

**Wheatsville Board of Directors
May Meeting Agenda
Tuesday, May 25, 2010**



6:00 – 9:00 pm @ Wheatsville 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	AGENDA REVIEW 2. CONSENT AGENDA: Candidate Packet – email action B5 – Directors' Code of Conduct C2 – Accountability of the General Manager	DISCUSS VOTE
6:15pm (5 min) (10 min) (5 min) (5 min) (10 min) (10 min)	3. POLICY/COMMITTEE WORK Audit Committee Policy Committee Nominations Committee D Policy Monitoring Schedule Revision D1 – Financial Condition and Activities (top level) FY2011 Business Plan	VOTE VOTE DISCUSS VOTE VOTE VOTE
7:00pm (20 min)	4. STRATEGIC LEARNING, PART I Bylaws Learning Discussion	DISCUSS
7 :20pm	5. BREAK	
7:30pm (45 min)	6. STRATEGIC LEARNING, PART II Cooperative Economics	DISCUSS
8 :15pm	7. GOVERNANCE Black Star Co-op Investment Request ***EXECUTIVE SESSION*** Purpose: to discuss the Black Star Co-op Investment Request	DISCUSS
8 :55PM	8. HOUSEKEEPING/CLOSING ITEMS	
9:00pm	ADJOURN	

Benefitting Community * Promoting Cooperative Economics * Transforming Society



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Present: Rose Marie Klee, *President*; Lee Blaney, *Secretary*; Theron Beaudreau; Kate Vickery; Kitten Holloway; and Doug Addison.

Also Present: Dan Gillotte, *General Manager*, John Perkins, *Finance Manager*, Jennifer Lueckemeyer, *Board Administrative Assistant*, Carolee Coulter 6:03-6:06pm; Mark Wockner, Steven Yarak, of *Blackstar Co-op*; Jeff Young, and Karinne Thornblom of *Blackstar Co-op* for the Black Star Co-op Investment Request portion of the meeting (8:15pm-8:52pm); Erin Hickok (6:11pm-8:52pm)

Absent: Aditya Rustgi; and Steven Tomlinson, *Treasurer*

Call to Order

6:01 PM

1. OPEN TIME

RMK alerted the Board that Adi was not in attendance because his baby daughter was born this morning. Congratulations to Adi and his family!

Carolee Colter, a consultant with Cooperative Development Services (CDS), briefly stopped by the meeting to introduce herself and tell the Board about her work in performing the Wheatsville employee satisfaction surveys and Human Resources audit this year. She reported that the surveys were completed by 100% of the staff and show that employee satisfaction has increased since the last full survey in 2007. She is incredibly proud of the work that Wheatsville has done.

Erin Hickok attended the meeting as an Owner of Wheatsville and a resident and director on the Sunflower Co-op Board. She is here to watch and learn.

RMK noted that Michael Shuman will be one of the keynote speakers at this year's CCMA in June, and noted that he may be a good person to speak at a future Wheatsville Owner gathering. CCMA attendees should think about how we will communicate our learning to the rest of the Board and try to strategize about which workshops we attend in order to get the most out of the conference.

Agenda Review

6:10 PM

No changes.

2. CONSENT AGENDA

- Candidate Packet – email action
- B5 – Directors' Code of Conduct



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- C2 – Accountability of the General Manager

No changes to consent agenda.

--Kitten moved to approve the Consent Agenda, Kate seconded the motion. Motion passed 6-0-0.

3. POLICY / COMMITTEE WORK

6:11 PM

Audit Committee

- Wegner, the CPA performing this year's audit, revised their engagement letter per the requests from the Audit Committee (via Steven).

--RMK moved to express support of the audit engagement letter and entering in the agreement with Wegner and permitting Steven Tomlinson as Board treasurer and audit committee chair to sign and proceed. Doug seconded the motion. Motion passed 6-0-0.

Policy Committee

- Lee compiled Director's comments and input and presented the proposed Ends policies:

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*

--Lee moved to pass Ends policies as written. Theron seconded the motion. Motion passed 6-0-0.

- These new policies will be monitored by Dan next month.
- The next task for the policy committee will be to revisit the committee's parking lot items.

Nominations Committee

- The new and improved Nomination Application Packet is in use; paper copies are available at the hospitality desk and it is on the website, Facebook site, and in Dan's weekly emails.



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- The committee is now strategizing ways to encourage candidacy. The Board offered a few ideas:
 - Ask people to become a nominee!
 - Write more Breeze articles about being on the Board and becoming a nominee
 - Make a short video of Directors stating why they love being on the Board
 - Encourage staff to ask regular shoppers/owners to apply - email Dan, RMK, and Aldia if we want signage in the store to encourage nominees
- RMK reminded the Board that the work of recruiting candidates is the job of the full board not just the committee.
- Board briefly discussed the conflict of interest statement in the bylaws as it relates to new nominees

D Policy Monitoring Schedule Revision

- Dan proposed a revision to the GM monitoring schedule to drop the monthly monitoring of the top level policy D1 – Financial Condition and Activities.

--Kitten moved to adopt proposed GM monitoring calendar for D policies, effective June, 2010. Kate seconded the motion. Motion passed 6-0-0.

D1 – Financial Condition and Activities (top level)

- Board discussed ways that this report could improve to make it more useful and understandable.

--Kate moved to accept the D1 monitoring report. Lee seconded the motion. Motion passed 6-0-0.

FY2011 Business Plan

- Board discussed the business plan and the new open book financing that Operations is using. This is an exciting and bold business move. The Board is looking at this as an experiment and we'll be looking for evidence of its success in the financial reports, financial monitoring, and in the GM monitoring report. Dan clarified that what he is delivering are financial results and there won't necessarily be additional reporting.
- Board generally wants to convey our support for this plan and to state that Dan will be awarded the same plan as his staff when the BOD does his annual review.

--RMK moved to accept the FY2011 business plan. Kitten seconded the motion. Motion passed 6-0-0.



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4. STRATEGIC LEARNING PART 1

7:13 PM

Bylaws Learning Discussion

- The importance of discussing the bylaws: we want to understand how they fit into the whole context.
- We must abide by our Bylaws, which may be challenging because we don't have a system to routinely monitor them. This ongoing learning discussion will help us get to know our Bylaws.
- There is a hierarchy of documents, starting with the TX Business Organizations Code (TOBC), which is State law and requires an act of legislature to amend; the Certificate of Formation, which is filed with the Texas Secretary of State and is the creation document for our organization; Bylaws, which require a vote of Owners to amend; and Board Policy, which can be amended by the BOD.
- The purpose of discussion is to build awareness, flag anything that seems inconsistent, and check whether practices delineated in Bylaws best serve our organization or whether the BOD might want to propose revisions.

5. BREAK

7:18 PM

6. STRATEGIC LEARNING, PART II

7:28 PM

Cooperative Economics

- Discussed the Cooperative Grocer article, "Waking the Sleeping Giant", and how patronage dividends are part of the cooperative model.
- Doug reported that Wheatsville has \$562,000 in retained patronage and gave a brief history of Wheatsville patronage rebates: there was no rebate last year because of the store renovations; there was a rebate in the years 2005-2008; there was no rebate for 11 years before that. Overall, there was no rebate for 28 of the 33 years of coop's history.
- Board members shared their take-away messages from the article. Main ideas included:
 - Surprised to know that some coops don't retain much patronage money
 - Using the word "refund" versus "dividend"
 - What happens with the money in the retained account?
 - Decisions about how to handle the rebates have historically been tax-driven
 - Common Cooperative Financial Statement (CoCoFiSt) database--great name, great concept
 - Article echoes the decision making process that we currently take
 - Think about the strategic ways of refunding patronage
 - Owners, via their retained patronage, helped fund the renovation project – letting owners know how they're contributing and letting staff know, too!



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- Balancing equity with our refunds – investment of ownership AND the balance of good business/finances
- Rebates are a tangible demonstration of ownership
- We are at an interesting point in determining what we're going to do with this year's refund – building equity and then doing something with that money!
- Want the message in the forefront that Wheatsville is a good steward with owner's patronage
- There is strategy involved with deciding what to do with the patronage money
- Board learning discussion helps us understand 'our story' and allows us to hone the message/outcome that we communicate/deliver as an organization.
- Dan and John summarized the process of giving rebates in regards to taxes, financial prudence, methods of payouts, etc.
- Dan talked about the 3 groups that benefit from shopping at Wheatsville: owners (2 ways: improve store and patronage rebate), staff, community.
- When an owner is asked “why is it important to be an owner?” – We want every owner to have a good answer!
- Board discussed how the benefit of cumulative retained earnings is more valuable to each individual owner than the cash rebate--a more powerful use of patronage capital.

7. GOVERNANCE

8:15 PM

Black Star Co-op Investment Request

Conflict of interest disclosure: RMK, Dan, Doug, and Theron are owners of Black Star Co-op. Wheatsville is also an owner. RMK is an investor-shareholder of Black Star.

RMK framed discussion and gave background.

Black Star representatives presented information and answered BOD questions about their co-op, investor share program, the status of their construction, and their proposal for getting Wheatsville involved as an investor. They also described why it was worthwhile to support in Black Star and the advantages to our owners.

EXECUTIVE SESSION

Board entered into executive session at 8:52pm and included Board, Dan, John, and Jennifer.

Came out of executive session at 9:02pm.

8. HOUSEKEEPING / CLOSING ITEMS

9:03 PM



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- RMK announced that several of us (Wheatsville and Black Star) had an awesome discussion session with A+ Federal Credit Union and look forward to regular future meetings involving even more members of the Austin cooperative community (e.g. co-op houses).
- RMK followed up on the April comment regarding redundancy. "Stepping it up" can mean reading documents more carefully as well as doing additional learning individually.
- RMK will be looking to other directors to lead and facilitate future learning discussions. Doug did an excellent job!
- Lee praised everyone for work on Ends policies
- RMK graduated! Hooray!

RMK moved to adjourn at **9:06 pm**.

ACTION ITEMS

- Dan will be sending an update to the business plan.
- Board Directors should be asking people to become a nominee
- Board will further discuss Black Star investment options