

**Wheatsville Board of Directors
 September Meeting Agenda
 Tuesday, September 30th, 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 3. CONSENT AGENDA: August 2014 Meeting Minutes B8 – Governance Investment Monitoring Report D2 – Business Planning and Financial Budgeting Monitoring Report D5 – Treatment of Consumers Monitoring Report CEG Report	DISCUSS VOTE
6:15pm	4. COMMITTEE WORK/GOVERNANCE, PART I (1 min) Recite Ends (10 min) Board Email (10 min) Nominations Committee (2 min) ACBA Committee (5 min) Strategic Learning Committee (5 min) Review Committee (5 min) Annual Report (15 min) Fall Owner Gathering Committee (5 min) Policy Review Committee (7 min) Board Compensation	RECITE DISCUSS DISCUSS DISCUSS DISCUSS DISCUSS DISCUSS DISCUSS DISCUSS DISCUSS VOTE
7:20pm	5. BREAK	REST
7:30pm	6. STRATEGIC LEARNING Why Co-op?	DISCUSS
7:55pm	7. COMMITTEE WORK/GOVERNANCE, PART II (20 min) Shopper Survey Results (25 min) Expansion Review Committee	DISCUSS DISCUSS
8:40 pm	8. CEG EVALUATION AND COMPENSATION ***EXECUTIVE SESSION*** Purpose: To discuss confidential personnel information ***END EXECUTIVE SESSION*** CEG Compensation	DISCUSS VOTE
9:00pm	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



Board of Directors Meeting Minutes September 2014

Present: Reyna Bishop, *President*; Doug Addison, *Secretary*; Steven Tomlinson, *Treasurer* (6:07-9pm); Marcia Erickson; Kitten Holloway; Deborah Ingraham *by phone* (6-7:34pm); Michelle Hernandez, and John Vinson.

Also Present: Dan Gillotte, *General Manager*; John Perkins, *Finance Manager* (6-8:38pm); Beth Beutel, *Board Administrator* (6-8:38pm); Ryan Vanstone, *IT Manager* (6-6:40pm); Raquel Dadomo, *Brand Manager* (6:34-7:06pm)

Call to Order

6:03PM

Reyna called the meeting to order.

1. OPEN TIME

6:30PM

Dan announced that Sal Mendivil will be the Store Manager at South Lamar. He's worked at Central Market where he was most recently the "Center Store" or non-perishables manager. Sal will come to next month's Board meeting. South Lamar had its one year anniversary and we had our first Wheatcast with year-to-year comparisons.

Bill Bickford's last day is October 16th before leaving to be the GM of Good Foods Co-op in Lexington, Kentucky. Bill is the first person from Wheatsville, during Dan's time, to get hired as a GM at another co-op.

Doug disclosed that he is now an investor-shareholder at Black Star Co-op.

2. AGENDA REVIEW

6:35PM

Strategic Learning was removed from the agenda. Expansion Review and Shopper Survey subtopics were placed after Board Email. All remaining Governance and Committee Work Part I moved to the Part II section.

3. CONSENT AGENDA:

6:37PM

August 2014 Meeting Minutes

B8 – Governance Investment Monitoring Report

D5 – Treatment of Consumers Monitoring Report

CEG Report

Doug pulled the D2 Monitoring Report.

--- Doug moved to approve the Consent Agenda, except for the D2 Monitoring Report. Marcia seconded. Motion passed 8-0-0.

D2

Per Policy D2.3, Dan clarified that the Business Plan accepted by the Board in June showed that Wheatsville would accept reduced earnings to the point of posting a loss in FYE2015, so that we



Board of Directors Meeting Minutes September 2014

can create staffing infrastructure that is needed to run two stores well and necessary to run three, and to improve our pricing to make shopping at Wheatsville more accessible to people of all income levels. Both of these projects are essential to Wheatsville's growth strategy.

The non-compliance issue is that the Debt Service Coverage Ratio (DSCR) required by the National Cooperative Bank (NCB) for our loan will not be met if sales are not better than predicted by the business plan. Dan clarified, per request, that there are no financial penalties if we are out of the DSCR requirement, and that the bank will just ask us to get in compliance in a certain timeframe. Dan was advised by Dave Blackburn, the NCGA Development Cooperative Manager, that we should only begin discussing non-compliance on the DSCR with NCB when or if it actually happens. Dan also noted that NCB understands expansion projects, and that there would only be real concern if there was DSCR non-compliance that wasn't a part of our growth plan.

---Doug moved to accept the D2 Financial Planning and Budgeting Monitoring Report. Marcia seconded. Motion passed. 8-0-0.

4. COMMITTEE WORK/GOVERNANCE, PART I

6:33PM

Recite Ends, 6:33pm

The Board and guests recited the ends in unison.

Board Email, 6:34pm

Ryan Vanstone, IT Manager, explained the cause of the recent troubles some directors have been having with email forwarded through an @wheatsville.coop address to their personal email accounts. The best possible solution, in Ryan's opinion, is to stop all email forwards and move directors to using Wheatsville email. Ryan will send out instructions to set up emails the Wednesday following the meeting and turn off email forwards on the Friday following the meeting.

Shopper Survey Results, 6:40pm

Raquel Dadomo, Brand Manager, presented the results of a shopper survey. Every two years, Wheatsville contracts with the University of Wisconsin at River Falls to conduct and analyze a survey of our owners. They conduct surveys for 41 NCGA member co-ops providing us with a wealth of data to compare our performance with. Raquel pointed out for the directors the areas where we are succeeding and areas where we can improve.

Raquel will send the directors the full version of the report with all the customer's comments, and invited the directors to send her any further questions via email.

Expansion Review Committee, 7:06pm

Doug reiterated that the work products of this committee will be: a framework for Board decision-making during expansion, an easy-to-understand and update financial tool for



Board of Directors Meeting Minutes September 2014

evaluating financial decisions, a list of risks and assumptions, knowledge of where can the Board can find external expertise and how we develop internal expertise.

The directors discussed ways to understand the risks undertaken during an expansion, including the use of experts and the potential development of a tool for understanding the co-op's financial position in the face of various decisions.

Directors who were on the Board during the planning of the South Lamar store and Dan noted that the pro-forma was very challenging for operations to update and for the directors to understand. Dan noted that a pro-forma is really a tool for the bank, and deals with a level of detail that is unnecessary for the Board. Many directors voiced the desire for a simple financial tool or metrics.

One director said that it is important for the board to understand the basis for the decisions it is asked to make, and board directors must, therefore, receive information that is thorough enough to enable them to meet their fiduciary duties to the co-op membership. Doug noted that the product of the committee's work has to demonstrate a balance between the directors who really want to see the details, an understanding that it's unreasonable to expect the directors to understand certain things, that the CEG will guide us through the process with the use of experts, and the board should not place an undue burden on Operations to provide information.

Directors noted that they should have an expertise inventory and a training plan to be able to say to the owners that they are developing Dan and themselves to be ready for this work.

5. BREAK 7:40PM

6. COMMITTEE WORK/GOVERNANCE, PART II 7:49PM
Nominations Committee

The Board discussed the historic incentives offered to staff as a reward for encouraging voting and achieving a certain number of votes, and options for this year. No decision was made.

The Nominations Committee will start reviewing the lessons learned from this year's process and preparing recommendations of relevant document changes in the near future.

John Vinson will come up with a framework for the one minute candidate speeches at the Fall Owner Gathering and communicate it to the candidates.

Dan noted that there were two special situations in which he had to inform a potential Community Action Wednesday group that the only ways they can promote voting are to encourage owners to vote on social media, without any incentives, and/or to table at Wheatsville, and that he had to inform staff that they must remain neutral on any election issues while at work.



Board of Directors Meeting Minutes September 2014

Doug noted that the Community Action Wednesday vote is an advisory vote, which the Board has the ability to alter, so if any group does anything untoward to be chosen, the Board could make a different decision.

The Board noted that the election information binders need to be updated to correctly show that all candidates are endorsed, and they would like a mobile ballot box at Guadalupe location for tabling. The ballot box in use at the Guadalupe location is built into a cabinet at the Hospitality Desk.

ACBA Committee, 8:03pm

John Vinson informed the Board that he received a recent update from Brian Donovan, Executive Director of ACBA, that there will be 17 co-ops tabling at the Fall Owner Gathering and the City of Austin passed a budget with a \$60K funding allocation for ACBA.

Strategic Learning Committee, 8:06pm

At the October meeting, the Board will do a reflection on their last three strategic learning conversations, and discuss their plan for the first several meetings of 2014. Doug will be writing an article on the Why Co-op discussions for the December Breeze. They may move the article to the Annual Report insert if appropriate.

Review Committee, 8:07pm

Steven reported to the Board that the assignments for the Annual Report articles have been made, and the committee members are currently interviewing staff about checks and balances in high-risk areas. John Vinson will check that it meets the requirements of the state and our bylaws.

The Board will need to do an email vote on the allocation of net income into retained earnings and dividends for the Fiscal Year Ending June 2, 2014 as soon as the final numbers of the audit can be confirmed. John Perkins will provide the Board with a draft resolution and the Annual Report from the auditors as soon as possible.

Annual Report, 8:20pm

Reyna reviewed each person's assignment for the Annual Report.

Fall Owner Gathering Committee, 823pm

Kitten reviewed the agenda, the speaking roles of the various directors, and noted that there will be no presence on the Eden Foods Boycott aside from the information in the Breeze.

An owner who makes and sells kits to give to the homeless wanted to table to sell the kits at FOG. The FOG Committee denied his request since they had not offered the same opportunity to others. Kitten thanked Michelle, Deborah, Allison, and Erica for their great work on the Fall Owner Gathering.



Board of Directors

Meeting Minutes

September 2014

Policy Review Committee, 8:33pm

Marcia reported that the Policy Review Committee has reviewed the Cooperative Board Leadership Development's new Executive Limitations policy template, and that there are a few changes to recommend to the Board. Marcia will email Dan with the proposed changes and they will set up a meeting if needed. The full Board will then discuss the proposed changes at a meeting before voting.

Board Compensation, 8:37pm

Per the Bylaws 5.7, compensation is decided by the Board, changes will not take effect until the new Board is seated in January 2015, and compensation must be disclosed to the owners in the Annual Report.

Reyna proposed no changes from the current compensation which is: \$100 per month for each director, \$300 per month for the President, and a 10% store discount for all directors.

---Reyna moved to not change Board compensation for the year 2015. Michelle seconded the motion. Motion passed 7-0-0.

8. CEG EVALUATION AND COMPENSATION 8:38

EXECUTIVE SESSION

Purpose: to discuss confidential personnel information.

At 9:03pm, Reyna moved the Board out of executive session.

---Kitten moved that the Board approve the CEG compensation as agreed upon during Executive Session. Michelle seconded. Motion passed 7-0-0.

10. Adjourn 9:04pm

Parking Lot

- 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