

**Wheatsville Board of Directors
 February Meeting Agenda
 Tuesday February 23rd, 2016
 6:00-9:00PM, Guadalupe 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 | 2. AGENDA REVIEW 3. CONSENT AGENDA: January 2016 Minutes B2 – The Board's Job Monitoring Report D3 – Asset Protection Monitoring Report CEG Report | DISCUSS VOTE |
| 6:20pm | 4. COMMITTEE WORK/GOVERNANCE, PART I (1 min) Recite Ends (5 min) Treasurer's Report on Direct Inspection of Tax Payments (15 min) Upcoming Sales Tax Audit (15 min) Nominations Committee (10 min) ACBA Committee (0 min) D6 Committee (8 min) Andi Reports on CBLD 101 | RECITE VOTE DISCUSS VOTE VOTE NONE VOTE LISTEN |
| 7:14pm | BREAK | REST |
| 7:24pm | 5. COMMITTEE WORK/GOVERNANCE, PART II (15 min) Transparency Committee (2 min) Orientation Hold Dates (2 min) Appoint New Treasurer (2 min) Review Committee (10 min) FYE 2017 Board Budget | VOTE DISCUSS VOTE VOTE DISCUSS |
| 7:55pm | 6. STRATEGIC LEARNING (15 min) Retreat Reflections (30 min) Long-range CEG Evaluation and Compensation (15 min) Farewell to John Vinson (5 min) Closing round and wrap-up | DISCUSS DISCUSS DISCUSS DISCUSS |
| 9:00pm | 7. 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: Doug Addison, *President*; Andi Shively, *Treasurer*; Kitten Holloway, *Secretary*; Reyna Bishop; Michelle Hernandez; Deborah Ingraham; Rose Marie Klee; and Nada Lulic.

Also present: Dan Gillotte, *Chief Executive Grocer*; John Perkins, *Finance Manager* (6:00pm-8:04pm); and Beth Beutel, *Board Administrator*; Amy Knop-Narbutis (6:00-7:46pm); Stuart Reilly (7:05-7:46pm).

Absent: None.

Call to Order 6:00PM

Doug called the meeting to order.

1. OPEN TIME 6:00PM

Doug asked that the Board go around and do a check-in.

2. AGENDA REVIEW 6:07PM

Transparency Committee may be extended if needed.

3. CONSENT AGENDA: 6:10PM

January 2016 Minutes

CEG Report

---Michelle pulled B2 – the Board’s Job and D3 – Asset Protection Monitoring Reports.

--- Andi moved to accept the Consent Agenda. Kitten seconded. Motion passed 8-0-0.

B2 – The Board’s Job Monitoring Report, 6:11pm

Michelle requested that if it’s score of 3 or below, to please comment in the survey about why and what could be improved next time, and asked directors who scored items low on this report to explain their answers. The directors noted that the two scales the Board was trying did cause different answers in some cases. A director noted that their low-score areas were around CEG compensation process, governing documents, and the use of external monitors, all of which the Board has plans in place for addressing this year. The Board agreed to use only the “completeness” answer scale moving forward.

---Michelle moved to accept the B2 – the Board’s Job Monitoring Report. Andi Seconded. Motion passed 8-0-0.

D3 – Asset Protection Monitoring Report, 6:15pm

Directors asked clarifying questions about the report.

---Michelle moved to accept the D3 – Asset Protection Monitoring Report. Nada seconded. Motion passed 7-1(abstain, RMK)-0.



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4. COMMITTEE WORK/GOVERNANCE, PART I

6:19PM

Recite Ends, 6:19pm

The Board and guests recited the Ends policy in unison.

Treasurer's Report on Direct Inspection of Tax Payments, 6:20.

Doug completed the direct inspection, meeting with John Perkins and Bill Sherborne to look at payroll and sales tax. Doug reported that all of the taxes have been paid. He verified this by looking at bank statements and the state's payment verification site.

---Doug moved to accept the Treasurer's Report on Direct Inspection of Tax Payments. Michelle seconded. Motion passed 8-0-0.

Upcoming Sales Tax Audit, 6:22pm

Dan and John submitted a background report in the Board's monthly packet and opened the floor to questions. Directors asked about the level at which back taxes would be financially damaging to the co-op, what sorts of experts are available to assist with the audit, what process the co-op uses to ensure we are applying sales tax correctly, and the opportunities to appeal. Dan and John noted that the statute of limitations is four years for sales tax, and that they have consulted with our regular attorney and accountant on these issues.

5. COMMITTEE WORK/GOVERNANCE, PART I

6:34PM

Nominations Committee, 6:34pm

The Nominations Committee recommended that the Board appoint the runner-up in the election if they were still available and interested, and move down the list of runners up by number of votes until a candidate was willing to serve. The Nominations Committee recommended this process because the candidates were recently vetted in the last election and had the support of many owners. Julie Le received the most votes without being elected and confirmed availability for the Board's existing meeting calendar. The Nominations Committee recommended the Board appoint Julie Le to fill the Board vacancy.

Directors discussed the process for appointing a vacancy. It was noted that while vacancies and appointments do happen fairly often, each vacancy, the field of people interested, the board's needs in filling that vacancy are different. Doug asked the Board if they felt comfortable voting to appoint now or if anyone wanted to do any further vetting. The Board concurred that they wanted to accept the recommendation of the Nominations Committee.

---Nada moved to appoint Julie Le to serve on the Board for the remainder of 2016. Michelle seconded. Motion passed 8-0-0.

ACBA Committee, 6:46pm



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Andi expressed interest in the status of the ACBA and will attend the next meeting in order to learn more before being appointed to represent Wheatsville in place of John Vinson. The Board clarified that Andi should participate in discussion as a representative of Wheatsville, but that not vote on Wheatsville's behalf.

D6 Committee, 6:53pm

Reyna will send out a scheduling survey for the last D6 meeting.

Andi Reports on CBLD 101, 6:53pm

Andi shared what she learned at the Cooperative Board Leadership 101 retreat and noted that it was incredibly valuable to meet with other area cooperators.

Orientation Hold Dates, 6:57pm

The Board discussed and agreed to continue holding two dates in December, the 7th and 14th, for the orientation. They will revisit a date before the candidate application is posted on June 1st.

Appoint New Treasurer, 7:02pm

---Doug moved to appoint Andi Shively as Treasurer for the remainder of 2016. Deborah seconded. Motion passed 7-0-1, with Andi abstaining.

Review Committee, 7:03pm

The Board discussed a draft Review Committee charter submitted by Andi. The Board also discussed renaming the committee to add oversight of the annual audit to the charter.

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| BREAK | 7:05pm |
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| 5. COMMITTEE WORK/GOVERNANCE, Part II | 7:15pm |
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Audit and Review Committee, Part II, 7:16pm

The Board agreed to change the name to "Audit and Review Committee" and added "2. Oversee the annual audit".

----Andi moved to approve the charter as amended during the discussion. Rose Marie seconded. Motion passed 8-0-0.

Transparency Committee, 7:17pm

Deborah presented a draft "Owner Access to Cooperative Information" policy for discussion by the board and the CEG, which the Transparency Committee drafted in accordance with the committee's charter. The draft was created based on law applicable to Wheatsville and a sample policy that was based on similar laws and principles and created in response to owner requests for co-op information similar to requests Wheatsville received from its owners last year.

Directors discussed where this policy fits into their existing policies and guidance documents. Directors noted that there are both implications for the CEG and operations and for the Board. In



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lieu of providing feedback on the substance of the policy, directors indicated generally that such a policy should be drafted by management as directed in policy governance A-D policies and asked the committee to insert an instruction for management to draft such a policy in the Owner Rights and Responsibilities policy.

Deborah will work to include owner access to information in the Board's existing policies and guidance documents with assistance from Reyna and the CDS consultants and bring a draft to the next meeting. Deborah would like to dissolve the committee in March. The Board thanked Deborah, Stuart, Amy, and John Vinson for their excellent work.

FYE 2017 Board Budget, 7:46pm

Andi led the Board through a discussion of their annual budget. Directors were asked to decide whether they will be able to go on a trip this year for board trainings and email their answer to Andi. Andi will include a contingency for the annual audit should the Board decide to use another CPA firm. Beth will research phone and video conference options. Andi asked that directors email her any other feedback.

6. GOVERNANCE

7:58PM

Retreat Reflections, 7:58pm.

Directors discussed ways to implement the strategic learning ideas they developed at the retreat, and decided that everyone should look at the retreat report when it arrives from the CDS consultants and bring an idea for a specific topic to the March meeting.

Long-range CEG Evaluation and Compensation, 8:12pm

Kitten led the Board in a discussion on a long-range CEG Evaluation and Compensation process. The Board discussed the value to the Board, the CEG, and the organization to have a longer range plan. Directors generally agreed that a multi-year plan: would add clarity to the criterion for success of the CEG; reduce work for both the CEG and Board while adding clarity to a difficult process for future boards; and could possibly include an employment contract that might provide more secure CEG succession planning.

The Board agreed to continue with the process laid out in the article Kitten submitted in the packet. The Board Members will work through the 'Questions for private reflection' in the article on their own. Beth and Kitten will determine a format and send the 'Strategic questions for Directors and Boards' to be completed prior to the next Board meeting.

Farewell to John Vinson, 8:45pm

The Board reflected on John's service and created a video for him.

Closing round and wrap-up, 8:54pm

Dan detailed Wheatsville's 40th Anniversary activities including locally made exclusive products, merchandise and birthday cake.



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At 8:56pm, Doug adjourned the meeting.

Parking Lot

- Member Engagement Committee- added 02/14
- Strategic Learning on D1.10- GAAP/EBITDA – added 1/16