

Wheatsville Board of Directors
February Meeting Agenda
Tuesday, February 24, 2015
6:30pm- 9:30pm
4001 South 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	DISCUSS
	3. CONSENT AGENDA:	VOTE
	January Meeting Minutes	
	B2 – The Board’s Job Monitoring Report	
	D3 – Asset Protection Monitoring Report	
	CEG Report	
6 :20pm	4. COMMITTEE WORK/GOVERNANCE	
(1 min)	Recite Ends	RECITE
(10 min)	ACBA Committee	DISCUSS
(10 min)	Nomination Committee	DISCUSS
(0 min)	Expansion Review Committee	DISCUSS
(2 min)	Policy Review Committee	DISCUSS
(3 min)	Review Committee	DISCUSS
(5 min)	Treasurer’s Report on Direct Inspection of Tax Payments	VOTE
(10 min)	FYE 2016 Board Budget	DISCUSS
(10 min)	Board Retreat	DISCUSS
(25min)	Finance Department Update	DISCUSS
7 :35pm	5. BREAK	REST
7:45pm	6. STRATEGIC LEARNING Member Engagement	DISCUSS
8 :55pm	7. FINANCE LEARNING	DISCUSS
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



Board of Directors Meeting Minutes February 2015

Present: Doug Addison, *Secretary*; Marcia Erickson, *Treasurer*; Kitten Holloway; Michelle Hernandez; Deborah Ingraham; Nada Lulic; Allison Maupin (via phone 6:32-9:07pm); John Vinson.

Also Present: Dan Gillotte, *Chief Executive Grocer*; John Perkins, *Finance Manager* (8:30-9:33pm); Beth Beutel, *Board Administrator*; Brian Donovan, *Executive Director of Austin Cooperative Business Association* (6:34-7:04pm).

Absent: Reyna Bishop

Call to Order

6:32PM

Doug called the meeting to order.

1. OPEN TIME

6:32PM

Allison shared that she will be in Manchester, United Kingdom, for the next two months and will Skype in to the meetings.

2. AGENDA REVIEW

6:35PM

There was a time error on the agenda, so Doug proposed shortening the Strategic Learning on Owner Engagement to 45 minutes, then having a break, and saving the Treasurer's Report, the Finance Team Update, and the Financial Learning all to be held at the end of the meeting, after John Perkin's arrival.

3. CONSENT AGENDA:

6:38PM

January Meeting Minutes

B2 – The Board's Job Monitoring Report

CEG Report

---Deborah Pulled the D3-Asset Protection Monitoring Report

---Kitten moved to approve the Consent Agenda except for D3. Marcia seconded. Motion passed 8-0-0.

D3 – Asset Protection Monitoring Report, 6:39pm

Deborah asked for more detail about cyber security, given the recent breaks in security that have been in the news. Dan told the Board some detail of Wheatville's system. Dan offered to have Ryan Vanstone, Information Systems Manager, write a report with more detail. The Board requested that Ryan send them the full Network Disaster Recovery protocol for their information to review for protocols covering the compromise of customer data.

Deborah also asked about insurance coverage on compromised data. Dan was confident that we have coverage, but will investigate the exact coverage and respond to the full Board via email.



Board of Directors Meeting Minutes February 2015

The Board agreed that the Policy Review Committee should investigate potential changes to their policy or the interpretations of that policy to cover communication with customers and owners in the event of a security breach. In the event of a cyber security breach that involves member information or member credit card information, the Board directed Dan that immediate notice should be given to the Board.

---Deborah moved to accept the D3 report. Michelle seconded. Motion passed 8-0-0.

4. COMMITTEE WORK/GOVERNANCE

6:52PM

Recite Ends, 6:52pm

The Board and guests recited the ends in unison.

ACBA Committee, 6:52pm

Brian Donovan updated the Board on the changes in the relationship between the Austin Cooperative Business Association and the National Cooperative Business Alliance, the membership structure, dues, the ACBA board structure, and the value proposition of ACBA.

Nominations Committee, 7:04pm

Doug reported on the recent activities of the Nominations Committee including developing an orientation schedule, for which he passed around a signup sheet, also available on the Board's online portal, for the directors to volunteer to lead sessions. For the April Board meeting, the Nominations Committee will submit a "Co-op Vote" schedule for the Board to approve; in May, the Board will vote to approve the application. Wheatsville Owner, Jeanie Donovan (no relation to Brian Donovan) will also serve on the Nominations Committee.

John Vinson will send Deborah information he has on proposed updates to last year's materials, so that Deborah and Jeanie can make changes for this year, ensuring that all the documents are consistent with each other and with the Board's wishes.

Expansion Review Committee, 7:08pm

There will be some expansion review discussion at the Retreat. No other updates.

Policy Review Committee, 7:08pm

Nada joined the Policy Review Committee. Kitten will send out a survey to find the best time for the next meeting. Allison will continue to work with the committee online and over Skype.

Review Committee, 7:10pm

Marcia asked the group to please refer non-directors who may be interested to her, noting that interest and commitment are more important than having a particular area of expertise. The Review Committee will start work in April, but the bulk of the work will be in August and September with the auditors and the Annual Report to owners.



Board of Directors Meeting Minutes February 2015

Marcia asked whether the Board should consider using a different accounting firm this year. Dan explained that there is a small pool of CPA firms that specialize in co-ops, and that it wouldn't be worth investigating unless the Board is unsatisfied with Wegner. The Board agreed to continue with Wegner CPA.

Treasurer's Report on Direct Inspection of Tax Payments, 7:14pm

Marcia followed the procedure for direct inspection as detailed in the Board packet. Marcia and Michelle verified that the state of Texas received sales tax payments, and that Wheatsville's payroll company showed payments to the IRS for payroll taxes and tax deductions. Marcia asked if that was sufficient or if there is a way to confirm that the payroll taxes are received.

Wheatsville also overpaid on income taxes in FYE2014, and the Board questioned if that could be avoided. The Board agreed to resume the discussion after John Perkins' arrival.

FYE 2016 Board Budget, 7:23pm

The Board reviewed each budget line, and directors and staff made recommendations for changes. Any further recommendations should be emailed to Marcia.

Board Retreat 2015, 7:32

The Board discussed logistics for the retreat on March 8th.

5. STRATEGIC LEARNING, Owner Engagement

7:20pm

Beth presented a framework that illustrates how Owner Engagement currently works at Wheatsville, including how customers and owners participate with the co-op, who co-op communications reach, and how much different parts of the organization understand ideas critical to Wheatsville and the Board. John Vinson elaborated on the framework that Beth presented and tied the conversation back into the Cooperative Grocer article in the Board's meeting packet. Beth and John posed the question to the Board: based on where we are now, what are the goals of increased Owner Engagement?

The Board discussed the current kinds of engagement at Wheatsville, noting that there are many kinds of ways to be involved and that all levels of involvement are great. Several directors noted that the Board's primary job is to ensure that the Owners feel invited to increase their participation. When discussing how to make Owners feel invited several directors brought up social media. Dan noted that Wheatsville has a robust social media presence, and encouraged them to follow up the conversation by following Wheatsville online.

Allison asked if we survey the owners. Dan noted that we do a shopper survey every two years, the results of which are shared with the Board. The most recent one was in 2014 and can be seen by the Board on their online portal.

7. FINANCE LEARNING



Board of Directors Meeting Minutes February 2015

Treasurer's Report on Tax Payments, Part II, 8:32

John Perkins agreed to collaborate with Beth Ley to see if there is a way to confirm that Paylocity submitted the tax payments, and that the IRS received them.

Regarding the tax return, John Perkins and Dan noted that the tax documents could have been submitted sooner. Considerations about having the cash sooner or not overpaying are new to them, as they would have helped increase the Debt Service Coverage Ratio covenant of Wheatsville's loan with National Cooperative Bank. In the most recent tax period, Wheatsville operations didn't have any urgency to get or retain the cash otherwise.

Finance Department Update, 8:37pm

John Perkins reported to the Board about the results of their survey of other finance and accounts payable departments, noting that every co-op seems to have developed their own varied ways of doing things. There are very interesting and exciting new technologies that could greatly reduce the workload; they are expensive and challenging to implement but the returns on labor savings and general stress for the finance team could be huge. Part of the challenge is that most companies are either very small and have very low-tech systems or very large and have very high-tech systems. Wheatsville is a mid-sized company and there are not a lot of models to look to for guidance. As for efficiency metrics to gauge whether the project is improving things, the model John Perkins is most attracted to is cost to handle an invoice, which for the co-ops who reported using it the number is between twenty and thirty dollars per invoice.

In response to a question, Dan noted that Wheatsville is building the skills and capacity of its existing finance team.

Financial Learning, 9:03pm

Marcia led the Board through a learning exercise on Balance Sheets and Income Statements.

8. ADJOURN

---At 9:33pm, Doug adjourned the meeting.

Parking Lot

- CEG Compensation Process Document – added 02/14
- Member Engagement Committee- added 02/14
- Revisit Eden Foods Boycott- effects on business, Eden Foods' policy 6/15
- Propose possible amendments to B.2.8 by February 2015- added 02/14
- Discuss Policy D1.2 "adequate net income." What is adequate?- added 04/14
- Discuss Policy D1.3 liquidity measures- added 7/29/14