

# Wheatsville Board of Directors

## Monthly Minutes (Approved)

**September, 8, 2005**

**Present:** Bob Kinney, Johnny Livesay, Jimmy Robertson, Colin Borchert, Jane Kurzawa Cravey, Rose-Marie Klee, David Pease, Shari Holland

**Absent:** Ryan Vanstone

**Also Present:** Dan Gillotte, General Manager; John Perkins, Financial Manager; Shri Yannam, Anthony Piccola, and Marilyn Fowler, board candidates; Michael Antenorra and George Wilcox, Antenorra Architects LLP.

**Meeting was brought to order at 6:09 PM.**

**Agenda Items:** OK election and bylaw committee, discuss Fall Member Gathering, discuss renovation update, discuss patronage refund, monitor GM policies D4, D6, D7, and D10, review GM, staff, and committee reports, discuss and accept policy revisions, meet architect Michael Antenorra.

### **HOUSEKEEPING: 6:09 PM**

#### **Open Time:**

No one had any discussion during open time.

#### **Approval of Minutes from 8/4/2005 and 8/11/2005:**

- Bob wondered if any sensitive issues recorded in the minutes should be on the web. - While many board members felt as if the complete minutes should be on the web, it was noted that the secretary should use his discretion in including any sensitive material.
- In addition to the secretary's responsibility to not leak sensitive material through the minutes, the board must also be vigilant in requesting edits for any sensitive information before the minutes are approved.
- A few edits were made to the August 4th minutes.
- David moved to approve the 8/4 minutes. Rose-Marie seconded the motion. It passed 8-0-0.
- Jimmy moved to approve the 8/11 minutes. Jane seconded. Passed 8-0-0.

#### **Announcements:**

- Bob announced to the board that we must let him know of our commitment to the renovation project within the week.
- Shari felt as if this info should have been given to the board sooner, or at the least the board should have received updates as to how much was raised, since this was a challenge to the board handed by Bill Gessner, and we should be trying to meet that goal.
- Jimmy thought that while Shari had a point, there were factors in postponing the member loan drive which pushed back the board's need to make a commitment as well. The factors Jimmy mentioned were: 1) viability, 2) lease negotiations, and 3) cost of project.

- Dan seconded Jimmy's feelings, saying that the board commitment was essentially postponed until this time.
- Bob promised to retrieve and compile the leadership circle's commitment very quickly.

### **Agenda Review:**

While there were no changes to the agenda at this time, Shari did show some nervousness that there wasn't enough time allotted for discussing policy.

### **GOVERNANCE:**

#### **OK Election and By-Law Committee 6:35 PM**

- Bob moved to appoint Aldia as Election Coordinator. David seconded. Motion passed 8-0-0.
- Shari wondered what the by-law committee was. Jane replied that they would review by-laws and propose changes to some things like board terms and board composition.
- Jimmy queried as to when the committee would get back to the board. Jane replied that February would be a good date.
- Jane added these facets to the original motion. David seconded. Passed 8-0-0.
- Jane asked who would be on the committee. Rose-Marie, David, and Jane all volunteered, and Jane thought that either John or Dan should be a part of it as well.
- Johnny, knowing that one of the things the committee will talk about is board composition in terms of the number of staff reps, stated that he did not think having 2 staff members was disproportionate, since they were also members and could not run as a non-staff board member. Thus, he stated his opinion that the number of staff reps should either stay the same or there shouldn't be any distinction of staff versus non-staff reps at all. Jane said she would take his comments under consideration.

#### **Fall Member Gathering 6:40 PM**

- Colin asked if a band would be playing. Dan replied that there would be a Mid-Eastern band and African drumming band to accompany the entertainers. Johnny noted that if there was a slot for a band, Herb Pharm would be a good choice.
- Jimmy requested good visuals on the plans or layouts for the renovation, something that could really catch peoples' eyes and get them interested. He thought Antenorra would probably do it.
- A voting table and member loan booth will also be set up.
- Johnny asked if he could do the "Gallery of Values" exercise he shared with us from the CCMA Conference with the whole store on Member Appreciation Day. He volunteered to do all the work. The board and Dan thought that would be fine.
- Jimmy asked if there would be beer there. Several members nodded their head. Johnny noted that both he and Phil (former board member and secretary) brew beer now, so they could probably get a good quantity ready for cheap. Dan said that is an option, but they can also get a cheap keg like they have in the past.
- Rose-Marie asked about the wine tasting. Dan said that Chris will be doing this, just like it was a tasting/sampling at a store.
- Bob reminded the board that they should show up at 5:30 PM to help set up.
- Shari wanted to note that Rose-Marie did a great job putting this together.

#### **Renovation Update 6:50 PM**

- Dan went over the most recent version of the floor plan that he and PJ Hoffman were working on, and noted that the biggest difference was that the kitchen would be on the

2nd floor. He said this was an easy way to maximize retail space and still have a nice kitchen. He spoke to other co-ops that have a kitchen on the 2nd floor, and they all responded well to it.

- Rose-Marie asked about the columns, and what could be done to minimize them. She also queried about aisle width.
- Dan said that sadly the columns were pretty important, but they're definitely working to make it so they're not a hindrance. He also said that the aisle width would be adequate, more than 2 carts wide at all points.
- Johnny had a note about the security, saying that the cashiers can't have their backs to the door. He suggested a "pod" formation where there were two cashiers at a station, back to back. That way they could look at both entryways.
- In general, the board was excited about it and thought they looked good.

### **Patronage Refund 7:07 PM**

- Dan gave a brief review of the ramifications of the patronage refund, noting that the big issue for the board to consider is the eligibility criteria. He said we have until January 15th, 2006 to cut the checks, so it should be resolved with enough time to meet that deadline.
- He thought that the finance committee could handle the details.
- Shari noted this would have to be reflected in policy. In 7.2 and 7.5, the draft of "the revised policies" defines who a member owner is and who may receive benefits respectively. 7.5.2 would be where the patronage rebates could be discussed, but felt that what was down so far was contradictory, and we'd have to discuss this.
- The predominant opinion was that only Gold Card members should be eligible for the patronage refund. They would have to have a Gold Card by the end of the fiscal year in which the rebate was given for.
- Johnny thought that was fair only if there was information given to Green Card members so that they can have the chance to be fully vested by the end of the fiscal year.
- The Finance Committee will have a meeting on the patronage rebate on September 20th at 12:00 PM. All board members are welcome to attend if they wish.

### **Monitor GM Policies 7:17 PM**

- Jane said that she wanted to discuss some things.
- Shari thought it would be nice to start using the D Policy Monitoring Check Sheet (as recorded by the secretary), but first the board must approve it. Rose-Marie moved to approve the check sheet. David seconded. The motion passed 8-0-0.
- Policy D4 discusses the yearly budgeting and financial monitoring that the GM must satisfactorily complete.
- In regard to policy D4, Jane noted that the board never read the final business plan which Dan describes. -She also wants to see the Owner's Manual that is included in all the new member packets.
- Policy D4 was accepted 8-0-0, with minor language edited.
- Policy D6 defines the steps the GM must take to protect and maintain the co-op.
- In the first paragraph of policy D6 (regarding insurance), it was noted that from the information given by Dan, there was no specific assurance that they were covered at 90% or higher. John said that it couldn't be done without an appraisal, but that he was assured by the insurance company that it was enough insurance to cover 100% of the costs.
- Jane noted that she liked the delegation that Dan showed in some of his answers in D6.
- Shari moved to postpone accepting policy D6 until the October meeting so that the GM could get the insurance company to specifically say that our coverage is at 90% recovery or higher. The motion passed 8-0-0.

- Policy D7 defines the responsibilities the GM has in regard to store operations and customer service.
- It was noted that in D7.3, the board would like information as to how many injury free days we have had and our workers compensation statistics.
- Jane moved to accept policy D7. Shari seconded. The motion passed 8-0-0.
- Policy D10, which was postponed for acceptance from the August meeting so that Policy D10 could be adequately revised. D10 defines the GM's responsibility in maintaining the membership system.
- In Dan's report on D10.3, he admits to the undeveloped nature of the member owner education program. It was noted that member linkage is a board thing, so this is partially the board's fault as well.
- In D10.5, it was noted that the member owner database is not 100%, so it was not really in compliance. Dan disagreed, saying that it was impossible to be 100% due to the lack of data gathering in many years as well as accidental destruction of data long before he became GM.
- Shari said that, if not 100%, how will we measure Dan's compliance to this policy? She felt that this is necessary before we approve Dan on this policy.
- In D10.10 Dan requests that the board write a policy to ensure that any refunds do not reduce our equity below what is specified in board policy. John or someone from the Finance Committee will present this to the board, as it is important to get done before the member loan drive.
- David moved to accept D10 with the thoughts as noted. Colin seconded. Motion passed 7-1-0.

#### **GM, Staff, and Committee Reports 7:45 PM**

- Johnny asked if it was alright that he create the nominations committee manual. The board thought so.
- Discussions quickly went to aspects of the GM report such as lease negotiations and other sensitive subjects, so the board went into executive session to discuss these matters at 7:52 PM. The board left executive session at 7:55 PM. A break followed, after which Michael Antenorra would meet with the board.

#### **Meeting Michael Antenorra 8:00 PM**

- -Michael Antenorra, the lead architect of our renovation project, along with George Wilcox, the primary point man on the project, visited the board to give some brief information and field any questions the board may have.
- Michael noted that he's been in Austin since 1988, and had his own firm since 1997. He has a long history with grocery store, starting with mainstream grocery stores such as Krogers and Eagle in Cleveland, and then later working with Whole Foods on 35 stores.
- He said that his firm likes to do different styles from project to project on a case by case basis. This allows them to cater to their clients' needs.
- He noted that the feasibility report looked good, and that WV could probably pull something off a little bigger than they want, which is a good situation to be in.
- George Wilcox briefly introduced himself, saying that he was much more a part of the construction end, and was very interested in sustainable design and construction. He was the first individual member of the Green Building Program in Austin, and now plays that role in Antenorra's firm.
- Jimmy echoed the board's sentiments by saying thanks to them, and that everything looks great.
- Jimmy had a few questions. His first was that Antenorra had said he "builds buildings for people, not for buildings," and wanted to know how this related to what was going on with North Guadalupe recently. Michael replied that there's three things you need to know in the grocery store design phase: entry, path, and place. The place is already set, and so

what really needs to be developed on their end is an entryway that is urban and friendly to bikes, pedestrians, and cars. He thought that there should be a north entry and a south entry. The northern entry would go into the store or into the administrative part. This would be right by the bus stop, and would be very pedestrian friendly. The southern entrance would have more parking spots, and thought that it would be nice to use recycled pieces of the storage shed as covered parking.

- As for the interior, Antenorra noted that PJ Hoffman was working on this a lot, but in terms of his responsibility, he felt that creative lighting could do wonders for any interior. He talked about the "power point" of the store (which is usually meat and cheese), and how you can use ceiling height and lighting to create whatever mood you want. He thought that we have the unique opportunity to see the whole store right when you walk in.
- Antenorra did discuss with the board how Katrina would affect the cost of the project.
- He also said that he would bring some pictures and diagrams for the member gathering.
- The board thanked Michael and George and they exited.

**At 8:40 PM the board went into executive session to discuss the member loan drive.**

**Executive session ended around 9:50 PM.**

Before the board adjourned, they discussed when they could get discuss policy, since it wasn't discussed at this meeting. The board decided to call a special meeting for Wednesday September 13th from 6-8 PM to discuss policy.

The meeting was adjourned at 9:55 PM.