

Wheatsville Board of Directors

Board Meeting Minutes (approved)

July 24, 2007

Present: Jane Kurzawa Cravey, Bryan Butler, Johnny Livesay, Rose-Marie Klee, Colin Borchert, Marilyn Fowler, Jimmy Robertson

Absent: Bob Kinney, Tom Wald

Also Present: Dan Gillotte (GM), John Perkins (FM), Ellie Biegel, Frank Armstrong.

Call to Order: 6:03 PM

Open Time:

- Ellie Biegel presented information on Laird Schaub, a facilitation trainer. She noted that it could be done in conjunction with management training as well as training for other local co-ops such as the Black Star Co-op.
- Ellie noted that he would be available October 19-22 or 28-30. It is a one-day training.
- Dan said he is interested in using him for the management team.
- The board took a straw poll. 3 directors showed interest.
- Dan said that interested directors and other co-ops could participate as well.
- The board thanked Ellie for coming.

Consent Agenda: 6:15pm

- Jane pulled the June 26th minutes.
- Jane pulled the GM Report.
- Jane proposed that the board vote on accepting D.9 monitoring next month to give adequate time to prepare.
- Dan said that the GM Report should be discussed in executive session at the end of the meeting. After some discussion, the board agreed to set aside 10 minutes to discuss the GM Report at the end of the meeting.
- Jimmy moved to approve the consent agenda. Rose-Marie seconded. The motion passed 7-0-0.
- In regard to the June 26th minutes, Jane asked why Colin's minutes were included in the packet when Marisa's minutes were the ones edited via email? Rose-Marie never got Marisa's final minutes, and she had to make a quick decision. It was decided that Marisa's minutes will be used as the official minutes for the June 26th meeting, and will be approved at the next meeting.

Approve 2007-08 Budget: 6:23 PM

- Jane asked for clarification on the retaining wall budget.
- Colin moved to approve the 2007-08 budget. Rose-Marie seconded. The motion passed 7-0-0.

Staff Survey Board Suggestions: 6:25 PM

- Jimmy reported on the committee that was formed at the June meeting regarding the results of the staff satisfaction survey administered by Carolee Colter.
- Jimmy said that the committee met, and talked to Dan about the suggestions Carolee made. Dan agreed to mention in his policy monitoring or GM reports instances when he implements Carolee's suggestions.

B.6, C.2 Policy Monitoring: 6:30 PM

- The board discussed the B.6 monitoring. Jimmy noted that, in regard to B.6.3, the board is getting better about setting expectations when committees are formed, but that it is an issue to be cognizant of moving forward.
- In regard to B.6.1, which was reviewed as "somewhat in compliance," Johnny asked what the board could do to become compliant. Rose-Marie said that she thought the board was fully compliant, referencing the Ends policy committee recently formed. Jane noted that those minutes weren't out yet, so she didn't have those on hand when monitoring the policy.
- Rose-Marie also noted that we review the policies when we monitor them, which further puts us in compliance in B.6.1.
- The board had no comments on C.2.
- Jane moved to accept the B.6 and C.2 monitoring reports. Jimmy seconded. The motion passed 7-0-0.

Nominations Update: 6:38 PM

- Jane said that one app had been received from Stephanie Johnson, Rose-Marie's friend.
- Jane added that Frank might run, but Clarence won't.
- Jane expressed nervousness that there won't be enough candidates, as Marilyn, Tony, Colin, and Johnny will all leave spots open. Dan noted that the board has until September 10th, not August 15th, to cultivate the candidate pool. Colin added that Tom stated earlier that day that he will run again.
- Jimmy said that Rose-Marie wrote a great article on why she became a director. In addition to be sent out in the packets, it should be put in the Breeze next year to inspire the ownership.
- Johnny said that he will try and talk to more staff people.

Nomination of Jim Jones to the Co-op Hall of Fame: 6:45 PM

- Jimmy gave a brief introduction to this item. He said that a friend of his through NASCO is trying to nominate him. She said that it is good to have a cross-section of support. Thus, Jimmy was inspired to write a letter of recommendation supporting Jim Jones, who has done a lot for Wheatsville and other co-ops in Austin.
- The board thought this would be great.
- Dan noted that Jimmy should mention how Jim worked hard to link co-ops together.
- Rose-Marie moved to ask Jimmy to write a letter of support to aid in the nomination of Jim Jones to the Co-op Hall of Fame. Johnny seconded. The motion passed 6-0-1.

Postponed Items: 6:50 PM

- The board briefly reviewed postponed items. Rose-Marie noted that no one is scheduled to monitor B.7 for August. Colin volunteered.

July Coffee with the Board Report: 6:51 PM

- Jane, Jimmy, Bob, and Johnny attended the July Coffee with the Board session. They gave a brief report on how it went. Generally, people were happy to see the board out there, and several came up to engage in conversation.
- Rose-Marie, Jimmy, and Jane volunteered to attend the August session, set for August 4th.

August 21st Owner Dinner: 6:54 PM

- Jimmy, Colin, and Tom will be attending this dinner. The board discussed some basic planning.
- Jimmy asked if it had to be in the Annex. Dan said he is not attached, but he prefers it here with Wheatsville food.
- Jane discussed some shortfalls of the last dinner, and how to avoid them. She said to remind participants that the Gallery of Values should pertain to Wheatsville.
- Johnny noted that, while he loves the Gallery of Values exercise, he never knows what to do with the data.
- Rose-Marie said that strategic ends could be discussed. Jimmy liked that idea.
- Dan said that it is good to keep people standing up when doing these type of exercises, to keep them involved and interested.
- Johnny asked if the choosing of owners was random. Dan said that there were a few lists they called off of, and it was a matter of who answered the phone at the time.

Discussion of Acquisition of Sun Harvest south: 7:02 PM

- Jane opened up the conversation by saying that she wanted to follow-up on the email suggestion she sent a few weeks prior. She reiterated her thought that if Whole Foods acquires and then sells Sun Harvest, that Wheatsville should investigate and see if Mackey might sell the south store to the co-op. Jane just wants to stay flexible and looking at options.
- Jimmy thought that the board should stick to the plan, which is to focus on renovation of the Guadalupe store and then a few years down the line begin exploring a second store.
- Dan said that it is great to keep options open and check things out, but also to keep attention on the project.
- The board had a discussion on what board work is, and how much it involves talking about opportunities about other stores.
- Johnny noted that it is a landlocked store with the same problems as the current store. He said it is not good for growth.
- Bryan also expressed disdain for the facilities.
- Johnny thought the board should again ask the ownership where they want the 2nd store after renovation is complete, while they are still excited.
- Dan agreed, but thought that the ownership has resoundingly supported a south store for some time. He said that the questions we must ask are "Is the market right? Is the location appropriate?" If not, then move on. He has learned that opportunities will always come.
- Jane thanked the board for the discussion, and again stated that she wants the board to have flexibility in looking at options. She also liked the inherent linkage opportunities in asking ownership about the 2nd store as well as talking to neighborhoods in Austin about

the potential of a Wheatsville in their area.

Ends Work/ Strategic Planning: 7:25 PM

- Rose-Marie directed the board to the outline Marshall provided on Ends Planning. She noted that the board created the Ends committee at the last meeting, and now wants to talk about specifics, such as tasks and delegation.
- Jimmy gave a brief synopsis of the Ends committee's last meeting. Jimmy, Johnny, and Bryan met to discuss how to handle the process of amending the A policies.
- Jimmy noted that they must connect with the Vision and Mission statement.
- Johnny said that he isolated the preface to the by-laws, which is the 3rd paragraph down on the first page of the by-laws.
- Jimmy noted that this paragraph was somewhat reactionary in regard to Woody Hills, a co-op that was doctrinaire and required owners to work at the store. Wheatsville was created as an alternative to that atmosphere.
- Rose-Marie asked if the things that the board came up with at the retreat is what the board wants to stick with or if there is something better.
- The board reviewed the three topics devised at the retreat. They are: local food production, co-op economy, and benefiting community. The board thought that those were good.
- Jimmy noted that the committee will present A policies for adoption in September.
- The board decided to discuss via email before that to flesh out a few things before the September meeting.

By-Laws: 7:50 PM

- Rose-Marie directed the board to the schedule for the by-laws discussion. She noted that she wants to add a discussion on the staff forum between topics 5 and 6.

Process and Schedule:

- This is listed on p. 27-28 of the board packet. Rose-Marie asked if the board was okay with it. The board responded in the affirmative.
- Rose-Marie asked if the board was okay with this not being ready by the election? She noted that a special election is a possibility.
- Jimmy, who noted that Tom expressed this same sentiment via email, said that the board needs to give owners plenty of time to review these.
- Johnny suggested the board get these to the ownership by the winter and then hold a vote to approve them at the Spring Gathering. The board thought that was a great idea.
- Rose-Marie said she would amend the calendar accordingly.

Reviewing Updated 4.2 and 4.3:

- Jimmy noted that it still says "member" instead of "owner" in many places. Johnny suggested a global change.
- Johnny asked if the board should simplify how the board terms are assigned in the by-laws. The board was generally okay with how it was stated.
- Rose-Marie brought up Bob's email which stated his opposition to 3 year terms. The board decided that if Bob wanted to bring that up at a future meeting, he could.

Director Compensation:

- Rose-Marie gave some background on the process on this so far.
- Johnny noted that Dan first broached this subject, and Johnny agrees that it is a good idea.
- Dan said that the board needs to talk and decide what to do, and take out the language in the draft by-laws talking about worker-owners.
- Colin said that he is in favor of compensation because it is fair and provides a good framework to enforce expectations.
- Jane said that she likes the idea of directors getting a set percentage of profits. Johnny thought it was interesting.
- Rose-Marie noted that profits will fluctuate so much during renovation that it may cause problems in terms of fair compensation at either end of the spectrum.
- Colin agreed, and thought that profit in that year is not tied to that year's directors. The board mostly does long-range stuff, so often the effects of the current board are not felt for many years.
- Jimmy said that he likes the flat rate idea, and that the amount can be revisited every few years.
- John Perkins noted that the board discount is currently coming out of the personnel budget.
- Bryan noted that the board should be transparent in showing that the directors are getting paid for actual work. Dan cautioned that the board should not over-extend in this regard, as the amounts discussed are not very high, and the work the board puts in is very visible and tangible.
- The board discussed the possible amounts. It was decided that officers would get \$1200 a year, and other directors \$1000 a year.
- John asked if this would be in addition to the 10% discount, or in lieu of. The board discussed and thought it would probably be in lieu of, but that Rose-Marie would tell Laddie about both ideas and see what each looks like on paper.

Proposed Article III, including voting process:

- The board discussed the realities of the percentage of ownership necessary to create a quorum at the annual business meeting. Is 5% too high, and if so, what percentage is too low to represent the ownership as a whole?
- Johnny noted that Black Star decided on the average of the last two meetings, but that has created difficulties.
- In the interests of time, the board decided to discuss the Staff Forum and hold off on discussing Article III until there was adequate time to do so.
- Dan suggested that Article III be emailed to the board and each director edit as they want and track changes. This would accelerate the conversation in the meeting. Rose-Marie said she would do this.

Staff Forum Report:

- Johnny, Bryan, Jane, Bob, and Jimmy all attended. It was noted that only 6 staff members attended. Those that did attend had some concerns with the 3 year terms proposed. The board tried to explain that employment at Wheatsville would no longer be a necessity, but the staff had some difficulty grasping that nuance.
- Johnny did not like the turnout, but thought there were good questions asked and good information given back.
- Dan saw some opportunities to educate more about the 3 year terms. Johnny agreed, and reiterated his support for the 3 year terms despite the protestations of the staff present at the forum.

- The staff brought up a good concern in how effectively the board is able to determine if what Dan says is accurate. Dan and the board hope that the creation of the communication team will help with that.

Executive Session: 9:00 PM

- The board decided to go into executive session at 9:00 PM.
- The board left executive session at 9:43 PM.

Board self evaluation: 9:43 PM

Plusses:

- Frank present.
- Rose-Marie did a great job filling in for Bob.
- Johnny did a great job facilitating.
- Dan liked the oversight and support based on staff survey results.

Minuses:

- By-laws is a massive project that takes up a lot of meeting time.

Colin moved to adjourn. Johnny seconded. The motion passed 7-0-0. The meeting was adjourned at 9:46 PM

Summary of Action:

- Colin moved to approve the 2007-08 budget. Rose-Marie seconded. The motion passed 7-0-0.
- Jane moved to accept the B.6 and C.2 monitoring reports. Jimmy seconded. The motion passed 7-0-0.
- Rose-Marie moved to ask Jimmy to write a letter of support to aid in the nomination of Jim Jones to the Co-op Hall of Fame. Johnny seconded. The motion passed 6-0-1.

Action Items:

- Rose-Marie, Jimmy, and Jane volunteered for the August 4th Coffee with the Board.
- Marisa will submit edited June minutes.
- Johnny will submit B.5 monitoring.
- Colin will submit B.7 monitoring.
- The board will approve D.9 monitoring at August meeting.
- Jimmy will write a letter to the Co-op Hall of Fame in support of Jim Jones.
- Jane will begin exploring discussing a Wheatsville with neighborhood associations within our current service area and proposed service areas.

- Rose-Marie will submit a new by-law calendar reflecting the new deadlines.
- Rose-Marie will email Article III for the board to edit with tracked changes.