

**Wheatville Board of Directors**  
**February 2019 Meeting Agenda**  
**Tuesday, February 26<sup>th</sup>, 2019**  
**6:30-9:30pm @ 4001 South Lamar, Large Meeting Room**



TIME	TOPIC	ACTION
6:30pm	1. OPEN TIME – for WV Owners to present any topic to the board	LISTEN
6:40pm	<b>2. AGENDA REVIEW</b> <b>3. CONSENT AGENDA:</b> January 2019 Meeting Minutes CEG Monthly Update B2 – The Board's Job Monitoring Report D – Global Executive Constraint Monitoring Report D3 – Asset Protection Monitoring Report	DISCUSS VOTE
<b>6:50pm</b> (1 min) (20 min) (59 min) (20 min)	<b>4. GOVERNANCE</b> Recite Ends Shopper Survey Results Financial Strategic Learning D1 – Financial Conditions and Activities Monitoring Report Continued	RECITE DISCUSS DISCUSS VOTE
8:30PM	<b>BREAK</b>	
8:40PM	<b>5. EXECUTIVE SESSION</b> Investor Shares Learning Purpose: to discuss confidential information	DISCUSS
<b>9:10pm</b> (5 min) (0 min) (10 min) (0 min) (0 min)	<b>6. GOVERNANCE AND COMMITTEE WORK</b> Audit and Review Committee Austin Cooperative Business Association Committee Nominations Committee Owner Engagement Committee FYE 2020 Board Budget	DISCUSS NONE DISCUSS NONE NONE
<b>9:25pm</b> (5 min) (0 min)	<b>7. ADJOURN</b> March preview, Closing Round, and Wrap-up Adjourn	DISCUSS LISTEN

Wheatville will be at the forefront of a transformed society that has:

- a thriving community centered on hospitality, kindness, and generosity
- a robust cooperative economy
- easy access to sustainable, healthy food solutions



# Board of Directors February 2019 Minutes February 26th, 2019

Present: Rose Marie Klee, *President*; Jason Bourgeois; Brandon Hines; and MeriJayd O'Connor; Doug Addison; Megan McDonald, Melissa Sledge.

Also present: Dan Gillotte, *Chief Executive Grocer* John Perkins, *Finance Manager*; Beth Beutel, *Board Administrator*; Brittany Baird and Leslie Watson, *CDS Consulting* (7:10pm-8:41pm), Manual Escobar, *Attorney with McGinnis Lochridge* (8:53-9:27pm).

Absent: Lyz Nagan; *Secretary*; Lisa Mitchell, *Treasurer*

## Call to Order

6:30PM

## 1. OPEN TIME

6:30PM

Raquel updated the Board that Karen Kovalovich joined the Brand team as the new Ownership and Outreach Director, as Erica Rose moved on to new opportunities.

Dan also recently was on a co-op panel for City of Austin co-op panel re: co-op conversion. Full room at the library – with Annelies Lottman, Andi Shively, and others. And now the Small Business Development office is using Wheatsville catering!

Doug is going to the ACBA annual meeting this Saturday from 2-4pm to update on Wheatsville.

## 2. AGENDA REVIEW

6:40PM

May be a vote on the Nom Com charter- RMK has an update for the charter.

## 3. CONSENT AGENDA

6:41PM

January 2019 Meeting Minutes

CEG Monthly Update

D – Global Executive Constraint Monitoring Report

D3 – Asset Protection Monitoring Report

---MeriJayd pulled B2 – The Board's Job Monitoring Report for discussion.

---Jason moved to accept the Consent Agenda. Brandon seconded. Motion passed 7-0-0.

## B2 – The Board's Job Monitoring Report

B.2.1 – had a low score. RMK noted that this will be a topic of discussion at the May retreat, as owner engagement is a broad and important topic that requires a longer discussion.

---MeriJayd moved to accept the B2 – The Board's Job Monitoring Report. Brandon seconded. Motion passed 7-0-0.



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## 4. GOVERNANCE

6:44PM

### Recite Ends, 6:44pm

Board and Guests recited the Ends Policy.

### Shopper Survey Results, 6:44pm

Dan laid out a format for the conversation. Raquel gave introductory remarks, then opened the floor to questions. Raquel noted that we had a very high number of respondents – 500+ most of them were owners, good split between Guadalupe and South Lamar. Raquel noted that the Board did not receive the full comments from customers, as they are all over the map and could easily be taken out of context without reviewing the data first. Beth will post the full comments on Basecamp for the Board.

Director asked if having different samples and sampling them differently. Dan and Raquel explained the mechanics and costs of having different types of survey methodologies, and the reasons they the process Wheatsville has used for the last several years.

### Financial Strategic Learning, 7:10pm

Brittany Baird and Leslie Watson joined the Board via video chat, from CDS consulting to support the Wheatsville Board and Staff in developing our thinking around compliance with finance related policies. This conversation is part of an overall trajectory of conversations leading towards the retreat. Brittany and Leslie introduced themselves and shared their areas of expertise and experience.

Themes that emerged through the conversation: relying on objective data rather than subjective feelings, ensuring that the Board is getting the right types of data, in the right amount, at the right frequency; understanding that directors are probably not familiar with the grocery business and unlikely to be familiar with financial statements and data.

Leslie and Brittany noted the 4 core questions of governance: What is the vision? Is the plan reasonable? Are we on track? (If not, is the responsible party handling the situation?) Do we have enough cash? Directors discussed the meaning in these questions as it pertains to Wheatsville's situation of flat sales.

Directors and guests turned their attention to the current monitoring report, noting that the table at the front had too much information, and that the graphs over time periods needed more context, that three years data was preferable to two. Brittany and Leslie directed the Board to lean on the Monitoring Report Decision Tree process, and ask themselves if there is a non-compliant situation, is the plan for compliance reasonable? Is there a timeline and is the timeline acceptable?

D.1.1 is out of compliance and the plan for compliance does not include a time frame for the proposed actions, or for an expected date of compliance. Dan and the Board discussed possible



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ways to present timeframes and action plans.

The Board discussed potential actions around a monitoring report with non-compliance: accept, accept with increased frequency of monitoring, monitoring a specific sub-policies, not re-monitoring but requiring more regular updates regarding implementation of the plan in monthly updates.

A director asked what the Board can do... Leslie noted that the Board can: do the job of oversight well, do the high level leadership that builds loyalty and allegiance, and spend their own money here. Leslie also noted that while Wheatsville isn't in a financial place where it's necessary some co-op boards have had to take very active roles in getting more member equity, re-negotiating loans, etc..

## **D1 – Financial Conditions and Activities Monitoring Report Continued, 8:25pm**

RMK opened the floor to questions and comments. Jason asked about the timeline, and RMK noted that this conversation is the beginning of new ideas which will be integrated later. Brandon asked clarifying questions about the debt load. RMK gave appreciation for continuing to be below target on personnel expense.

The Board concluded that the severity of Non-compliance in D1.1 was high, and in D1.11 severity is low.

---RMK moved to accept D1 noting non-compliance for D.1 & D.11 and appreciating the extensive and thoughtful conversation. MeriJays Seconds. Motion passed 7-0-0.

The Board discussed the meaning of "accepting" a report, noting that the board "accepts" reports when they are factual, accurate, correct, and if non-compliant have a reasonable plan for compliance.

**BREAK**

**8:41PM**

## **5. Investor Shares Learning 8:51pm**

Manuel Escobar from McGinnis Lochridge joined at 8:53pm

Manuel gave the Board a training on the investor share program at Wheatsville – both the state and federal laws that allow the program to exist, the unique features of the program, the process for starting the program at Wheatsville, and the financial status of the current program. Dan overviewed the business strategy with regards to investor shares.

## **5. GOVERNANCE AND COMMITTEE WORK**

**9:27PM**

Meeting over time. All other topics moved.

Nom Com due at last meeting.



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**Audit and Review Committee  
Austin Cooperative Business Association Committee  
Nominations Committee  
Owner Engagement Committee  
FYE 2020 Board Budget**

## **6. ADJOURN**

**9:27PM**

**March preview, Closing Round, and Wrap-up, 9:27pm**

**Adjourn, 9:28pm**

**At 9:28pm, RMK adjourned meeting.**