

**Wheatsville Board of Directors**  
**July Meeting Agenda**  
**Tuesday, July 29<sup>th</sup>, 2014**  
**6:00-9:00pm, Guadalupe Meeting Room**  
**3101 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	DISCUSS
	3. CONSENT AGENDA:	VOTE
	June 2014 Meeting Minutes	
	D1 – Financial Conditions and Activities Monitoring Report	
	D2 – Business Planning and Financial Budgeting Monitoring Report	
	B7 - Board Committee Principles	
	Letter to Cap Metro	
	CEG Report	
6 :15pm	4. COMMITTEE WORK/GOVERNANCE, PART I	
(1 min)	Recite Ends	RECITE
(13 min)	Nominations Committee	DISCUSS
(1 min)	Appoint Election Coordinator	VOTE
(10 min)	ACBA	DISCUSS
(0 min)	Strategic Learning Committee	DISCUSS
(5 min)	Audit/Review Committee	DISCUSS
(20 min)	Fall Owner Gathering	DISCUSS
(0 min)	Expansion Review Committee	DISCUSS
(10min)	Eden Foods Petition	DISCUSS
7:15pm	5. BREAK	REST
7:25pm	6. STRATEGIC LEARNING, PART I	DISCUSS
	Why Co-op?	
7:45pm	7. STRATEGIC LEARNING, PART II	
	The Future of the Cooperative Economy in Austin	DISCUSS
8:25pm	8. COMMITTEE WORK/GOVERNANCE, PART II	
(5 min)	CBLD 101 Re-cap	DISCUSS
(10 min)	Patronage Rebate Discussion	DISCUSS
(10 min)	CEG Evaluation/Compensation Prep	DISCUSS
8:50pm	9. BIG Direction	
	***EXECUTIVE SESSION***	
	Purpose: Discuss confidential proprietary information.	
	***END EXECUTIVE SESSION***	
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 July 2014

Present: Reyna Bishop, *President*; Doug Addison, *Secretary* (via phone); Steven Tomlinson, *Treasurer*; Marcia Erickson; Kitten Holloway; Michelle Hernandez, and John Vinson.

Also Present: Dan Gillotte, *General Manager*; John Perkins, *Finance Manager*; Beth Beutel, *Board Administrator*; Allison Maupin; Marshall Reid; John Turlington; Nada Lulic; Brian Mikulencak; and Melissa Schenker (6:30-8:55pm).

Absent: Deborah Ingraham.

## **Call to Order**

**6:00PM**

Reyna called the meeting to order.

Everyone participated in a round of introductions.

Michelle submitted Urban Poultry Association of Texas, Inc. (UPAT), the 501c3 of which she is both founder and President, to be on the ballot for the Community Action Wednesday program. Doug Addison is also the secretary of the board of the Urban Poultry. She wanted to discuss any potential conflict of interest with her participating in the vote to confirm election results, which include the Community Action Wednesday selections.

The Board agreed that this potential conflict of interest should not prevent Doug and Michelle from participating in the vote to confirm the election results as the Board merely confirms the results, per the Procedures for Co-op Vote.

## **1. OPEN TIME**

**6:00PM**

Nothing of note.

## **2. AGENDA REVIEW**

**6:00PM**

D2 will be submitted in August and is not on the consent agenda.

## **3. CONSENT AGENDA:**

**6:41PM**

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B7 Board Committee Principles

Capitol Metro Letter

CEG Report

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

---Kitten moved to accept the Consent Agenda with the exception of the pulled D1 monitoring report. Steven seconded the motion. Motion passed. 7-0-0.

## **D1 Financial Conditions and Activities Monitoring Report**



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D1.3- the operational definition has two measures of liquidity: quick and current ratio. The quick ratio was included because the Board became interested in seeing it based on their reading of Managing by the Numbers. Dan doesn't see the quick ratio as being relevant to a grocery store or as being relevant to a business leveraged for growth. Steven noted that the metrics for compliance still do not reflect being in an expansion mode. Discussion regarding quick ratio numbers appropriate to grocery stores was noted as something to explore in the future.

---Marcia moved to accept the D1 Financial Conditions and Activities Monitoring Report. Steven seconded the motion. Motion passed 7-0-0.

## **4. COMMITTEE WORK/GOVERNANCE PART I**

**6:21PM**

### **Recite Ends, 6:21pm**

The Board and meeting attendees recited the Ends in unison.

### **Nominations Committee, 6:22pm**

John Vinson updated the board on the number of candidates anticipated to apply for nomination, and reminded the meeting guests that the deadline is August 1<sup>st</sup> at 5pm. Owner Jeanie Donovan, and directors Marcia Erickson and John Vinson will review the applications.

### **Appoint Election Coordinator, 6:29pm**

Erica Rose has agreed to serve as this year's Election coordinator

---Reyna moved to appoint Erica Rose as the 2014 Election Coordinator. Michelle seconds. Motion passed 7-0-0.

### **ACBA Committee, 6:30pm**

Michelle attended the co-op stakeholder meeting and so reported the recent news from the ACBA Committee. Brian Donovan is tentatively scheduled to come speak at the next Board meeting for Strategic Learning.

### **Strategic Learning Committee, 6:36pm**

No discussion.

### **Audit/Review Committee, 6:36pm**

Marcia reported on the business of the Audit Committee. Bruce Mayer recommended looking at CDS' recently updated D1 policy template for potential changes. One question raised by the audit is: should the Board look at performance versus projections by store or by organization and would that place an excessive burden on Operations to report.

Bruce Mayer will present the results of the audit at the next committee meeting on August 13<sup>th</sup> at 6pm.



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## **FOG Committee, 6:42pm**

Kitten thanked to Deborah, Michelle, and Allison for their work so far. Fiesta Gardens has been reserved as the location and will be available to Wheatsville from 10am to 10pm on Sunday, October 12. The directors discussed possible items for FOG programming and refreshments.

## **Expansion Policy Review Committee, 6:54pm**

No discussion.

## **Eden Foods Petition, 6:54pm**

The Bylaws allow for petitioning the co-op for such things as a boycott. It requires 500 signatures to get an item on the regular co-op vote, and 1000 signatures to initiate a vote via Special Election specifically for an item. The current bylaws indicate that a boycott approved by a simple majority of owners voting in the election would be permanent until a later petition was initiated in order to end the boycott. Thus, if the owners approve the Eden Foods boycott, the boycott would remain in effect until a separate petition ensued to end the boycott.

Every petition signature will be verified to ensure the named person is an owner of Wheatsville in good standing, and that no owner signed multiple times. The Ownership Coordinator, Erica Rose, will call a few people to confirm that they did in fact sign the petition. If she finds that there are a people who didn't sign the petition whose names were used, a larger sample of signature verifications will ensue.

Per Dan, there are currently more than 500 signatures. Operations has encouraged the petitioners to continue getting signatures until the August 1<sup>st</sup> deadline as some people will likely not be owners and therefore be disqualified. No Wheatsville Board or Operations resources or time are being used on this, other than to facilitate the democratic process.

Operations will create pro/con sheet and to get to a neutral view that will be with all elections materials: online, in the Breeze, on paper ballots. The FOG committee will include time in the FOG agenda to allow owners on both sides of the issue to speak and/or provide information to other owners about this issue only if both sides of the issues can be presented.

## **BREAK**

**7:21PM**

## **6. STRATEGIC LEARNING, PART I**

**7:32PM**

### **Why Co-op, 7:33pm**

The directors and operations gave 2-3 minute explanations of why they think Co-op is important given that there are many grocery stores that provide healthy, organic, and local foods.

## **7. STRATEGIC LEARNING, PART II**

**7:45PM**

Carlos Perez-Alejo from Cooperation Texas presented on the history of Cooperation Texas, the various types of cooperatives, and the growth of cooperative businesses in Austin. Cooperation



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Texas is working on a report on the economic impact of cooperatives in Austin which will likely be finished in January. The Board will look forward to reading the results of this research and may schedule additional Strategic Learning around the Co-op economic impact report.

## **8. COMMITTEE WORK/GOVERNANCE, PART II**

**8:26**

### **CBLD 101, 8:27pm**

Michelle told the Board about her experience at CBLD 101. She visited three other co-ops as well as a new grocery chain in the northwest and found the CBLD 101 program and literature very helpful.

### **Patronage Rebate, 8:30pm**

This year there will be no patronage rebate as Wheatsville is not posting a profit for the fiscal year ending May 29, 2014. This will be communicated to owners via the website and Breeze, and staff will be prepared with answers to common questions.

### **CEG Evaluation and Compensation, 8:35pm**

The annual CEG evaluation takes place in August. For the 2013 CEG Evaluation, the Board delayed compensation decision until a few months ago to see the performance of the South Lamar store. Dan plans to submit another RFP with thoughts about the coming year.

Directors will receive a packet with of all the CEG Monitoring reports for the last year.

## **9. BIG DIRECTION**

**8:47pm**

### **NCGA Store Audit of Lexington Co-op, 8:47pm**

Wheatsville had an NCGA Store Audit before the renovation of the Guadalupe location where 12-15 General Managers and Store Managers toured the store and came up with recommendations. Operations received a list that took more than two years to work through and it helped us improve tremendously and shot us on the path to success. Dan gives back to the cooperative community by participating in some NCGA Store Audits. He will do another one in October.

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

### **\*\*\*EXECUTIVE SESSION\*\*\***

**Purpose: to discuss confidential proprietary information**

**At 9:04pm, Reyna moved the Board out of executive session.**

## **10. Adjourn**

**9:04pm**

**Parking Lot**



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- CEG Compensation Process Document – added 02/14
- Member Engagement Committee- added 02/14
- 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