

Wheatsville Board of Directors

Monthly Minutes (Approved)

March 20, 2006

Present: Bob Kinney, Johnny Livesay, Jane Kurzawa Cravey, Jimmy Robertson, Daniel Miller, Marilyn Fowler, Colin Borchert

Absent: Rose-Marie Klee, Tony Piccola

Also Present: Dan Gillotte, General Manager, John Perkins, Financial Manager, Greta Smith, Board Assistant

Attachments: List of WV Members outside 787, Monthly Operations Report 02/06, Parking Lot, D Policy Monitoring Checklist, B + C Policy Monitoring Checklist

Call to Order: 6:10 PM.

VISION 6:10 PM

- Jane recapped the vision discussion from January, and explained that this was a continuation of that conversation on helping to grow other grocery co-ops in Texas. She noted that in the previous vision discussion, the board thought their role was as brokers, catalysts, educators, and a resource. We also seemed to think that other co-ops we helped start would be separate from Wheatsville.
- Jane distributed a sheet detailing the number of Wheatsville members by city. Many nearby cities, such as Round Rock and Cedar Park, house scores of Wheatsville shoppers. She asked if we should focus on starting co-ops near Austin or if we should branch out to farther communities.
- Bob noted that Wheatsville hired Pete Davis a few years ago to do a study on where to build a second Wheatsville. He thought Round Rock was one of the best spots. The board at the time was hesitant about moving into Williamson County.
- Dan added that Pete also thought South Austin between Oltorf and Ben White was a great location for a second Wheatsville. Dan also noted that this study was done when store sales weren't particularly high, and now that sales are better, we may need to build a second location a little bit closer in to help keep the Guadalupe store at a manageable size.
- Colin said that he split up the two notions of expanding in Austin and helping grow in other cities in Texas, since the former would come first and would definitely be Wheatsville, and the latter could vary dramatically in size and scope depending on the project, city, and how involved we got in it.
- On the topic of Round Rock, Bob noted that Vulcan Video opened up a location up north and it is not doing well, because it is not offering what people who live up there want. Vulcan specializes in rare, artsy movies, and lacks in selection of new releases, which is the main focus of people who live in North Austin.
- Daniel, who has experience in the housing co-op world, said that he has seen co-ops do very well in conservative environments, and thinks that what makes or breaks a co-op in that environment is how well they serve the community's needs.

- Marilyn F. noted that there seems to be clusters on the spreadsheet that Jane handed out that could be ripe for co-ops. She cited Round Rock/Cedar Park and Kyle/Buda as examples.
- Dan spoke of the La Montanita Co-Op in Albuquerque which expanded in a very non-traditional way. After building two stores in the Albuquerque area, they acquired a failing co-op in another part of the state, and then bought another independent grocery store in yet another part of the state. His thought was that it would be hard to start a co-op from the ground up nowadays. You can't start with cinder blocks and big bags of rice like in the 1970s. He thinks there is a great advantage to having a secure "mother" store and expanding from there. Thus, he could see Wheatsville opening up Wheatsville Co-ops across the state of Texas. He added that this first expansion project is the slowest, and things will speed up from there.
- Jane asked if the board had a clear mental image of who we were and how we fit into the community.
- Jimmy replied that there were two topics: 1) Wheatsville's expansion project and the time frame involved in getting back to black, and 2) starting a second co-op in Austin. Everything else is fuzzy to him.
- Johnny agreed that those are the main focus, but thought that hashing out feelings on long range goals was important as well. He said that, in his mind, Wheatsville has at least 2 stores in Austin before branching out into the rest of Texas. He mentioned that San Marcos is ripe for a co-op, however.
- Jane asked Johnny if he thought, when the time is right, we could initiate conversations with other communities about this. Johnny replied in the affirmative.
- Dan noted that the fact the board allows him to devote some of his time to the Food Co-op 500 program is a way in which Wheatsville contributes to building new co-ops.
- Jimmy said that he heard some of John Mackey's recent speech to his shareholders. His focus the last few decades has been on serving the shareholder's economic interest, but now that Whole Foods is a huge chain, he can talk about how he has 400 stores and has brought natural foods to the forefront of national consciousness, and done a lot of good in that area for the country. Since Whole Foods and Wheatsville are roughly the same age, we can learn a lot from the fact that they have stores across the country and we have only one.
- Dan added to this by paraphrasing economist Walden Swanson, who says that in the future there will only be the Wal-Mart type store and co-ops, and that we can't keep up because their economy of scale is so great.
- Johnny noted that there are hundreds of grocery co-ops across the nation, so we are not alone.
- Jimmy suggested that the next vision topic be about examining our mission statement, and that perhaps this would take several months to fully discuss. The board agreed. Jimmy volunteered to facilitate the discussion.
- Jane added that she would like to continue to have member linkage discussions in the future. The board agreed to make time for both, whether by rotating vision topics or simply by adding a member linkage discussion to the meeting when it is deemed necessary.

HOUSEKEEPING 6:45 PM

Agenda: Consent Agenda, Introduce Board Assistant, Discuss the March 11th board retreat, Discuss 30th Birthday celebration, Discuss attendance at CBLD and CCMA conferences, Discuss 2006 Audit, Receive Committee Reports, Discuss Agenda, Approve Policies D4, D5, D6, and D7, Monitor GM Policy D.2, Board Self-Evaluation.

Agenda Review:

- Jimmy requested that the board go into executive session at some point in the evening to discuss the lease. Jimmy noted that 10 minutes would be fine. The board agreed. Daniel, who facilitated the meeting, asked the board what agenda item should be subtracted from so that the meeting ends on time. Jane noted that the D policies we are supposed to approve are not ready for approval. The board decided to postpone approving the policies until next meeting, and to discuss the lease after monitoring GM policy D.2.
- John Perkins requested 5 minutes to talk about the Operations Estimate spreadsheet he had been working on. The board agreed to discuss that after introducing the Board Assistant. The board removed 5 minutes from the discussion on the March 11th board retreat to discuss this.

Parking Lot Review: The board did not review the parking lot.

Consent Agenda:

- Jane pulled the B.8 monitoring from the consent agenda.
- Jimmy moved to approve the consent agenda. Johnny seconded. The motion passed 7-0-0.
- Jane brought to attention that many of the bullets in B.8.2.1 were not answered by Johnny, and that the board is not necessarily doing this. Examples include giving new directors past minutes and having the GM give new directors a tour of the facilities.
- Dan noted that often times when he is monitoring a policy he finds the policy to be cumbersome to report on. He thought this was a good example of a policy to be looked at. The board put it in the parking lot.
- The board agreed to evaluate policies as they monitored them from that point on.
- Jane also noted that the agendas and minutes have not been posted to the website regularly, but expressed optimism that this would happen now that there is a Board Assistant.
- Jimmy moved to approve the B.8 policy monitoring report. Bob seconded. The motion passed 5-0-2.

GOVERNANCE

Board Administrative Assistant 7:07 PM

- Dan introduced Greta Smith, a long time Wheatsville employee in Produce and Health and Body Care, as the new assistant to the board. He noted that he included the job description in the board packet.
- Dan foresaw a slow integration into all of the board duties. For example, Colin and Greta will both be taking minutes of the meeting, and the three of them will compare minutes later in the week.
- Dan noted that he will be in control of her time, so if the board has any requests, send them to him and Cc: Bob.
- Johnny asked if Greta would be present in Executive Session. Dan said that he hoped she would be, and thought John should be present at pertinent Executive Sessions as well. He thinks the board should decide who stays and who goes at the beginning of each Executive Session. The board thought that was a great way to operate.

Monthly Operations Report 7:15 PM

- John passed out the latest incarnation of his Monthly Operations Report. Per board request, he has attempted to include more visual aids. He briefly went over the features

- of the new report, and noted that he will continue to work on it. He thought that it would not be any longer than one page front and back for any given month.
- He asked that the board email him with any suggestions.
- Dan noted that he would like to be carbon-copied on any comments sent to John.

March 11th Retreat 7:24 PM

- Bob introduced the agenda item by referencing the email Marilyn S. sent him following the training retreat. This email was included in the board packet. The email was a result of a phone conversation he had with her.
- Bob asked the board what they thought of the 20 hours of consulting time we had with her for this year.
- Jimmy thought that the board should save them for when an issue came up, since we have a lot of new and uncertain changes going on this year.
- Jane noted that she had already made comments on our policies, and it wouldn't take her too long to send us comments, so we should definitely use some time on that.
- Colin mentioned that by-laws would be a great area to use her expertise, since the topic would certainly use some outside expertise. Bob added that he and Marilyn S. talked about the by-laws in their phone conversation, and she had mentioned some great ideas on how to present the changes to the membership for approval.
- Dan thought the board should use part of their 20 hours on monthly follow-ups on certain vital threads that will be carried through the year.
- Jane mentioned renovation. Jimmy asked why we did not form a renovation committee. Jane thought it may be good to talk next meeting about revising the committees.
- Colin mentioned that he appreciated her comments on member linkage in the email she sent us, and wished she would have started out like that and moved from there.
- Johnny said he loved the entire retreat.

30th Birthday Celebration 7:36 PM

- Dan asked if any board members could help with setting up the celebration. Bob said he would send out an email querying directors on their availability.
- Dan also thought it would be a good idea for a few of the directors to speak, perhaps for 10 minutes or so, to the membership at the celebration. Bob said he would send an email out on this as well.

CBLD and CCMA Attendees 7:44 PM

- Jane noted that there will be further CBLD training later on in the year, as well as the CCMA conference in the summer. The cost per person for the CCMA conference is looking to be around \$1500.00. She asked the board what they thought about board involvement for these events.
- Johnny thought CBLD would be better for some of the newer directors, since it will involve more direct board training. He also thought CCMA was a valuable experience.
- The board discussed the board budget, which would include trips, CBLD, food at board meetings, the board administrative assistant, and board member insurance.
- Jimmy thought that we should cap the CCMA attendance to two directors in the interest of being fiscally responsible. Johnny disagreed, saying that training is very important.
- Bob said he would go onto CGIN and query other boards about how many board members they send to CCMA, and what their board budget is and what it includes. Jimmy noted that we would have to take the scale of each co-op that responded into account.
- Jane said she would send out an email about our involvement at these events.

Scope of Audit 7:55 PM

- Jane introduced the agenda item on the 2006 store audit, which Jimmy and Jane have been working on. They included some information on this in the board packet.
- Jane is currently collecting the names of prospective auditors, and will send letters to these auditors once the list is solidified. She will then bring back any responses to the board with prices and a recommendation.
- Her goal is to hire someone before May 30th.
- Dan said that he thought the time schedule was a little tight. He and John predict that the auditors will want to be on hand for the May 31st inventory, and if that is the case, the auditor should be hired by the beginning of May at the latest.
- Jane talked briefly about possible costs of the audit. John added that any review of the patronage rebate would probably be extra.
- Jane asked the board to send any questions to Jane and Jimmy.

Committee Reports 8:09 PM

Nominations Committee

- Johnny said that he would have the Nominations Manual ready for the April meeting.

By-Law Committee

- Colin mentioned that he would be chairing this committee, and had nothing to report since the committee had not done anything nor was it required to by the board. He asked if committees were supposed to report on a monthly basis since they were directed to report at a certain time when they were formed.
- Jane replied that she wanted to know what committees were doing.
- Dan suggested that, if the board wants monthly reports from the committees, that they submit written reports in the board packet so that it doesn't have to be discussed at the meeting.

B.7/D.9 Committee

- Dan noted that he is on the B.7/D.9 Committee, despite his absence at the last board meeting.
- The B.7/D.9 Committee was renamed the "Membership Policy Committee" by popular request.
- Johnny volunteered to organize the first Membership Policy Committee meeting.

Monitoring Committee

- Marilyn and Daniel talked about the report they included in the board packet. Several directors noted appreciation for this report.

Audit Committee

- The Audit Committee already reported at this meeting.

Agenda 8:21 PM

- Bob suggested that the cut-off time for getting him agenda items and things for the board packet should be 7 days instead of 10. He thought it was fairly easy to turn it around and get it to the board in a day.
- Jane had some time concerns, since she doesn't go to the co-op during the week. Daniel mentioned the electronic document that Bob began sending this month, and noted his appreciation for it.
- The board decided to mail Jane (and any other board member not satisfied with an electronic copy or picking it up at the store) a copy of the packet.

Monitoring GM Policy D.2 8:29 PM

- Dan said that the policy is lengthy, and reporting on it is a bit awkward.
- The board talked about the mediation process included in the grievance process at Dan's behest. The board agreed that mediation should not be mandatory in the grievance process, and at times might even be counter-productive.
- The board decided to put this in the parking lot.
- Jane moved to request an update on improving the wage scale for higher tier employees in 6 months as promised in the monitoring report. Daniel seconded. The motion passed 7-0-0.
- Daniel moved to accept the D.2 monitoring report. Jimmy seconded. The motion passed 7-0-0.

Executive Session 8:53 PM

- The board went into Executive Session to discuss the lease negotiations.
- The board ended Executive Session at 9:16 PM

Board Self-Evaluation 9:16 PM

Plusses:

- Greta
- Speaking Stack
- Great Facilitation
- Vision discussion

Minuses:

- Too much time spent on procedure
- Too much on agenda

Changes:

- Colin no longer doing minutes after this meeting
- Want to utilize email better for longer discussions

Daniel moved to adjourn. Colin seconded. The motion passed 7-0-0.

The meeting was adjourned at 9:25 PM.