

Wheatville Board of Directors

Monthly Meeting Minutes (Approved)

January 30, 2007

Present: Bob Kinney, Colin Borchert, Rose Marie Klee, Jane Kurzawa Cravey, Anthony Piccola, Jimmy Robertson, Johnny Livesay, Bryan Butler, Marilyn Fowler

Also Present: Dan Gillotte (General Manager), John Perkins (Financial Manager), Allison Porter (Administrative Assistant), Tom Wald (Guest)

Call to Order: 6:00 pm

Renovation Update 6:01pm

- Dan reported that contractors and sub-contractors came to get acquainted with our store. We have one week to ask any necessary questions, and bids must be back by February 12. At this point, everything is bundled together as one project with multiple phases. Once a contractor has been selected, the schedule will firm up.
- Dan explained Expansion Toolbox Report: Stage 2 (included in board packet), including any pertinent actions needed from the board.
- Sub-contractors will be selected based on their understanding of the complexity of our project. Thrift and familiarity with green building would also be positive attributes.
- Dan is working with Wheatville's neighbors adjacent to the retaining wall in preparation of the construction, and anticipates a finalized agreement with all of them in the next few weeks.
- Jimmy asked Dan to update the board on the credentials of each contractor so that the board would have a better understanding of each one.
- Dan noted that construction should begin at the end of March or the beginning of April. A meeting will be called to officially select the contractor.
- A pro forma will be presented that shows specifics on the financials during renovation.
- Jane asked that the board receives these documents before the next meeting.
- Bob suggests posting this information because people often ask questions about it.
- Jimmy thinks we should wait until we have a clearer idea of where we stand before posting any information. Dan agreed.

VISION 6:32 pm

- The board discussed the terms "organic", "local", and "sustainable" and large corporations like Wal-Mart, Whole Foods and Central Market using these terms as buzz-words to increase profitability.
- The board discussed what sets Wheatville apart from other health food stores, and how to make that more visible to both members and non-members in the community.

HOUSEKEEPING

Agenda: 7:08 pm

- Colin offered to facilitate the meeting.
- The board agreed to move the member dinner discussion after the social audit.
- Board officer election date moved to Saturday.
- Bob presented the board with a director contact sheet that was updated for the new year.

Consent Agenda: 7:35 pm

- Johnny made a motion to approve the consent agenda. Rose Marie seconded and the motion is approved / Vote Results: 9.0.0.

GOVERNANCE

Member Surveys: 7:40 pm

- Jane discussed the difficulties of implementing a member survey that is accurate, random, and within our budget. She asked for ways in which the board may find a solution that satisfies all three of those prerequisites.
- Bryan suggested calling people on the phone and/or having someone stand in the store and ask customers while they shop. Johnny said he would be willing to walk around with a clip board and survey shoppers. Jane replied that the method in question is not an accurate random sampling.
- Tom suggests generating random member numbers on the POS system so that when a member number goes into the computer at the check stand, a survey request pops up on the screen.
- Marilyn thought it would be best to get as many surveys as possible and then select randomly from them.
- Jimmy asked what the survey results would be used for. Jane replied that it would be used for marketing and getting to know our customer base so we can serve them better. Jimmy asked if she had the specific questions. Jane produced a draft. Jimmy suggested clarifying our motivations for asking these questions to help determine the questions we ask. Jane listed some of the questions on the draft, and the board discussed them.
- Jane noted that answers from previous questionnaires were open-ended whereas this survey contains pre-selected options.
- John asked how the survey fits into the budget because mailing surveys out to all members would be expensive. Dan said that this should be discussed at the next meeting, as he and John finalize their budget.

Board Policy Monitor Calendars: 7:53 pm

- The board discussed the monitoring schedule of the B and C policies and came up with a schedule for all of them. Colin promised to update the checklist and email it to the board.
- Bob asked for volunteers to monitor B.1 and B.2. Colin volunteered for B.1. Johnny volunteered for B.2.

Revised Statement of Agreement: 7:56 pm

- Bob introduced a new Code of Conduct/Statement of Agreement to the board. He noted that the statement had been modified since last year and now has a Part 3. The revisions were mostly minor clean-up; eliminating typos, etc. The old Code of Conduct contained a few bullets discussing conflict of interests in section 2. These bullets were removed and included in the new Part 3.
- Johnny asks what constituted a conflict of interest. He showed concerned that his position on staff may conflict with his duties as a board member.
- Jimmy suggests if he thinks he may have a conflict of interest to disclose it for discussion.
- John notes that there is a space at the bottom to disclose all potential conflicts of interest. It is not that one cannot have a potential or perceived conflict of interest, it is that they are disclosed on this form.
- Colin made a motion to approve the board policy monitoring calendar and revised statement of agreement. Rose Marie seconded the motion and it is approved. Vote Results: 9.0.0.

Second Quarter Financial Statements: 8:08 pm

- The board had been presented the 2nd Quarter Financial Statements prior to the meeting. John went over some details he thought were important.
- January's Member Appreciation Day broke the record at \$42,000.
- Johnny suggested that, if M.A.D gets too big, Wheatsville could issue coupons as an alternative. Dan said that he thinks M.A.D is fun and exciting, but if sales doubled and it was no longer feasible, coupons could be an option for the future.
- Jane moved to accept 2nd quarter financials. Jimmy seconds and the motion is approved / Vote Results: 9.0.0.

Social Audit: 8:15 pm

- Jane discussed the concept of a Social Audit. She thought we could analyze where we were weak and where we were strong based on the results.
- In terms of bylaws, last year there was some misunderstanding about the terminology of the bylaws. The audit committee would like to clarify meanings with members to improve understanding and involvement. Jane thought this could be a way to synergize bylaw revision and member linkage.
- Johnny suggested we revise our ends policies because very few members are even aware of them. He asked if the audit committee would work on them, or if questions would be included in the member surveys.
- Jimmy said he was unsure that the end policies are reflective of our current vision.
- Johnny thought we should educate members, providing them with resources to hold the board accountable for sticking to the vision.
- Dan saw the social audit as the board's opportunity to evaluate progress toward reaching our ends. It is also good to check with members to see where they think we fall regarding progress toward ends.
- Jimmy moved to form a Social Audit Committee and charge it to come back with a game plan to be presented at the March meeting. Colin seconded and the motion was approved. Vote Results: 9.0.0. The Social Audit Committee consists of: Jimmy, Jane, Johnny, John, Rose Marie, Dan, Bob, and Tom.

Member Dinner Discussion: 8:30 pm

- Jane grouped her questions into broader categories to discuss: Values, Ends Policies, Survey Questions, and Social Audit.
- Dan thought the survey questions could be cut down to just a few questions and that ends policies and social audit could be grouped into one category.
- Bob suggested the meeting last for about 2 hours like it had in the past. Anything more, and we're risking losing our members' interest.
- The dinner is set for Tuesday February 27th at 6:30pm in the In-Step building; 12 members will be attending.
- Rose Marie, Johnny, and Jane will be the directors attending this dinner.

Monitor Policies D.3 and D.4: 8:39 pm

- After a brief discussion, Jimmy moved to accept both monitoring policies. Jane seconded, and the motion was approved. Vote Results: 8.0.1.

Update By-Law Revision: 8:41 pm

- Rose Marie discussed the current state of the By-law Committee. She promised to send updates to the board via email. She asked each director to think about which topics to explore. She emphasized the importance of this process as revising our founding document, and keeping in mind that this opportunity does not come by often. She requested that directors email their ideas to her or bring them to the board retreat on Saturday.
- Jane noted that the Articles of Incorporation would have to be amended as well.
- The board discussed the proper process in amending these so that we can properly inform the membership prior to the store vote. It was agreed that the membership should be very involved in the process, but the board generally thought the board should work on the first few steps exclusively before opening it up to everyone.

Member Forum Discussion: 8:53 pm

- The board reopened discussion on the member forum. Colin said, that from his experience using Wikis, that it is very dependent on a team of moderators to facilitate the process.
- Johnny clarified that those Wikis (e.g. Wikipedia) are for informative purposes and ours would not have to be so extensive.
- Allison offers to organize and moderate the project.
- Rose Marie thought that perhaps it is not a board responsibility and could be included in the operations department.
- Jane received an email in response to a column in the breeze about energy efficiency. Jane felt obligated to respond, but did not feel it was appropriate to respond on behalf of the board. She thought it would be more dynamic to have that discussion on an internet

- forum than simply putting it in a newsletter, adding that electronic communication is more immediate and you can choose whether or not to participate.
- Johnny sees the job linked to the board and if specific questions concerned the operations department then the moderator could give the appropriate contact information. There could also be a note at the top indicating the nature of inappropriate responses which would be deleted. The board would set the parameters and the moderator would delete anything that is unacceptable. He thinks it would be easier to communicate and easier to see how conclusions were reached based on questions asked.
 - Colin brings up a potential drawback of continually having to remind member owners that the board cannot get involved in operational matters except as mandated in policy. Johnny said that a reminder could be put at the top of the board forum to explain to everyone what questions apply to which forum.
 - Johnny thinks the member forum is a positive thing because it empowers owners to have a voice.
 - Tom suggested that if it ended up having positive feedback and support that then things could be adjusted accordingly. There is also self-moderation of forums. He doesn't think it would be bad to have a forum that is not directly connected with Wheatsville's domain.
 - Jane suggests holding a meeting to develop steps involved in this issue, tentatively scheduled for March.
 - Colin moved to form a member-owner forum committee. Johnny seconded and the motion is approved. Vote Results: 9.0.0.

GOVERNANCE

GM Report: 9:00 pm

- We switched from Tree of Life to United Natural Foods as the primary source of our packaged grocery products. They are building a warehouse in Texas which will decrease our distribution problems pertaining to blizzards in Colorado.

December Minutes Issues: 9:05 pm

- The board discussed some problems with the December minutes.
- They noted that the Vision discussion is on page 6 instead of at the beginning.
- The board noted that wording should be more legal, less specific, and less blunt.
- In terms of timelines, generally the revision of minutes must be made 1 week before the board meeting.
- Rose-Marie volunteered to make some suggestions and track the changes.

Self-Evaluation: 9:10 pm

Positive

- Rose Marie liked how Johnny said "to give you some background..."
- Bob liked Tonys' presentation.
- Rose Marie liked Tom Wald's participation.
- Johnny likes the boards' unity and cooperation.

Negative

- Missing 2007 annual calendar.

Suggestions for Improvement

- Colin will insert B policies and send out 2007 calendar.

Summary of Action

- Motion to approve Consent Agenda minus GM Report and December Minutes, approved: 9.0.0.
- Motion to approve board policy monitoring calendar and revised statement of agreement, approved: 9.0.0.
- Motion to accept 2nd quarter financials, approved: 9.0.0.
- Motion to accept policies D3 & D4, approved: 8.0.1.
- Motion to form member forum committee, approved: 9.0.0.

Action Steps

- Johnny would be willing to walk around with a clip board and survey shoppers.
- Johnny is working on B.2.
- Colin is working on B.1.
- Rose Marie, Johnny, and Jane will attend the member dinner on Feb. 27
- Rose Marie will send updates on bylaw revision to board via email
- Allison offers to organize and moderate the wiki member forum

Parking Lot

- No information at this time.

Move to Adjourn (9:12pm) / Vote Results: 9.0.0.