

**Wheatsville Board of Directors
December 2011/January 2012 Meeting
Agenda**

Thursday, February 9, 2012

6:00 – 9:00 pm @ Wheatsville meeting room, 3105 Guadalupe



TIME	TOPIC	ACTION
6:00pm	1. OPEN TIME – for WV Owners to present any topic to the board	LISTEN
6:10pm	AGENDA REVIEW 2. CONSENT AGENDA: November Meeting Minutes Membership Administration Guidelines Revisions Procedures for Co-op Vote- Email Action B1- Governing Style Policy Monitoring Global D- Global Executive Constraint Monitoring Report D1- Financial Condition and Activities Monitoring Report D7- Communication to the Board Monitoring Report 2 nd Quarter Financial Report GM Report	DISCUSS VOTE
6:15pm	3. COMMITTEE WORK / GOVERNANCE, PART I (5 min) Seat 2012 Board of Directors (5 min) Officer Elections (20 min) Introducing the new Store Manager and HR Manager (15 min) Proposed Changes to Election Timing (10 min) Confidentiality (5 min) CBL 101 Recap (5 min) CBL Leadership Training Recap	VOTE DISCUSS VOTE DISCUSS DISCUSS DISCUSS
7 :30 pm	4. BREAK	
7:40pm	5. COMMITTEE WORK/GOVERNANCE, PART II (20 min) Nominations Committee (40 min) Board Goals and February Board Retreat	DISCUSS
8 :40 pm	6. BIG DIRECTION PROJECT ***EXECUTIVE SESSION*** Purpose: to discuss confidential/proprietary information related to real estate and finance.	DISCUSS
9 :00 pm	ADJOURN	

Benefitting Community * Promoting Cooperative Economics * Transforming Society



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Present: Rose Marie Klee, *President*; Doug Addison, *Secretary*; Steven Tomlinson, *Treasurer*; Kate Vickery; Kitten Holloway; Reyna Bishop; Mark Wochner; John Vinson; and Ellison Carter.

Also Present: Dan Gillotte, *General Manager*; John Perkins, *Finance Manager*; Beth Beutel, *Board Administrative Assistant*; Bill Bickford, *Store Manager*; Beth Ley, *HR Manager*; Gabriel Gallegos, *Ownership Coordinator*; J Martinez, *Office Administrator and Payroll Clerk*, Mike Cockrell, *Deli Cook*; and Owners: Nathan Wilkes, Andrei Lubomudrov, and Julie Montgomery.

Absent: none

Call to Order

6:00 PM

1. OPEN TIME

Nathan Wilkes spoke about the importance of bicycle accessibility and pedestrian friendliness to Wheatsville's identity as a "Neighborhood Store." Nathan noted the importance of community access to Wheatsville's Mission Statement, and asked the Board consider the ease of pedestrian and bicycle access in assessing sites for additional stores.

Andrei Lubodmudrov referred to Dan's statement in the BIG Direction talk at the Fall Owner gathering that the objective of opening additional stores is to create more good in the world, and that having bicycle and pedestrian friendly stores should be a part of that good.

AGENDA REVIEW

6:10PM

Add the International Year of the Co-op Resolution and the Tax Compliance Verification Process to Committee Work/Governance Part II

RMK stated, as a Conflict of Interest Disclosure, that she is now on the Austin Airport Advisory Commission.

Seat 2012 Board

As President, Rose Marie Klee officially seated the 2012 Board of Directors as follows: Ellison Carter, John Vinson, Doug Addison, Kate Vickery, Steven Tomlinson, Mark Wochner, Reyna Bishop, Kitten Holloway, and Rose Marie Klee

2. CONSENT AGENDA:

6:10 PM



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November Meeting Minutes
Membership Administration Guidelines Revisions
Procedures for Co-op Vote Email Action
B1- Governing Style Policy Monitoring Report
Global D- Global Executive Constraint Monitoring Report
D1- Financial Conditions and Activities Monitoring Report
D7 – Communication to the Board Monitoring Report
2nd Quarter Financial Report
GM Report

Kate Vickery pulled the Membership Administration Guidelines

--Steven moved to accept the consent agenda. Doug seconded the motion. Motion passed 9-0-0.

Mark asked for clarification of the process of dealing with inactive accounts as it is not defined in the MAG. Gabriel explained that after 3 years of having an incorrect address the capital might be considered unclaimed property subject to forfeiture to the State Comptroller, although there is currently no formal procedure for this.

Under the section “Expulsion of Owners”, Kate stated that the Board and not the General Manager should be responsible for expulsion of owners. Dan noted instances where Owners were engaged in illegal and anti-social activities on store premises. These Owners were banned from shopping at Wheatsville and had their capitol refunded to them. Bill stated that Operations does not want an unwanted person to think that still have a right to be on the property because they are an Owner.

Three ideas developed:

- it is the GM’s purview to expel Owners in extreme cases
- it is the GM’s purview, with Board appeal
- the GM can recommend that the Board expel an Owner, but it is the Board’s Action that can revoke the Ownership.

Mark noted that Wheatsville’s Bylaws, Section 2.4 Termination, defers to the Texas Business Organization Code Section 251.152 for expulsion.

Kate moved to approve the changes to the MAG with the exception of amendments “Expulsion of Owners”. Kitten seconds. Motion passes 9-0-0.

3. COMMITTEE WORK / GOVERNANCE, PART I

6:15 PM

Officer Elections



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---Mark Wochner moves that RMK is elected as President, Doug Addison as Secretary, and Steven Tomlinson as Treasurer. Ellison seconds. Motion passes 9-0-0

RMK has asked that Reyna perform the President's responsibility in the event of RMK's absence.

Introducing the new Store Manager and HR Manager

6:35

Bill Bickford, Store Manager, noted that Bill Gessner said that the Co-op is more than the "Store." The "Store" is the economic engine that makes the Co-op's work possible. He hopes that having a Store Manager will allow the Board to focus more on the Co-op as a whole and the BIG Direction as opposed to the operations of the store. Bill outlined the transition phases for going from the Operations Manager to Store Manager.

Beth Ley, HR Manager has a BA in Psychology and Sociology from Centre College, and a Master's of Science in Industrial/Organizational Psychology from Eastern Kentucky University. Beth introduced the two next phases in Wheatsville's organizational development. Beth has been coordinating with Outpost Natural Foods Co-op, La Montanita Co-op, and Jeanie Wells and Carolee Colter from Cooperative Development Services while developing Wheatsville's organizational chart. Beth anticipates that the organizational chart will continue to grow and change as Wheatsville develops.

Beth Ley also showed the Board the Leadership Passport which was developed in response to Wheatsville's last staff survey. The annual staff survey is currently being administered and the report will come out in April.

Proposed Changes to Election Timing

7:50

Gabriel Gallegos, who acted as Vote Coordinator this year, presented a proposal to change the Election Timing in order to ease the burden on Operations by eliminating overlap with Thanksgiving, the biggest sales week of the year. Also, staff believes that Owners don't think about the election in November because they're focused on Holidays.

Kate notes that all of the candidates would have to be set in stone by June 10th in the proposed timeline.

Gabriel notes there is a large increase of new Owners in mid-August and early September, and that new Owners seem to have a lot of positive energy and willingness to participate. Additionally, it could be better to have the election timed earlier due to the possible opening of the second store.

Doug wonders what the impact would be on the newly elected director. Ellison Carter and John Vinson note that this year they experienced lag time due to the postponement of Dec/Jan



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meeting, and they both found it to be beneficial and gave them more time to prepare and do some learning on the Board's work. Dan also notes that the Board could change the date that the Board is seated.

The Board did not come to a conclusion about the proposal but the Nominations Committee will discuss the proposal at their next meeting.

Confidentiality

7:05

RMK re-emphasized the importance of Confidentiality in regards to real estate transactions. Dan notes that sometimes information seems inconsequential but that the nature of word of mouth information is that it expands as it goes along.

Kitten reminded the Board that any time a customer asks for nuts-and-bolts information it is an opportunity to engage them in big picture discussions.

CBL 101 Recap

7:10

John and Ellison shared their experiences with the CBL training they both attended last week in order to prepare for their Board work. They learned how to read financial statements, the history of Co-ops, and had a tour of La Montanita Co-op. John said he likes Wheatsville better.

CBL Leadership Training Recap

7:17pm

Kate went to Minneapolis. Kate says that the Board President of Seward plans to go on a national tour of Co-ops and plans to visit Wheatsville! Kate learned that CDS is planning on doing a series of International Year of the Cooperative trainings.

Mark and Rose Marie went to Brattleboro, VT. The conference succeeded in introducing people and facilitated the kind of learning that usually happens "off-line" at conferences. Mark really likes Art Sherwood. RMK was excited to learn about Servant Leadership.

March 3, March 9, March 31st. CDS will be having regional learning seminars, which will also be webinars, which is a good opportunity to have a Board Social Activity.

4. BREAK

7:27 PM

5. COMMITTEE WORK/GOVERNANCE, PART II

7:37PM



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Semi-Annual Tax Payment Verification Process

Steven did a direct inspection of sales tax, payroll tax, and federal income tax payments by reviewing payments recorded on the government websites and transactions reflected in Wheatsville's bank statements to confirm that the payments were made by the stated due date.. The state's tax website allows viewing of the last four payments (last four months). John Perkins says that when he makes a payment, he does it online and gets a confirmation number, and prints the page. From now on, John will also create a PDF file of the confirmation document for ease of Board Access.

Both John and Steven feel that this is a very thorough verification process, which is not overly burdensome on Operations. Steven will seek feedback from Wheatsville's external auditors in June during the annual audit.

RMK notes that this Steven's actions were in accordance with Board Policy B.6.5.3 which outlines the process for tax inspection (or provides for direct inspection to verify tax payments?).

Nominations Committee

7:45PM

The Nominations Committee's current task is to evaluate the benefits/drawbacks of going to a slate process and a timeframe for doing so. They do not currently believe it would be prudent to change to the slate process for the year 2012.

The Nominations Committee needs to explore other benefits aside from ease of participation by Owners.

Directors discussed the possibility of altering the presentation of candidates on the ballot in order to ease the transition to a slate, and to truly convey the difference between a candidate that meets the minimum requirements to run for the Board and a candidate that the Board endorses.

The Board has reached out to other co-ops about the slate process in the past via the Cooperative Grocer Information Network's board listserv, and they will continue to pursue more dialogue.

International Year of the Co-op Resolution

8:15pm

Austin Co-op Think Tank is pursuing a City Council proclamation regarding the International Year of the Co-op.

Dan Gillotte asked whether this resolution is actually an endorsement which thereby falls under Policy B9. Kitten says that the language of the Resolution is of an "Initiative" and that it is therefore an Endorsement. Kate says that with the Breeze deadline is tomorrow and that waiting until the 28th would simply deny the Board opportunity to promote the IYC.



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RMK notes that the Policies were written by the Board and that bureaucracy should not stand in the way of doing something the Board wants to do.

Steven moves to adopt the Resolution. Kate seconds. Motion passes 9-0-0.

Board Goals and February Retreat

8:34

RMK reviewed the Board's agenda for the Retreat.

RMK listed the special projects and learning that each Director has taken on:

Doug is researching the long-term evolution of the Board.

Kitten is investigating a multi-year GM compensation Plan.

John Vinson and Mark Wochner will develop social learning activities for the Board.

Reyna is researching other kinds of co-ops.

Steven and Dan are developing a Financial Short Course.

Ellison will learn more on Policy Governance.

Rose Marie is working on Board perpetuation.

Mark Wochner is researching Board compensation.

Kate is keeping us in touch with International Year of the Cooperative 2012 and Policy Issues.

6. CO-OP DEVELOPMENT MODEL

8:40

At 8:40pm, RMK moves to enter executive session to include Dan Gillotte, John Perkins, and Beth Beutel to discuss matters of proprietary information.

Dan and John will be working on a plan to adjust the Open Book Finance Bonus Plan to reflect the fact that there is now a Store Manager and Dan and some of his team members time is now spent on Co-op Development.

Dan updated the Board on Co-op Development.

*****EXECUTIVE SESSION*****

Purpose: to discuss confidential/proprietary information

At 8:56 RMK moves that we exit the Executive Session.

RMK moved to adjourn at **8:56pm**.

ACTION ITEMS

- Kate will write a Breeze article on the International Year of the Co-op 2012 for the March/April issue of the Breeze.



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- Dan will inform the Board about a revised timeline for Co-op Development.
- Beth to amend Minutes to include a section for “Parking Lot” discussion items for the Board by the next meeting on February 28th.
- The Nominations Committee will discuss the Proposed Changes to the Election timeline at their next meeting.

Resolution on the International Year of Cooperatives

WHEREAS, The United Nations General Assembly Resolution 64/136 on cooperatives in social development proclaims the year 2012 as the International Year of Cooperatives (IYC);

WHEREAS, The theme of the International Year is “Cooperative Enterprises Build a Better World”;

WHEREAS, The Resolution recognizes that “cooperatives, in their various forms, promote the fullest possible participation in the economic and social development of all people, including women, youth, older persons, persons with disabilities and indigenous peoples, are becoming a major factor of economic and social development and contribute to the eradication of poverty”;

WHEREAS, The Resolution encourages all relevant stakeholders to take advantage of the IYC to promote cooperatives, to raise public awareness of the contribution of cooperatives to social and economic development and to promote the formation and growth of cooperatives;

WHEREAS, The National Cooperative Business Association (NCBA), a membership association representing cooperatives in the United States, has advocated that the United States and its government participate in the International Year;

WHEREAS, NCBA is preparing tools and materials to enable cooperatives to take advantage of the IYC to promote cooperatives;

WHEREAS, The cooperative business model has empowered people around the world to improve their lives through economic and social progress;

WHEREAS, Cooperatives are a major economic force in developed countries and a powerful business model in developing countries, employing 100 million people;

WHEREAS, Millions of cooperatives operate in every nation of the world, owned and governed by more than 1 billion members;

WHEREAS, The economic activity of the largest 300 cooperatives in the world equals the 10th largest national economy;

WHEREAS, More than 29,000 cooperatives operate in the United States;

WHEREAS, U.S. cooperatives generate 2 million jobs, make a substantial contribution to the U.S. economy with annual sales of \$652 billion and possessing assets of \$3 trillion;

WHEREAS, Cooperatives are the people's business, and for more than a century have been a vital part of the world economy. Now, therefore, be it

RESOLVED, That Wheatsville Co-op, commits to:

1. Join with NCBA and its members in supporting and celebrating the year 2012 as “the International Year of Cooperatives”;
2. Recognize the vital role cooperatives play in the economic and social well-being of the United States;
3. Celebrate the year by engaging in efforts to raise the profile of cooperatives and demonstrate how cooperatives build local wealth, generate employment and provide competition in the marketplace.