

Wheatsville Board of Directors
July Meeting Agenda
Tuesday, August 10, 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
6:15pm	AGENDA REVIEW 2. CONSENT AGENDA: June meeting minutes B7 – Board Committee Principles D.8.1 – Board Logistical Support D9 – Emergency GM Succession GM Report	DISCUSS VOTE
6:20pm	3. GOVERNANCE, PART I (5 min) Co-op Vote 2010 (15 min) Bylaws Learning Discussion (Preamble, Article I) (10 min) Mid-year Board Self-Evaluation Results (10 min) Organization and Work of Committees (10 min) GM Evaluation (10 min) GM FY 2010 Bonus	VOTE DISCUSS DISCUSS DISCUSS DISCUSS VOTE
7:20pm	4. BREAK	
7:30pm	5. GOVERNANCE, PART II (20 min) Annual Membership Proposal (5 min) Black Star Resolution	DISCUSS VOTE
7:55pm	6. COMMITTEE WORK (5 min) Nominations Committee (3 min) Audit Committee (2 min) Appoint Annual Review Committee (0 min) Policy Committee	DISCUSS DISCUSS VOTE N/A
8:05pm	7. POLICY WORK D6 – Staff Treatment and Compensation D2 – Business Planning and Financial Budgeting ***Possible Executive Session – sensitive financial information*** D1 – Financial Condition and Activities	VOTE VOTE VOTE
8:55PM	8. HOUSEKEEPING/CLOSING ITEMS	
9:00pm	ADJOURN	

Benefitting Community * Promoting Cooperative Economics * Transforming Society



Board of Directors Meeting Minutes July 2010

Present: Rose Marie Klee, *President*; Lee Blaney, *Secretary*; Steven Tomlinson, *Treasurer*; Theron Beaudreau; Kitten Holloway; Aditya Rustgi; and Doug Addison.

Also Present: Dan Gillotte, *General Manager*; John Perkins, *Finance Manager*; Merilee Kuchon, *Kitchen Manager and minutes-taker*; Dana Tomlin, *Deli Manager* 6:00-6:03pm; Aldia Bluewillow, *Art Department* 6:00-6:16pm; Rosie & Jojo 6:00-6:04pm; Bill Bickford, *Operations Manager* 6:05-6:08pm; Gabriel Gallegos, *Membership Coordinator* 7:03-7:54pm; J. Martinez, *Front End Manager* 7:22-7:54pm; Ellison Carter, *owner*; Adrian Cortez and Laurie Viault, *potential board candidates*.

Absent: Kate Vickery.

Call to Order 6:01pm

1. OPEN TIME

Introductions.

RMK welcomed all guests to the meeting and then everyone sang Happy Birthday to Dan, ate cake, and thanked Dan for all of his amazing, hard work. Aldia says Dan is the best GM ever. RMK said “we love you Dan”!

Dan announced that he is away on vacation next week.

Steven reminded the Board that the organized visit to other grocery stores and brunch at his house is scheduled for Saturday, August 28.

RMK asked potential board candidates who were present at the meeting for feedback on the application process: both Adrian and Laurie agreed that the process is “straightforward”.

RMK thanked Kitten for her work on the Black Star Co-op resolution. Steven and RMK are working on the final version and will send to the Board for an email consent vote.

Agenda Review 6:15pm

- RMK asked that the GM FY2010 bonus discussion be discussed in executive session at the end of meeting. All agenda items will move up 10 minutes earlier to accommodate this change.

2. CONSENT AGENDA



Board of Directors Meeting Minutes July 2010

- June meeting minutes
- B7 – Board Committee Principles
- D.8.1 – Board Logistical Support
- D9 – Emergency GM Succession
- GM Report

--Adi moved to approve the items on consent agenda, Lee seconded the motion. Motion passed 7-0-0.

3. GOVERNANCE, PART I

6:17 PM

Co-op Vote 2010

- Lee announced that there are 7 board candidates who have applied for the 4 board positions on the ballot. All 7 candidates have met the application requirements (attended orientation session, are verified owners, attended board meeting, etc)
- Numerous nonprofit organizations will be listed on the ballot to benefit from the Community Action Wednesday support. Out of the organizations listed on the ballot, the nine organizations with the highest vote tallies will receive the benefits of these Community Action days. Furthermore, the organization with the most write-in votes (i.e., not on the ballot) will also receive the benefits of these Community Action days. Thus, ten organizations in total will be selected for Community Action Wednesday support.
- The Board reviewed the election process. Election signage needs to be displayed 14 days before the election begins. Gabriel Gallegos will be selected as the vote coordinator (in this item). Gabe will track ballots sent via email, standard mail, and in-store. On December 7, Gabe and Lee will meet to ensure that all votes have been accounted for and properly tallied and the Board will meet at 5:30pm that same day to certify the election results.
- Lee will be the point person for election questions but RMK and Dan should be copied on any correspondence.
- RMK asked for clarification of the vote process and requested an outline of what happens when secretary is running for board.
- Board discussed boycotts and when they end. Since boycotts are perpetual unless otherwise specified, they do not need to be renewed. There are no new recommended boycotts for this election. RMK recommends we have definitive triggers for ending boycotts or put boycott re-votes on the ballot for informational purposes; these re-votes are not currently on the ballot.



Board of Directors Meeting Minutes July 2010

--Lee moved to start the voting on Friday October 1, 2010 to elect new board candidates and determine Community Action Wednesday recipients - there are no boycotts - and to end the voting on Tuesday December 7, 2010 at 5:30pm, and to appoint Gabe as vote coordinator. Kitten seconded the motion. Motion passed 7-0-0.

Bylaws Learning Discussion (Preamble, Article I)

- Board discussed Directors bringing relevant materials, and reviewing them beforehand, to the Board meetings and all agreed that Jennifer should tell attendees, in advance, what materials to read/bring if they are not already included in that meeting's packet.
- Kitten read aloud the preface to the bylaws. All agreed that it was very moving and RMK asked everyone to take a minute to reflect on these words and the philosophical thoughts regarding Wheatsville's purpose and mission.
- Dan gave a brief history of the origins of the store. The preface was drafted in 1980 and it involved many people. Wheatsville was built from the idealism of 1960s/70s and burgeoning co-op activity in Austin plus the pragmatism of not wanting to be dogmatic and staying open to lots of different people. Wheatsville was a values-driven organization from the start and has always been very open to different sorts of people. The founders created Wheatsville in response to the many co-ops that closed in the early 1970s. It is the result of positive tension between a super-idealistic transformation of society and the pragmatism of not just catering to a tiny niche.
- Steven noted the original bylaws are available online and include an extra paragraph regarding the dissatisfaction with doctrinaire co-ops.
- Board discussed the idea and meaning of serving a broad range of people. Main points included:
 - One aspect of these words is welcoming and catering to people and the other side is trying to recruit a variety of people that we want to have in our community.
 - Everyone is welcome at WV no matter who you are; we serve everyone well.
 - We are creating a self reliant, self empowering community, and transformation of society. When drafted, these words were probably radical; today, they are commonplace here. Shows that old Wheatsville writers were on the right track.
- Board discussed efficient methods that avoid manipulation of consumers and exploitation of workers. Main points included:
 - There is a difference between listening to what people want and trying to create what we think people will like. We are about the business of conversion, not fulfilling consumptive desires.
 - Non-doctrinaire means we don't recruit; instead we put out good product to bring people in.
 - We try to supply information we think our owners are interested in, but we don't get involved in controversial arguments.



Board of Directors Meeting Minutes July 2010

- Efficient methods have internally improved the physical plant in the last year, which helps move our stuff to customers. We are working smarter, not harder. Also our vendors are improving: UNFI, our major distributor is moving to a Dallas green-certified warehouse.
- A robust co-op economy and all other Ends have grown out of this from our beginning. Our founders planted the seeds.
- The fact that the mission statement is present in the Bylaws makes it far-reaching.
- The Board will continue its discussion of the Bylaws at the next meeting.

Mid-year Board Self-Evaluation Results

- The Board reviewed the results of the mid-year self evaluation. Overall, we are happy with our performance; how can we celebrate all we do well? We are very fortunate to have such an incredible Board of Directors.
- We will be asked to fill it out again in November, so let's improve now.
- The Board discussed the lower scores and how to improve them. Specifically discussed were #3 (The board actively solicits member input on decisions that affect the long-term direction of The Co-op (such as through meetings, surveys, or focus groups) and #41 (Each director has an understanding of the market forces affecting the co-op).
- The Board discussed actively soliciting member input on decisions, assuming a leadership position (Tribes book discussion), taking a stance as a Board and then garnering support for our decisions, getting member feedback (and what kind of feedback we want and how to get it), putting a face on the Board, and linkage.
- RMK challenged everyone about the market forces and planning section: if you feel like WE are weak on this, does that mean YOU are weak on this? How can we/you improve?
- RMK encouraged sending feedback to her about #14 “direct participation/debate encouraged” and its lower score.

Organization and Work of Committees

- The Board decided to delay this discussion given the shortage of time.

GM Evaluation

- RMK reminded directors that it is very important that everyone be involved in this employee evaluation, which is scheduled for our August 31 Board meeting.
- Lee and Jennifer will provide a copy of all monthly reports for the last year so that the Board can review Dan's work.
- We want to know about Dan's goals and aspirations. Dan agreed to prepare information for his compensation packet and possibly come forward with a proposal.
- Theron noted that, as a Wheatsville employee, he may recuse himself from the evaluation vote, but would like to participate in the discussion.



Board of Directors Meeting Minutes July 2010

- The Board is encouraged to review the article, "Evaluating the General Manager" (*Coop Grocer*, July-Aug. 2009, pg. 31-34), in preparation.

4. BREAK

7:10 PM

5. GOVERNANCE, PART II

7:20 PM

Annual Membership Proposal

- RMK asked that we identify (and ask!) questions now, but vote on the proposal next month.
- The Board praised Gabe for his thoughtful and thorough proposal!
- Gabe passed out spreadsheets and made a short presentation of his proposal to end the annual membership policy. He summarized his main points:
 - The reason the annual membership was created, namely, as a way around the surcharge, no longer exists.
 - The \$15 annual ownership can overshadow the benefits of being fully invested and since the ending of the surcharge, annual membership sales have decreased because now people can try out the co-op (with no surcharge) before investing.
 - Annual membership is not consistent with the co-op values of self-help, democracy, and equity.
 - The store could theoretically lose some tax income if we discontinued annual memberships but if the annual wasn't available, people might be inclined to do the full investment instead. For the co-op to make the same amount of money, only 22% of potential annuals would need to join as invested owners.
- Dan pointed out that having more owners is not necessarily better – it might be better to have fewer but more invested owners – more invested in both dollars and in thought. The Board discussed if there are owner number targets, the quality of the ownership, and the level of equity requirement
- The Board decided to add 10 minutes for further discussion and to remove the housekeeping section.
- The Board requested information from Gabe about annual renewals and upgrades. Gabe will get the information and send to all, including Dan.
- The Board agreed to discuss options of different equity levels at a future meeting.
- The Board agreed to take 45 minutes for policy work instead of 50 minutes to allow for further discussion on this topic.
- The Board talked about our relationship with University Federal Credit Union as it relates to student membership.
- Dan announced that we are making a big push for students to come into the store.



Board of Directors Meeting Minutes July 2010

- Theron pointed out that the weekly number of new, fully invested owners is being tracked on big board during the Wheatcast and staff is pushing to get more owners.
- The Board thanked Gabe again for all his work on this proposal.

Black Star Resolution

- Board made disclosures regarding their involvement with Black Star Co-op. RMK and Dan are owners and investors; Theron and Doug are owners; others present are not involved with Black Star Co-op.
- RMK noted that the Board held a special meeting on July 16 to discuss Wheatsville's investment in Black Star Co-op.
- The Board wants to make sure that the folks at the hospitality desk can answer questions about the Black Star Co-op investment and how it will affect patronage dividends.
- RMK thanked Kitten for her work on the resolution and the Board discussed the resolution's language. The Board agreed to take email action on the resolution on Thursday, August 12.
- Dan has already announced the investment in his weekly email.

6. COMMITTEE WORK

8:01 PM

Nominations Committee

- RMK reminded the Board that we need to alert Dan when we invite one of his staff members to a committee meeting. We need to be more sensitive about interacting on that level and to be sure to say that the Board's word is only a suggestion and should be brought to Dan first.
- Election dates have been set (see section 3), and the candidate profiles will be in the next Breeze along with the special election issue.
- The Board discussed ideas for candidates campaigning in the store (*i.e.*, bagging groceries).

Audit Committee

- Steven announced a meeting on Thursday night with the CPA, Bruce Meyer, at Steven's house from 6-7:30pm. Bruce will answer questions, but the audit report is not done; the meeting will mostly be a time to interact with Bruce.
- When the audit is completed, Steven will give the Board a management letter.
- Steven will send reminder to audit committee tonight and reminded the Board that the audit documents are on the website and should be reviewed.

Appoint Annual Review Committee

- RMK says Bylaws 4.3 review is a requirement and read the relevant bylaw aloud.



Board of Directors Meeting Minutes July 2010

- Steven noted that the review committee doesn't need to include owners that are not on the Board, because the audit committee already contains such members (Jimmy Robertson and David Pease).

--Steven moved to establish 2010 Review Committee of Lee, Doug, and himself to fulfill the responsibilities of Bylaw 4.3. The Review Committee has the authority to communicate with Wegner, John, Dan, WV staff. The Review Committee will complete the annual report for publication two weeks before the owner gathering. RMK seconded the motion. Motion passed 7-0-0.

7. POLICY WORK

8:15 PM

D6 – Staff Treatment and Compensation

- Kitten led discussion of this monitoring report and called for questions.
- Dan praised John & Beth for their hard work on this policy (with help from Carolee Coulter) and noted that it's the best report he's seen. He is pleased and thankful.
- Doug asks for Dan to expound on Carolee's concern regarding the communications team and its possible illegality. Dan explained that the communications team is being disbanded because it is no longer of use and might actually cause problems.
- Dan noted that Carolee thinks 3.5+ are good, below 3 are problems.

--Steven moved to accept the report, Lee seconded the motion. Motion passed 6-0-1.

D2 – Business Planning and Financial Budgeting

- Dan thanked John Perkins and Bill Sherbourne for their work.
- The Board discussed the business plan and the meaning of "feasibility testing."
- Dan pointed out that the new open book finance and growing sophistication will help operations get better at reporting.
- The Board offered suggestions to Dan for future preparation of this report.

--Theron moved to approve/accept; Steven seconded the motion. Motion passed 5-0-2.

D1 – Financial Condition and Activities

- Dan pointed out that Bill and John have been working on this and that policy monitoring has been getting better and better as a result. D.1 is the best policy with the most data but the new Ends policies are more difficult to monitor.
- The Board collectively commended Dan and his supporting staff, especially John P., Bill S., and Beth C. for extraordinarily clear, helpful and well-formatted monitoring reports.



Board of Directors Meeting Minutes July 2010

This work exemplifies their excellence and marks a milestone for a new level of quality in these reports, which has long been desired.

- Dan noted that these different policies work well together and fill in the gaps for each other and it's a powerful example of external reporting including monitoring overall.

--Steven moved to approve D.1; Doug seconded the motion. Motion passed 6-0-1.

GM FY 2010 Bonus

- RMK moved to begin executive session at 8:46pm. The Board and Dan are the only attendees; all others leave.
- RMK moved to come out of executive session at 8:53pm.

--RMK moved to award Dan the bonus that he earned for FY2010, and express our profound congratulations on achieving some amazing milestones over the past year; Steven seconded the motion. Motion passed 7-0-0.

8. HOUSEKEEPING / CLOSING ITEMS

- The Housekeeping section was removed from the Agenda to allow more discussion on the Annual Investment Proposal.

RMK moved to adjourn at **8:55pm**.

ACTION ITEMS

- Gabe will send information about annual membership renewals and upgrades to the Board and Dan
- The Board will finalize the Black Star Co-op Resolution and vote on it via email on Thursday, August 12, 2010.