

**Wheatsville Board of Directors
January Meeting Agenda
Thursday January 21st, 2016
6:30-9:30PM, South Lamar Meeting Room
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 3. CONSENT AGENDA: November 2015 Minutes D – Global Executive Constraint Monitoring Report D1 – Financial Conditions and Activities Monitoring Report CEG Report | DISCUSS VOTE |
| 6:50pm | 4. TEAMING ACTIVITY | DISCUSS |
| 7:20pm | 5. COMMITTEE WORK (1 min) Recite Ends (9 min) B1-Governing Style Monitoring Report (0 min) Transparency Committee (5 min) Nominations Committee (5 min) ACBA Committee (5 min) Policy Review Committee (5 min) D6 Committee | RECITE VOTE DISCUSS VOTE DISCUSS VOTE DISCUSS |
| 7:50pm | 6. LIVING WAGE PROJECT UPDATE | DISCUSS |
| 8:15pm | BREAK | |
| 8:25pm | 7. STRATEGIC LEARNING Brainstorm Strategic Learning Plan Retreat Planning | DISCUSS DISCUSS |
| 9:20pm | 8. GOVERNANCE (1 min) Seat 2015 Board of Directors (4 min) Elect Officers (5 min) Leadership Perpetuation | VOTE VOTE DISCUSS |
| 9:30pm | 9. 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, *Treasurer*; Kitten Holloway, *Secretary*; Michelle Hernandez; Deborah Ingraham; Nada Lulic; Andi Shively; and John Vinson.

Also present: Dan Gillotte, *Chief Executive Grocer*; John Perkins, *Finance Manager* (6:36pm-9:30pm); and Beth Beutel, *Board Administrator*.

Absent: None.

Call to Order 6:30PM

Reyna called the meeting to order.

1. OPEN TIME 6:30PM

Dan and Reyna both updated the Board about their upcoming travel dates. Beth updated the Board on their ongoing scheduling polls and recommended choosing a March meeting date.

2. AGENDA REVIEW 6:32PM

Doug suggested reciting the Ends policy before the teaming activity. Michelle noted that she would have to leave at 9:30 even if the meeting was not yet adjourned.

3. CONSENT AGENDA: 6:10PM

D – Global Executive Constraint Monitoring Report
CEG Report

---Kitten pulled the D1 – Financial Conditions and Activities Monitoring Report.

---Reyna pulled the November 2015 Minutes.

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

D1, 6:36pm

Directors asked Dan about when the co-op is projected to meet the Debt Service Coverage Ratio (DSCR) requirement in the loan covenant from National Cooperative Bank. Dan noted that there was a very productive meeting on margin improvement the previous day, and that if all goes well, the co-op may meet the DSCR by the end of the fourth quarter. Per Kitten's request, Dan agreed to give a preliminary report on margin at the March meeting. Dan also informed the board that the co-op has already hit its lowest projected cash point and that cash will begin rising again starting with the next quarter's financial statements.

Regarding sales stagnation at the Guadalupe location, Dan re-iterated that sales stagnation was anticipated at some point post renovation largely due to the constraints of the parking lot and store size, and that flat sales growth is actually rather impressive considering the increased competition in the trade area around Guadalupe. Dan also informed the Board about the co-op's marketing efforts.



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Dan noted that under D1.2., the Cooperative Board Leadership Development template uses two ways to look at net income, including the non-GAAP measure, Earnings Before Interest Taxes Depreciation And Patronage (EBITDAP). Dan and John Perkins did not use EBITDAP to report on net income and asked the Board if there was interest in seeing that measure; the directors were satisfied with the existing reporting measure.

John Vinson reported that he is unwilling to accept the report due to the compliance reported under D1.10 because he believes that since the Board and co-op uses EBITDA as a measure of net income in order to make dividend payments on investor shares that the CEG did "allow financial record keeping systems to be inadequate or out of conformity with GAAP." John Vinson recommended changing either the policy or the procedure. Reyna confirmed that all other directors felt comfortable taking a vote. Doug recommended putting a D1.10 focused strategic learning on the parking lot to revisit at a later meeting.

---Kitten moved to accept the D1- Financial Conditions and Activities Monitoring Report. Andi seconded. Motion passed 7-1(against)-0.

November 2015 Minutes, 6:55pm

RMK noted that there is an incorrect use of the word "dearth" under Nominations Committee with respect to the number of candidates. Doug recommended replacing "dearth" with "plethora."

---Michelle moved to approve the November 2015 Minutes as amended. Nada seconded. Motion passed 8-0-0.

4. TEAMING ACTIVITY

6:56PM

Recite Ends, 6:56pm

The Board and guests recited the Ends policy in unison.

Teaming Activity, 7:00

The Board and guests split into three groups and brainstormed news headlines about Wheatsville for the near future and the long-term future. The groups then reported out. There were themes of: growth of Wheatsville and the impact of Wheatsville's growth within the organization and the community, Wheatsville as a catalyst for the growth of cooperatives, inter-cooperative cooperation, Wheatsville as a business leader and model in national and international cooperative communities.

5. COMMITTEE WORK,

7:18PM

B1-Governing Style Monitoring Report, 7:18pm

Reyna reported about writing the report. The board reported finding the report useful, especially the considerations and recommendations. The board utilized two different answer formats and



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didn't feel a strong preference towards one or the other; they decided to use both formats again for February's policy monitoring to see if a preference developed.

---Reyna moved to accept. Deborah seconded. Motion passed 8-0-0.

Transparency Committee, 7:25pm

Deborah reported that the committee was unable to meet in December and they will meet before the February meeting.

Nominations Committee, 7:26pm

Doug recommended adding a sixth task to the charter to, "Review the 2015 Nominations Committee recommendations, and revise procedures and documentation as needed."

---Doug moved to adopt the revised Nominations Committee Charter to include Nada as chair, Kitten, and Deborah, and other non-directors to be determined. Michelle seconded. Motion passed. 8-0-0.

ACBA Committee, 7:31pm

John Vinson reported on the activities of the ACBA.

Policy Review Committee, 7:38pm

Kitten affirmed that the committee's work is complete and thanked the directors for their work.

---Kitten moved to dissolve the Policy Review Committee. Michelle seconded. Motion passed 8-0-0.

D6 Committee, 7:40pm

Reyna reported that the committee will have one more meeting after Nada completes her research on alternatives to Carolee Colter for an HR audit and then dissolve. The committee will also use their online portal to discuss and brainstorm potential D6 policy revisions. Reyna reported that as the Board requested, she directed Carolee Colter to add survey questions to the regular survey for January 2016 which Reyna will forward to the directors.

6. LIVABLE WAGE AND BENEFITS PROJECT UPDATE, 7:44pm

For the Board's meeting packet, Dan supplied a note that was posted in departmental logs for all staff with a thorough explanation of the wage increases. Dan walked the Board through the wage model again and opened the floor to questions. Dan affirmed that at this time, there are no changes to the benefits offered by Wheatsville, but that when the insurance is up for renewal in the spring, the co-op will investigate adding an option of a lower-cost plan for people who do not fully utilize the platinum insurance option Wheatsville currently offers while retaining that option for people who do. Dan noted that supervisors were able to meet planned labor numbers for the very first pay-period with rate increases mainly by not hiring for open positions. Dan will



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keep the board apprised of the financial and cultural impacts in monthly CEG reports. At the advice of Wheatsville's Public Relations firm, Wheatsville will bundle discussing wage increases with our 40th anniversary, Fall Owner Gathering, and annual report.

Dan noted that the model will not be changed by Wheatsville, but that during yearly financial planning, data will be updated and wage scales increased accordingly.

BREAK **8:18pm**

7. STRATEGIC LEARNING **8:31pm**

Brainstorm Strategic Learning Plan, 8:32pm

The board discussed a strategic learning plan based on the ideas from the orientation. Doug agreed to group the ideas and bring them to the Retreat so that the board can create a plan.

Retreat Planning, 9:05pm

The board discussed retreat topics.

The Board committed to Wednesday March 30th for the March Meeting.

8. GOVERNANCE **8:13PM**

Seat 2015 Board of Directors, 9:24

---Reyna moved to seat the 2015 directors including Rose Marie Klee, Andi Shively and John Vinson. Andi seconded. Motion passed 8-0-0.

Elect Officers, 9:25pm

---Reyna moved to elect Doug Addison as President, Kitten Holloway as Secretary and Michelle Hernandez as Treasurer. Deborah seconded. Motion passed 9-0-0.

Leadership Perpetuation, 9:26pm

Reyna drew the Board's attention to the schedule of events suited for director training from the CDS consultants and the annual CCMA conference and reminded the Board that the budget should include one trip per director.

The board thanked Reyna for her leadership this year.

At 9:30, Reyna adjourned the meeting.

Parking Lot

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