounding community; however, for gender, there may be available male/female demographics by community but not for other genders.
- The benchmark for “scalable systems” means that we have systems in place that other co-ops or businesses would want to replicate. The benchmark of 50% is notional for now.
- Information about the Ends and Ends accomplishments are provided for owners in the annual report.

Directors made the following suggestions:

- Track the environmental impact of the packaging we use internally for shipping products from the Food House to the stores (in addition to our products sold in the store).
- For the indicators, especially employee distribution indicators, be careful about interpreting relatively small differences in percentage, given random variation with small numbers. Keep striving to have a distribution that looks more like the demographics of the community but realize these small numbers can be pretty fragile.

Decision: The Board accepted Policy A1 - Ends Monitoring Report. The report provides evidence that the General Manager has made reasonable progress towards the Ends.

6. General Manager Reports

a. General Manager Report

The General Manager answered questions about the November General Managers Report. Slater agreed that the statement suggesting negative sales growth was related to shoppers being more careful about

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their grocery spending was interpretive. He also noted that with inflation, if we sold the same amount of products, sales should go up.

b. Policy B1- Financial Condition and Activities Monitoring Report

The General Manager presented his Policy B1 – Financial Condition and Activities Monitoring Report. He reported compliance except for Provision 1 Sales Growth, Provision 2 Net Profit, and Provision 6 Bank Covenants.

The following corrections were reviewed and noted:

- In the Data section of Provision 5, the benchmark for Owner Shares & Retained Dividends Q4 FY 2022 should be 94% not 95%, which makes it out of compliance.
- In the opening statement of the Data section of Provision 6, the NCB ratios are identified as all being in compliance for the quarters reported. However, for Q1 FY 2023, the Debt Service Coverage Ratio is out of compliance, which is correctly noted in the opening statement of the monitoring report. In the same chart for Q1 FY 2023, a typo needs corrected for the NCB Covenant for the Debt Service Coverage Ratio—the ratio value is 1.30 (not 2.30).

The General Manager clarified that the budget for Owner Shares & Retained Dividends was lower for Q4 FY 2022 due to workers divesting because of no dividends and not as many owner drives during the pandemic.

Decision: In the discussion of Policy B1 – Financial Condition and Activities Monitoring Report two corrections were identified that the General Manager noted for correction. Policy B1 – Financial Condition and Activities Monitoring Report was accepted with acknowledgement 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 requires monthly updates in the General Manager reports.

c. Policy B5 – Treatment of Consumers Monitoring Report

The General Manager presented his Policy B5 – Treatment of Consumers Monitoring Report. He reported compliance with all provisions of the policy.

Two suggestions were made:

- Include data about welcoming customers in the store (prior to checking out).
- Clarify “co-op” in the statement about the use of email addresses: Weaver Street Market only uses email addresses for **co-op** communications.

For Provision 1, the General Manager will add the missing 2022 data to the chart on customer suggestions and inquiries.

Decision: The Board accepted Policy B5- Treatment of Consumers Monitoring Report acknowledging the missing data identified. The report provides evidence that the General Manager has operated within the constraints of this Executive Limitation.

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d. Policy B6 – Staff Treatment and Compensation Monitoring Report

The General Manager answered questions about Policy B6 – Staff Treatment and Compensation Monitoring Report. He reported compliance with all provisions of the policy.

The Board identified the need for a plan to bring staff safety training back to its pre-pandemic standards. An additional suggestion was made that all staff receive first-aid training within a set number of days from being hired.

The Board identified the following information that needs to be added and submitted with a revised report:

- For #5 Hazardous Conditions Prevention, identify clinics in Raleigh that provide faster and more cost-effective treatment than the emergency room.
- For #6 First Aid Training, 1) indicate that the training for managers and key staff occurs within a certain number of days of taking on that role, 2) indicate that retraining occurs during a stated time period, and 3) include how many have received the training.
- For #7 Accident Reporting and Follow-up, indicate the number of days within which accidents must be reported.

Decision: The Board did not accept Policy B6 – Staff Treatment and Compensation Monitoring Report with a request for additional information. The report will be resubmitted at the next Board Business Meeting.

e. Policy B7 – Communication to the Board Monitoring Report

The General Manager answered questions about Policy B7 – Communication to the Board Monitoring Report. He reported compliance with all provisions of the policy.

Decision: The Board accepted Policy B7 – Communication to the Board Monitoring Report. The report provides evidence that the General Manager has operated within the constraints of this Executive Limitation.

f. Policy B8 – Logistical Support Monitoring Report

The General Manager answered questions about Policy B8 – Logistical Support Monitoring Report. He reported compliance with all provisions of the policy.

Decision: The Board accepted Policy B8 – Logistical Support Monitoring Report. The report provides evidence that the General Manager has operated within the constraints of this Executive Limitation.

g. Resubmittal of Policy B3 – Asset Protection Monitoring Report

The General Manager answered questions about his resubmitted Policy B3 – Asset Protection Monitoring Report. He reported compliance with all provisions of the policy.

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A request was made that future reports provide data for Provision 1 that demonstrates equipment and facilities are being adequately maintained.

Decision: The Board accepted Policy B3 – Asset Protection Monitoring Report. The report provides evidence that the General Manager has operated within the constraints of this Executive Limitation.

7. Closings

Decisions and Tasks

Meeting Evaluation