

**Wheatsville Board of Directors**  
**December 2014/ January 2015 Meeting Agenda**  
**Wednesday, January 28<sup>th</sup>, 2015**  
**6:00pm- 9:00pm**  
**3103 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: November Meeting Minutes B1 Governing Style Monitoring Report D1 Financial Conditions and Activities Monitoring Report D Global Executive Constraint Monitoring Report CEG Report	DISCUSS VOTE
6:20pm	4. COMMITTEE WORK/GOVERNANCE (1 min) Recite Ends (15 min) FYE2015 Q2 Financial (Mid-Year) Financial Report (5 min) Overview 2015 Committees (5 min) ACBA Committee (5 min) Nomination Committee (5 min) Expansion Review Committee (5 min) Policy Review Committee (9 min) Strategic Learning Committee (10 min) Retreat Planning	RECITE VOTE DISCUSS DISCUSS VOTE VOTE VOTE DISCUSS DISCUSS
7:20pm	5. BREAK	REST
7:40pm	6 STRATEGIC LEARNING Cooperative Values and Principles	DISCUSS
8:40pm	7. GOVERNANCE, PART II (5 min) Seat 2015 Board of Directors (5 min) Elect 2015 Officers (10 min) Celebrate milestones of outgoing director	DISCUSS VOTE DISCUSS
9:00pm	10. 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 January 2015

Present: Reyna Bishop, *President*; Doug Addison, *Secretary*; Steven Tomlinson, *Treasurer*; Marcia Erickson; Kitten Holloway; Deborah Ingraham; John Vinson; Allison Maupin.

Also Present: Dan Gillotte, *Chief Executive Grocer*; John Perkins, *Finance Manager* (6:00pm-7:52pm); Beth Beutel, *Board Administrator*.

Absent: Michelle Hernandez and Nada Lulic

## Call to Order 6:00PM

Reyna called the meeting to order.

## 1. OPEN TIME 6:00PM

Nothing to note.

## 2. AGENDA REVIEW 6:06PM

Reyna added Governance Calendar review to the agenda.

## 3. CONSENT AGENDA: 6:07PM

November Meeting Minutes

B1 Governing Style Monitoring Report

D Global Executive Constraint Monitoring Report

CEG Report

---Reyna pulled the D1 Financial Conditions and Activities Monitoring Report for discussion.

---Doug moved to approve the Consent Agenda. Kitten seconded. Motion passed 7-0-0.

### **D1- Financial Conditions and Activities Monitoring Report, 6:08pm**

Regarding D1.3 about liquidity, operations is already working toward being in compliance at the next time of reporting in March by working to get better pricing from distributors, increasing margins in some areas to compensate for the losses on the price image program and through the historical trend of strong quarters in quarters 3 and 4.

Regarding D1.12, defaulting on terms of the cooperative loans, the loan with the National Cooperative Bank (NCB) has a metric around Debt-Service Coverage Ratio (DSCR) in the loan covenant, and Wheatsville did not meet NCB's metric. In response to a question, Dan noted a few changes that could have been done differently in order to save funds and potentially meet that metric. Dan also noted that all of those changes were a part of our strategic plan, which we are meeting or exceeding, which was shared with NCB. Unfortunately, DSCR is a new metric for Wheatsville and the planning process did not account for it. John Perkins noted that operations could do a better job negotiating the terms of the loan when another loan is made.



# Board of Directors Meeting Minutes January 2015

Regarding D1.8 about late payment accounts payable, Dan noted that it was an anomalous period which included the three days a year that Wheatsville is closed for business, and the turn-over of a store manager. There is also a Finance team restructuring project under research at the moment, as well as looking for other ways to be more efficient, and there will be an update to the Board at the next meeting.

Regarding, D1.10 which states: "The CEG will not: D.1.10 Allow financial record keeping systems to be inadequate or out of conformity with GAAP", John Vinson asked how we are in conformity in Generally Accepted Accounting Principles (GAAP) if we use Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) for distribution of net savings and whether this is the policy that the Board wants. Steven, the outgoing treasurer and chair of the Review and Audit Committee of 2014 noted that our record keeping is done according to GAAP; the Board simply uses EBITDA to make a business decision.

Dan noted that D1.10 doesn't refer to what we do with Net Savings. Our auditor says we use GAAP in our bookkeeping, and our auditor recommended we use EBITDA for distribution of net savings. Kitten noted that the question that John Vinson and others who felt uncomfortable with last year's decision is: do you want a Board policy around distribution of net savings? Board Members concurred that no Board policy was needed on this issue.

In response by email prior to the meeting regarding this meeting's agenda, Dan also noted he plans to have an update for the February Board meeting on the Finance Department's strategies for dealing with growth from the addition of a second store.

---Marcia moved to accept D1 Monitoring Report with non-compliance on D1.3, D1.8 and D.12 with the plan stated in the meeting to get into compliance. Reyna seconded the motion. Motion passed 7-0-0.

## **4. COMMITTEE WORK/GOVERNANCE, Recite Ends, 6:40pm**

The Board and guests recited the ends in unison.

### **FYE2015 Q1 Financial Report, 6:41pm**

Reyna stated that she put the Financial Report on the agenda just in case anyone had questions since there are two new directors and two directors entering their second year with the Board. At Reyna's request, Dan gave an overview of the financial report.

--- Kitten moved to accept the FYE 2015 Q1 Financial Report. Deborah seconded. Motion passed 7-0-0.

### **Overview 2015 Committee, 6:58pm**



# Board of Directors Meeting Minutes January 2015

Reyna drew everyone's attention to the article on page 46 about how committees get work done for the organization, and asked if anyone had any questions. There were no questions or comments. Reyna asked that each committee chair review Wheatsville's website and see if they would like to make any changes to the committee descriptions.

## **ACBA Committee, 6:59pm**

The ACBA is still looking for a new executive director. The Austin Co-op Summit will be held April 10<sup>th</sup> and 11<sup>th</sup>, with a reception in the evening on Friday the 10<sup>th</sup>. The theme will be "Cooperation Amongst Cooperatives"

## **Nominations Committee, 7:11pm**

---Doug moved to re-charter the nominations committee whose primary purpose will be to:

1. Identify a process for recruiting a pool of well-qualified Board candidates according to Board policy.
2. Create the 2014 Co-op Vote schedule to include the timeline for recruitment steps, candidate orientation sessions, Breeze articles, and application deadlines
3. Develop a plan for board appointment in the event of mid-year director vacancies
4. Review the candidate application, website and other materials to ensure consistency for candidates.
5. Provide a brief oral and/or written report to the Board monthly about the activities of this committee.

Composition: Doug Addison as chair, Debrah Ingraham, John Vinson, and other directors or non-directors to be determined.

John Vinson seconded the motion. Motion passed 7-0-0.

## **Expansion Review Committee, 7:15pm**

Doug noted that the committee will likely dissolve shortly after the retreat.

--- Doug moved to reform the Expansion Review Committee charter as stated in the packet with Doug Addison as chair, and members Deborah Ingraham, Allison Maupin, Kitten Holloway and Reyna Bishop. Kitten seconded the motion. Motion passed 7-0-0.

## **Policy Review Committee, 7:18pm**

---Kitten moved to reform the Policy Review Committee to include Kitten as chair, re-charter the committee to be the primary purpose is to review the B policies to determine whether revisions are needed post expansion. Steven seconded the motion. Motion passed 7-0-0. Kitten will email Board Members to see who is interested in serving on the Policy Committee.

## **Strategic Learning Committee, 7:21**



# Board of Directors Meeting Minutes January 2015

Marcia will do a strategic learning activity on Business Plans in May. Reyna asked that the directors sign up on the writeboard on backpack to lead a discussion.

---Reyna moved to dissolve the Strategic Learning committee. Marcia seconded the motion. Motion passed 7-0-0.

## **Retreat Planning, 7:22pm**

The Board reviewed the draft retreat agenda from Cooperative Development Services consultants Leslie and Thane. The next phone call with the consultants will be February 4<sup>th</sup>; Reyna asked the directors to notify her if they have any proposed changes to the Retreat agenda.

## **Governance Calendar, 7:26**

Reyna asked committee chairs to add their critical dates/deadlines to the governance calendar draft created by Marcia. Doug, Marcia and Beth will work together to find the best place to share the new calendar format and a process for updating it.

**5. BREAK** 7:28pm

## **6. STRATEGIC LEARNING, Principles and Values** 7:40pm

The Board discussed the cooperative values and principles with respect to the one that resonates the most with each individual as well as how Wheatsville exemplifies and practices the principles and values and how other cooperatives and organizations do as well.

## **7. GOVERNANCE, PART II, 8:45pm**

### **Seat 2015 Board of Directors, 8:56pm**

---Reyna moved to seat the newest directors, Allison and Nada. Steven seconded. Motion passed 7-0-0.

### **Elect 2015 Officers, 8:47pm**

---Deborah moved to approve the slate of Reyna as President, Doug as Secretary, and Marcia as Treasurer. Allison seconded. Motion passed 7-0-0.

### **Celebrate Milestones of Outgoing Director, 8:49pm**

Directors and staff did a go-around acknowledging outgoing director and treasurer Steven Tomlinson's accomplishments and service to Wheatsville. Steven stated how much he has enjoyed his service and being a part of this group of people who act as stewards of the co-op.

## **8. ADJOURN**

---At 9:06pm, Reyna adjourned the meeting.

**10. ADJOURN** 9:02pm



# Board of Directors Meeting Minutes January 2015

## 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