

Wheatsville Board of Directors

February 2014 Meeting Agenda

Wednesday March 5, 2014

6:30-9:30pm @ South Lamar Meeting Room, 4001 S. Lamar



| TIME | TOPIC | ACTION |
|--|--|--|
| 6:30pm | 1. OPEN TIME – for WV Owners to present any topic to the board | LISTEN |
| 6:40pm | 2. AGENDA REVIEW 3. CONSENT AGENDA: January Meeting Minutes B2 – the Board’s Job Monitoring Report GM Report | DISCUSS VOTE |
| 6:45pm (15 min) (10 min) (10 min) (15 min) (10 min) | 4. COMMITTEE WORK/GOVERNANCE, PART I Nominations Committee ACBA Committee Strategic Learning Committee Audit Committee & Treasurer’s Report Check Reconciliation | DISCUSS VOTE VOTE VOTE DISCUSS |
| 7 :45pm | BREAK | |
| 7 :55pm (10 min) (5 min) (15 min) | 5. Governance Part II Board Self Evaluation 2014 Retreat GM Compensation | DISCUSS DISCUSS DISCUSS |
| 8 :25pm | 6. Strategic Learning Happiness! | DISCUSS |
| 9 :10pm | 7. BIG Direction ***EXECUTIVE SESSION*** Purpose: Discuss confidential information related to Wheatsville’s South Lamar store project ***END EXECUTIVE SESSION*** | |
| 9:30pm | 8. ADJOURN | |

Wheatsville 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



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Present: Reyna Bishop, *President*; Doug Addison, *Secretary*; Steven Tomlinson, *Treasurer* (6:48pm-9:14pm); Marcia Erickson; Christina Fenton; Kate Vickery; John Vinson (6:34-7:36); Angela Melina-Raab; and Michelle Hernandez.

Also Present: Dan Gillotte, *General Manager* (6:37-9:33pm); John Perkins, *Finance Manager*; Beth Beutel, *Board Administrator*; Christie Gonzales, *Receiver at Wheatville on South Lamar*; John Gross, *owner*; Caroline Kirschner, *owner*.

Absent: none

Call to Order

6:34 PM

Reyna called the meeting to order.

1. OPEN TIME

6:34 PM

Christie Gonzales served on the board of Hendersonville Community Co-op. She met Bill Bickford and several Wheatville directors at CCMA and moved to Austin to work for Wheatville.

Caroline Kirschner is a graduate student at the Lyndon B Johnson School of Public affairs currently taking a course on non-profit governance and was observing the meeting to see how Wheatville's board works.

2. AGENDA REVIEW

6:36 PM

Reyna noted that there will be a vote to charge the Strategic Learning Committee.

3. CONSENT AGENDA:

6:37 PM

January Meeting Minutes

---Reyna pulled the B2 Monitoring Report for discussion.

---Reyna pulled the GM Report for discussion.

---Michelle moved to approve the January Meeting Minutes. Christina seconded. Motion passed. 8-0-0.

B2 Monitoring Report, 6:38pm

Reyna requested that Doug take the lead in identifying policies that may need an update given the recent transition to a multi-store model. The directors suggested modifications to the B2 policies, noting that B.2.5.1. should require a yearly audit and B.2.8 refers to "Membership Administration Guidelines" which are now known as "Ownership Administration Guidelines." Many directors had questions about B.2.8.1., which says the Board shall ensure capital investment requirements are appropriate to maintain a sound level of capital funding, and B.2.8.2., which states that \$400,000 is an acceptable level of capital.



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The Board asked for Dan's opinion on an appropriate way to monitor capital through the policy. Dan clarified that some financial ratios may be good at monitoring the health of owner capital, but to have the policy have a specific monetary value may not be as important as thought when these policies were initially drafted.

Dan recommended asking Thane or Leslie from Cooperative Development Service or Wegner CPA about potential changes to the policy on owner capital. Based on this input and discussion with his team, Dan will plan to have recommendations for how the Board's policies can adequately meet requirements in Bylaw Article VII, which states the "Board shall ensure no refunds of required capital will be issued which would cause the total capital balance to fall below an amount required to adequately capitalize the Co-ops current and projected needs" at the next Board Meeting.

---Reyna moved to approve the B2 Policy Monitoring Report. Kate Seconded. Motion passed 8-0-0.

GM Report, 6:43pm

The GM report stated that Wheatsville would not be drawing any more funds from its loan and that it intended to open a line of credit to use in case of a temporary cash shortage. Dan will provide the Board with additional information regarding the line of credit request and bank requirements with a request for Board approval, as per Policy D1.5, at the March or April meeting.

---Reyna moved to accept the GM Report. Angela seconded. Motion passed 9-0-0.

4. COMMITTEE WORK/GOVERNANCE PART I

6:48 PM

Nominations Committee, 6:48pm

The Board discussed changing the endorsement process to include a modified interview process. This would include asking several questions of prospective directors at the Orientation sessions and scoring those answers for use in the event that there are more than two candidates, plus one, for each available seat.

The Nominations Committee recommends having fewer candidate information sessions, starting them slightly later in the year, and rotating the store locations in order to ensure that there is sufficient attendance. Directors agreed to review the proposed dates and commit to sessions.

The Nominations Committee was asked to make proposed changes to the Procedures for Recruitment, Orientation, and Training and submit them for a vote at the next meeting.

ACBA Committee, 7:01pm



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The Board discussed the report from the Austin Cooperative Business Association on whether they have met Wheatsville's requirements for participation in ACBA. Kate asked about the composition of the ACBA board. The Wheatsville Board had asked to know the make-up of a nine member ACBA board, and noted that the fact that ACBA had only six of nine seats filled was a concern for Kate. John Vinson noted that ACBA was expanding to as many as fifteen directors and those seats are being reserved for cooperatives that are anticipated to join.

Dan confirmed that Wheatsville is currently in a good cash position to pay its pledge to ACBA, and that there are no known reasons to reserve the cash.

---Steven moved that Wheatsville join the Austin Cooperative Business Association as a founding member and pay \$10,000 upon receiving an invoice. Angela seconded. Motion passed 8-0-1 with John Vinson abstaining.

Strategic Learning Committee, 7:10pm

Kate reviewed the committee charter and stated that she would be working with Reyna to prepare topics and materials for discussion, as well as arrange for visitors to speak with the Board. Margaret Shaw has confirmed that she will be able to attend the next meeting to discuss the economic impact study of Austin's local food economy.

For each conversation, a director will be asked to write an article on the discussion for the Breeze. Angela will be writing an article on tonight's discussion with editorial assistance from Marcia. Reyna read the Strategic Learning Committee Charter as included in the packet.

---Michelle moved to approve the Strategic Learning Committee Charter as stated. Doug seconded. Motion passed 9-0-0.

Audit Committee & Treasurer's Report, 7:18pm

Steven asked all directors to recommend owners to him via email who may be interested in serving on the committee. The first meeting with Bruce Mayer of Wegner CPA will be in early April. Marcia will co-chair the Audit Committee with Steven in order to learn the ropes.

---Steven moved to create the 2014 Audit Committee, with Christina, Marcia, John, and Steven as well as 2 positions for non-director owners to be filled if appropriate. Kate seconded. Motion passed 9-0-0.

Steven will bring a draft Board budget for the fiscal year ending in 2015 to the next meeting, and asked that directors send him any pertinent information related to committees they chair and whether or not they will be attending CCMA in order to facilitate the process. Steven noted there are funds for the \$750 budget proposed for CBL 101 training in Oregon for the new directors.



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The Board discussed options for how to tackle the financial learning. All agreed to read through chapter 1 and 2 in Managing by the Numbers by the March meeting to do the exercises in the chapters with a focus on Wheatsville. Dan requested 30 minutes at next meeting for this exercise.

Check Reconciliation, 7:36pm

Heather Fisher, the Office Administrator and Payroll Clerk, has taken on the task of check reconciliation. Heather reports to Beth Ley and is in the HR department, thus providing a good check on the Finance department. Bank statement reconciliation is done by Bill Sherborne, the Staff Accountant. Bill Sherborne is currently about one fiscal quarter behind on bank statement reconciliation. John Perkins agreed the staff could have the reconciliations up to date by the audit. John will be accountable to let the Board know if that becomes infeasible.

Dan also started reviewing the weekly check runs as recommended by Wegner, including the automatically signed checks. Accounts Payable gives these to John Perkins to review, and then they are reviewed by Dan.

BREAK

7:45PM

5. GOVERNANCE PART II

7:55PM

Board Self-Evaluation, 7:56pm

The Board discussed their self-evaluation with an emphasis on discussions of areas with low scores. The Board discussed: ways to engage with owners; whether their expectation of themselves is reasonable; increasing their level of understanding of financial information included in the packets; and understanding market forces.

2014 Retreat, 8:07pm

Dan asked which, if any, members of the management team the Board would like to attend the retreat. The directors concurred that they would like Bill and Rory to attend, but that all are welcome. Directors discussed whether it would be beneficial to invite directors from other Austin area cooperatives, and they agreed that since the agenda is very Wheatsville-specific, it would be unlikely to be helpful to other cooperatives to send their directors. Since one theme of the Retreat will be "Lessons Learned" from the recent store opening, the directors felt it would be beneficial to invite Rose Marie Klee and Mark Wochner.

Directors discussed the agenda for the retreat, and asked that the discussion of the "Four Pillars of Cooperative Governance" be moved to the afternoon session. Steven will check with the Acton School of Business about using their space.

CEG Compensation, 8:14pm

The Board reviewed their process for deciding on Dan's compensation package and discussed processes used by other cooperatives and potential improvements. Dan likes the idea of submitting a structured Request for Proposal to the board, noting that his current practice is



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similar to the suggested RFP from the CDS training course in the Board's packet, but that he could work to make it more consistent and precise. The system the Board currently uses puts the CEG in the position every year having to ask for money; CDS recommends a multi-year plan simply to save the directors and GM or CEG from having the discussion every year.

6. STRATEGIC LEARNING

8:28 PM

Ends, 8:28pm

The Board recited the ends in unison, and noted that it was not the first agenda item after open time as is customary. Reyna and Beth made a note to ensure its inclusion in the Agenda next time.

Happiness, 8:28pm

The Board looked at what Wheatsville is currently counting that helps us focus on our goal of having "a thriving community centered on hospitality, kindness and generosity." Noting that this arena is the most difficult of the ends to quantify and measure, the Board discussed areas to look for metrics.

7. BIG DIRECTION

9:14PM

Reyna moved the board into executive session to include John Perkins, Beth Beutel and Dan Gillotte.

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

Purpose: to discuss confidential/proprietary information related to the South Lamar location.

At 9:33pm, Reyna moved the Board out of executive session.

At 9:33pm, Reyna adjourned the meeting.

Parking Lot

- CEG Compensation Process Document
- Member Engagement Committee

COMMITTEE CHARTER

COMMITTEE: STRATEGIC LEARNING COMMITTEE

DATE CHARTERED: 05 MARCH 2014

LENGTH OF TERM: ONE YEAR

MEMBERS: KATE VICKERY

RESOURCES: \$0

The primary purpose of the Strategic Learning Committee will be to:

1. Identify key themes for Board's 2014 Strategic Learning Plan
2. Identify potential speakers and guests for strategic learning discussion
3. Find applicable videos or reading material to support and inform meaningful learning discussions
4. Facilitate Board involvement in communicating strategic learning themes to Wheatsville owners through Breeze articles and other media