

Wheatsville Board of Directors
 July 2018 Meeting Agenda
 Tuesday, July 24th, 2018
 6:30-9:30pm, 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: June 2018 Minutes CEG Monthly Update FYE 2018 Q4 Financial Statements	DISCUSS VOTE
6:50pm (1 min) (4 min) (10 min) (10 min) (15 min) (20 min)	4. GOVERNANCE, Part I Recite Ends B7 – Board Committee Principles Monitoring Report D1 – Financial Conditions and Activities Monitoring Report D2 – Business Planning and Financial Budgeting Monitoring Report CEG Annual Evaluation Preparation Governance as Leadership	RECITE VOTE VOTE VOTE DISCUSS DISCUSS
7:50pm	BREAK	ENJOY
8:00pm (40 min)	5. GOVERNANCE, Part II Board Self-Evaluation and Governance Process Improvements	(DISCUSS)
8:40pm (5 min) (10 min) (5 min) (0 min)	6. COMMITTEE WORK Audit and Review Committee Nominations Committee Owner Engagement Committee ACBA Committee	VOTE VOTE? DISCUSS N/A
9:00pm	7. EXECUTIVE SESSION Purpose: to discuss confidential legal information	DISCUSS
9:10pm	8. EXECUTIVE SESSION Purpose: to discuss confidential real estate information	DISCUSS
9:20pm (10 min) (0 min)	9. ADJOURN Meeting Evaluation 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: Rose Marie Klee, *President*; and Lyz Nagan, *Secretary*; Jason Bourgeois; Brandon Hines; Brian Mikulencak; and MeriJayd O'Connor; Don Jackson

Also present: Dan Gillotte, *Chief Executive Grocer*; John Perkins, *Finance Manager*; Beth Beutel, *Board Administrator*. Liz Bailey, *owner*; Christine Reynolds, *Attorney with McGinnis Lochridge*.

Absent: Lisa Mitchell, *Treasurer*

Call to Order

6:30PM

1. OPEN TIME

6:30PM

Dan updated the Board on the launch of the Meatless Monday burger nights.

Liz Bailey introduced herself.

The Board discussed upcoming issues of the Breeze newsletter and article assignments.

Dan noted that Bill Bickford will be starting as the new HR Manager in late July and will be at the August Board meeting to introduce himself.

2. AGENDA REVIEW

6:40PM

D2 – was only received yesterday and the board will postpone monitoring until next month.

Executive Session times - there is a call in at 9pm, but Dan thinks it could be shorter.

ACBA - will add time after Executive Session if the session runs short to hear more about the ACBA's great work.

Nominations Committee – there will be no vote.

3. CONSENT AGENDA

6:07PM

June 2018 Minutes

CEG Monthly Update

---Lyz pulled the FYE 2019 Q1 Financial Statements.

---Lyz moved to approve the Consent Agenda. Merijayd Seconds. Motion passed 8-0-0.

FYE 2018 Q4 Financial Statements, 6:44pm

Several directors asked "curiosity" questions regarding specific line items, including ongoing development, the Statement of Cash Flows, legal fees, margin adjustments, and the 53 week fiscal year. Lyz and Beth were assigned to review previous writeboards and meeting notes to determine prospective topics for financial trainings.



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4. GOVERNANCE

6:55pm

Recite Ends, 6:55pm

The Board and guests recited the ends in unison.

B7 – Board Committee Principles Monitoring Report, 6:56pm

RMK had asked Lisa about her score of "1". Lisa reported it was an error and should have been a "5".

---Doug moved to accept the B7 report. Don seconded. Motion passed 8-0-0.

D1 – Financial Conditions and Activities Monitoring Report, 6:57pm

Doug asked for further explanation on DSCR. John gave more detail noting that our loan covenant on our new loan only measures DSCR once per year, instead of quarterly.

Brandon asked for more detail on the repurchase of investor shares. Dan noted that the Board has the ability to defer repurchase if it were necessary to avoid fiscal jeopardy, per language in the investor share contracts. Dan also gave more detail of the investor share program.

Don asked about the 53 week fiscal year. Dan gave the history of why we moved to a fiscal year where it always starts on Monday and ends on Sunday for improved planning and inventory purposes. However, it does mean that once every seven years there is a 53 week year.

Directors and Dan discussed the difference between being out of compliance and in fiscal jeopardy and not achieving sales goals. RMK noted that this is a topic the Board has already committed to learning about and that they will discuss what fiscal jeopardy means more in depth in September. RMK also recommended comparing this report with one from several years ago.

---Don moved to approve the D1 – Financial Condition and Activities Monitoring Report. Brandon seconded. Motion passed 8-0-0.

D2 – Business Planning and Financial Budgeting Monitoring Report

The Board will discuss the monitoring report in August, as it was not submitted early enough for all directors to review the report.

CEG Annual Evaluation Preparation, 7:22pm

Directors discussed the article from the Cooperative Board Leadership 101 reader that was included in the packet. Before the next meeting, RMK will also send out an article on writing a memo to the GM/CEO and the memo that Wheatville's Board delivered to Dan last year.

Beth distributed the CEG Evaluation Packets, which include all monitoring reports for the year and the CEG Monitoring Spreadsheet.



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RMK noted that in past years the Board has focused on three questions: 1) What do you see as the biggest challenge in the year ahead? 2) What are your big goals in the year ahead? 3) What can the board do to support you? Then the Board would shift into a short evaluative conversation based on the Policy Monitoring Reports, that conversation is summarized in a memo to the CEG.

Last year the Board created a two year compensation agreement, so the Board will not need to have a compensation conversation this year.

Governance as Leadership, 7:36pm

RMK reviewed the governance vs. Operational roles, the history of Policy Governance and how the policies work. RMK reviewed Chait's model of Fiduciary, Strategic and Generative roles of governance. RMK reviewed the Four Pillars model created by CDS Consulting.

Directors discussed ways to incorporate generative conversations into their work, noting that the best time to have generative discussions is at a retreat. The Board agreed to utilize index cards to note any generative questions a director might want to discuss that they think of during a meeting, and to share those questions at the end of the meeting during Meeting Evaluation time.

BREAK 10 MINUTES

7:57PM

5. GOVERNANCE, PART II

8:08PM

Board Self-Evaluation and Governance Process, 8:08pm

Directors discussed areas of high and low scores, and of a high variability of scores.

During discussion, directors realized that questions 3 and 5 in the Members section included engagement techniques that the board does not use. The Owner Engagement Committee will consider possible changes to those questions before the Board's next self evaluation.

The area including understanding market forces had the lowest scores. A director noted that as a lay-person board, they would be unlikely to have a high degree of understanding of market forces. However, the board does acknowledge that they get significant amounts of information from the CEG on the grocery market.

Directors concurred that they would like to have more financial literacy training, and more generative conversations about how Wheatsville fits into the Austin society.

The Board then moved on to discuss technology. Beth overviewed Basecamp 3. Directors are asked to give an affirmative or negative answer as to whether this tool will work for them by the next meeting.

Directors discussed use of Wheatsville email. Several directors were having trouble with their email. At a director suggestion, Beth will set up a time with the Information Systems Team



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before a Board meeting so that directors can get help with email related issues.

Directors discussed use of conference calling technology. Lyz reviewed cultural practices that can make conference calling easier.

Executive Session Minutes & Protocols for Crisis Management Communication documents which were in the packet were not discussed due to time constraints.

6. COMMITTEE WORK

8:53pm

Audit and Review Committee, 8:53pm

No time was given. Written report was included in the packet.

Nominations Committee, 8:53pm

The Nominations Committee has reviewed applications and deemed them all qualified. Phillip Nevels submitted an application and decided to withdraw his application. For the four open seats, we'll have five qualified candidates on the ballot with three of them being incumbent directors and two of them being owners. The Nominations Committee will now be focused on ensuring candidates create their one minute videos and ensuring that candidates are aware of the date of the Annual Meeting.

Owner Engagement Committee, 8:54pm

MeriJayd reminded the Board of the upcoming owner engagement opportunity, an ice cream social on August the 5th, 12-1pm, at the South Lamar Store.

MeriJayd gave an outline of the work leading up to the BIG Co-op fair, and asked that directors and operations send recommendations for speakers over email. The committee will review the legal requirements for the meeting per the Texas Business Organization Code.

7. EXECUTIVE SESSION

9:00PM

---At 9:00pm, RMK moved the Board into executive session to discuss confidential legal matters with Dan, John; Christine Reynolds from McGinnis Lochridge

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

Purpose: to discuss confidential legal matter.

--- At 9:38pm, RMK moved board out of executive session.

8. ADJOURN

9:38PM

Meeting Evaluation and Ideas, 9:38pm

Not discussed

At 9:38pm, Rose Marie adjourned meeting.