

Wheatsville Board of Directors
July 2017 Meeting Agenda
Tuesday July 19th, 2017
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: June 2017 Minutes D2 – Business Planning and Financial Budgeting CEG Monthly Update	DISCUSS VOTE
6:20pm	4. COMMITTEE WORK & GOVERNANCE (1 min) Recite Ends (20 min) Learning Conversation about B7 – Board Committee Principles (0 min) Review and Audit Committee (0 min) ACBA Committee (0 min) Board Development Committee (10 min) Owner Engagement Committee	RECITE VOTE DISCUSS DISCUSS DISCUSS DISCUSS
6:51pm	5. STRATEGIC LEARNING (20 min) CEG Evaluation Preparation (15 min) Call in from CE Pugh	DISCUSS
7:26pm	BREAK	REST
7:36pm	6. EXECUTIVE SESSION (60 min)	<p style="text-align: center;">***EXECUTIVE SESSION***</p> <p>Purpose: to discuss confidential financial information</p> <p style="text-align: center;">***END EXECUTIVE SESSION***</p> <p>(2 min) D1 – Financial Conditions and Activities (2 min) FYE 2017 Q4 Financial Statements</p>
8:40pm	7. COMMITTEE WORK, PART II (15 min) Nominations Committee	VOTE VOTE
8:55pm	8. ADJOURN (5 min) August preview, Closing Round, and Wrap-up (0 min) Adjourn	DISCUSS

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*; Don Jackson; Rose Marie Klee; Julie Le; Lisa Mitchell; and Lyz Nagan

Also present: Dan Gillotte, *Chief Executive Grocer*; Beth Beutel, *Board Administrator*, Brian Mikulencak (6:08-7:35pm), *owner*; CE Pugh, *National Cooperative Grocers Development Co.* (by phone 7:10pm-8:23pm).

Absent: None

Call to Order **6:00PM**

1. OPEN TIME **6:00PM**

John Perkins is out today. Dan informed the Board about a meeting with Councilman Greg Casar. The councilman's office reached out to set up the meeting to learn about Wheatsville's paid time off. Dan updated the Board on the Big 3 Day Deal sales.

Directors did a round of introductions for Brian, and Brian introduced himself.

2. AGENDA REVIEW **6:11PM**

Any time saved on earlier topics will go to the B7 discussion.

3. CONSENT AGENDA **6:12PM**

June 2017 Minutes

D2 – Business Planning and Financial Budgeting

CEG Monthly Update

---Lisa moved to accept the Consent Agenda. Lyz seconded. Motion passed. 8-0-0.

4. COMMITTEE WORK AND GOVERNANCE **6:13pm**

Recite Ends, 6:13pm

Directors and guests recited the Ends Policy in unison.

Learning Conversation about B7 – Board Committee Principles, 6:14pm

Doug introduced the topic noting that its purpose is to affirm this is the policy we want, look at lower scoring policies and think about what we can do over the year to increase that score.

Doug asked that directors affirm that they feel this is the policy that we want. All affirmed.

The Board discussed board holism, the accountability of the full board to ensure that the



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committee is doing its work on the board's behalf and measures that can be taken to check that the work is being done, the need for clear charters for each committee, and the need for committees to report on their work before they are dissolved.

The Board reaffirmed their commitment to the practice of having any committees in existence on the agenda, even if their time is zero. If a committee does not require time, it is required to have a written report, and written reports are strongly encouraged for all committees. The Board decided to have annual reviews of every committee's charter in the January meeting.

Review and Audit Committee, 6:36pm

Andi reminded the board that there is a call with Wegner CPA call on Thursday the 27th, 7pm. Andi will send out conference call info.

ACBA Committee, 6:37pm

Andi reminded the Board that there is an all co-op happy hour next Tuesday at 4th Tap Co-op. An in-depth report of the ACBA's work was included in the packet.

Board Development Committee, 6:37pm

Committee will meet before next meeting. Lyz expressed interest in the committee but would like to learn more before making a commitment.

Owner Engagement Committee, 6:38pm

Doug confirmed the date of the annual owner meeting. October 1st, in the late morning to early afternoon. Doug reviewed the expectations for directors' participation. Julie and Doug will be discussing coordinating with the Nominations Committee to get candidates to speak. Doug and Julie asked the board for feedback on the idea of having a vendor who Wheatsville has impacted speak at the annual meeting. Directors liked the idea, so Doug and Julie will pursue it.

A director realized the board moved on from the B7 topic without accepting the report.

---Doug moved to accept the B7 – Board Committee Principles Monitoring Report. Andi seconded. Motion passed 8-0-0.

5. STRATEGIC LEARNING

6:42pm

CEG Evaluation Preparation, 6:42pm

Kitten reviewed the monitoring completed by the Board that is the basis for the CEG evaluation. The Board Secretary's Memo certifying that the CEG Monitoring Table is correct was presented to the Board.

The Board discussed what it means to "accept" a monitoring report from the CEG with non-



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compliance, which is an acceptance of whatever the plan for compliance is.

The board discussed the relationship of the CEG Monitoring Evaluation to the CEG compensation discussion- noting that the evaluation is a look backwards, while the compensation package is a look forwards. The board engaged in several strategic learning activities in 2016 on CEG evaluation and compensation, and options for Board development of a multi-year proposal. There are two boxes of the Monitoring Evaluation table template from CDS Consulting that the Board does not use – “severity” of out of compliance and “consequences for the GM.” The Board re-affirmed their monitoring responsibilities and discussed ways to ensure due diligence in monitoring CEG internal reports and documenting Board decisions on follow-up actions.

Dan has copies of his proposal which were sent under separate cover in an email. Both the evaluation discussion and the compensation discussion will take place in August. Compensation takes effect September 1st.

Call in from CE Pugh, 7:10pm

Doug circulated a document sent by CE which illustrated financial metrics over multiple years, and listed the significant projects Wheatsville has undertaken in that time. CE opened by presenting several minutes of information about the many projects that Wheatsville has taken on in the last three-five years: opening a second store, opening a bakehouse, implementing a broader marketing strategy, implementing a livable wage, implementing perpetual inventory, remodeling the Guadalupe store. CE detailed how these projects take time and energy to implement and can take time to pay off. CE noted that Wheatsville would do well to double down on having meaningful owner engagement and reminding the community why Wheatsville is important.

Directors asked specific questions about the various programs and financial metrics.

BREAK

7:35PM

6. EXECUTIVE SESSION

7:45PM

---At 7:45pm, Doug moved into Executive Session to discuss and to include Dan Gillotte, Beth Beutel, and CE Pugh.

*****EXECUTIVE SESSION*****

Purpose: Discuss confidential proprietary information



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D1 Monitoring Report, 8:09pm

The Board remained in Executive Session for the D1 discussion which also covered confidential proprietary information, with Dan Gillotte, Beth Beutel and CE Pugh.

*****END EXECUTIVE SESSION*****

---Doug moved out of executive session at 8:55pm.

D1 – Financial Conditions and Activities, 8:55pm

The Board will postpone a vote on D1 - Financial Conditions and Activities Monitoring Report until August or September.

FYE 2017 Q4 Financial Statements, 8:55pm

The Board will wait for the audited financial statements to come out in September.

7. COMMITTEE WORK, PART II

Nominations Committee, 8:57pm

Julie volunteered to serve as Election Liaison with support from Kitten. It's described in policies as the Secretary's job, but Julie wanted to serve in the interest of developing her skills for the future.

---RMK moved to appoint Julie to be the Election Liaison. Lisa second. Motion passed 7-0-1.

Lisa updated the Board on the status of the candidates, noting that nine people applied and only six of them met the qualifications. The other three had items missing from their applications. All applications are available on the board's online portal.

8. ADJOURN 9:06PM

August Preview, Closing Round, and Wrap-up, 9:06pm

Lyz, Andi, and Dan will be calling in to the August meeting

At the August meeting the Board will have: CEG evaluation, another D1 discussion, learning conversation around allocation of net savings. Other suggestions included deeper learning from CCMA on Michael Sansolo's keynote presentation, governance learning discussion on executive limitations monitoring, and discussion of key metrics for financial conditions monitoring.

---At 9:12pm, Doug moved to adjourn the meeting.

Parking Lot

- Strategic Learning on D1.10- GAAP/EBITDA – added 1/16