

**Wheatsville Board of Directors
August Meeting Agenda
Tuesday, August 31, 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: July meeting minutes July Special meeting minutes Black Star Resolution – email action C4 – Monitoring GM Performance D.8.1. – Communication and Counsel to the Board GM Report	DISCUSS VOTE
6:15pm	3. GOVERNANCE, PART I (5 min) Annual Membership Proposal (15 min) Patronage Dividend Allocation FY2010 (10 min) CCMA in Austin (10 min) Bylaws Learning Discussion (Article I) (10 min) Grocery Recon Recap (15 min) Owner Communication	VOTE VOTE DISCUSS DISCUSS DISCUSS DISCUSS
7:20pm	4. BREAK	
7:30pm	5. GOVERNANCE, PART II (10 min) Fall Owner Gathering (5 min) Annual Report	VOTE DISCUSS
7:45pm	6. COMMITTEE WORK (5 min) Nominations Committee (10 min) Audit Committee (0 min) Review Committee (0 min) Policy Committee	DISCUSS DISCUSS DISCUSS N/A
8:00pm	7. *****EXECUTIVE SESSION***** GM Evaluation – confidential personnel discussion Action on GM Evaluation (not in executive session)	DISCUSS VOTE
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*; Steven Tomlinson, *Treasurer*; Theron Beaudreau; Kate Vickery; Aditya Rustgi; and Doug Addison.

Also Present: Dan Gillotte, *General Manager* (6:04-6:23, 6:27-8:45, 9:12-9:35); John Perkins, *Finance Manager* (6:37-8:31 PM); Jennifer Lueckemeyer, *Board Administrative Assistant*; Gabriel Gallegos, *Membership Coordinator* 6:04-6:20; Jay Martinez (6:04-6:20)

Absent: Kitten Holloway

Call to Order **6:00 PM**

1. OPEN TIME

Introductions.

RMK and others recapped the second meeting of the Austin Co-op Think Tank (held at Wheatsville on August 26). There is excitement at the national level about this Austin discussion group and CDS consultants have proposed that the Wheatsville Board should formally relate to the group based on Ends priorities and co-op principles of education and cooperation amongst co-ops. The Board agrees that a committee should be appointed and charged with regular participation and reporting.

Agenda Review **6:11 PM**

Added a minute under committee work to form the Austin Co-op think tank committee.

2. CONSENT AGENDA

- July meeting minutes
- July Special meeting minutes
- Black Star Resolution – email action
- C4 – Monitoring GM Performance
- D.8.1. – Communication and Counsel to the Board
- GM Report

--Adi moved to approve the items on consent agenda, Doug seconded the motion. Motion passed 6-0-1.

RMK noted that the D.8.1 monitoring report is still lacking operational definition/interpretation, and requests improvement.



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3. GOVERNANCE, PART I

6:17 PM

Annual Membership Proposal

- Dan pointed out there have been 86 new fully invested owners in the last two weeks; people are excited and ready to be a part of Wheatsville!
- The Board thanked Gabe for his leadership in this effort.

--RMK moved to make the annual membership changes proposed by Gabe. Steven seconded the motion. Motion passed 7-0-0.

Bylaws Learning Discussion (Article I)

- Board reviewed Article I of the Bylaws and pointed out a few notable things:
 - We are officially named “Wheatsville Co-op” not “Wheatsville Food Co-op”
 - RMK elaborated on the replacement of the word “member” with “Owner”
 - Co-op principles and how they are reflected in our Bylaws and policies

Grocery Recon Recap

- As a strategic learning activity, members of the BOD took a tour of five chain grocery stores on August 28.
- This learning supports BOD understanding and verification of the GM’s Business Plan assertions and assumptions and of the competitive environment that we face as we consider expansion to a second store.
- Participants observed ambiance, customer service, product selection, and messaging, and generally felt that Wheatsville is in a good position to compete.
- The Board thanked Steven (and Jennifer) for organizing, and agreed that it would be beneficial to repeat this exercise in the future.

Patronage Dividend Allocation FY2010

- Dan and John presented a proposal for the FY2010 Patronage Dividend allocation, including scenarios for retaining 60 vs. 80% and setting a payout cutoff of \$2.50 which corresponds to about \$480 in patronage during the year as a minimum.
- RMK reminded the Board about the Waking the Sleeping Giant article included in the May packet and its relevance to this discussion. Kate volunteered to start writing an article about the patronage dividend for the annual report.

--Steven moved that the Board authorize a patronage allocation up to \$100,000 with 40% to be distributed as rebates, and the Board delegates to management responsibility for determining the



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exact amount of the patronage allocation and the reasonable cut-off point for patronage cash distributions, Doug seconded the motion. Motion passed 7-0-0.

CCMA in Austin

- Dan was asked if Wheatsville would be interested in hosting the Consumer Cooperative Management Association (CCMA) conference in 2011. He has tentatively agreed to host the event in June 2011 based on his management team's excitement about hosting. This will be great publicity for Wheatsville and will generate great opportunities for involving other local co-ops.
- The Board expressed general support and excitement for hosting CCMA in Austin in 2011 and agreed to assist before and during the event.

Owner Communication

- The Board discussed an email received from an Owner expressing concern at finding out that the focaccia bread sold in the deli is not vegan. While the BOD does not get involved in product selection issues, we are engaged in values-issues (e.g. trust) and systems issues (e.g. ensuring we have adequate processes for vetting claims).
- The Board directed Dan to write an article for the November Breeze, which describes our product vetting process and how we weigh competing interests (e.g. local versus organic).

4. BREAK

7:50 PM

5. GOVERNANCE, PART II

7:55 PM

Fall Owner Gathering

- The Board agreed to have a Fall Owner Gathering and will select a date, via email, this week. Kate will initiate the online discussion.
- The Board agreed to form a committee that would decide on a date and location, explore topic possibilities, and provide recommendations to the Board. Kate, Kitten, Dan, and Adi volunteered to be on the committee.
- Committee Formation:
 - Authority: only making recommendations to the Board
 - Timeline: committee shall have the date picked by the end of this week and come up with some recommendations for agenda by September 10
 - Resources: none at this time
- RMK suggested inviting Walden Swanson to speak – he's available in late October and early November.



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-- RMK moved to form a fall owner gathering committee that would do the things listed above, Kate seconded the motion. Motion passed 7-0-0.

Annual Report

- The Board reviewed the requirements for the annual report including having the annual reports on file, signed by treasurer and president, submitting to Texas Secretary of State, and making an annual report to owners.
- The Board discussed writing a Breeze article related to our patronage dividend, and the Co-op think tank.
- The Board decided to discuss, via email, the annual report and potential Breeze articles about wrapping up the year— Kate will initiate the online discussion.

6. COMMITTEE WORK

8:26 PM

Nominations Committee

- The Board candidate's names are getting out there! Dan is introducing the candidates in the weekly email, all candidates were presented in the latest Breeze, and it's on Facebook.
- Election signage will go up 14 days before the election starts.

Audit Committee

- The Board received notes from the September Audit Committee meeting via email last Friday. The next task is to receive the audit from Wegner LLP.
- Board action is anticipated at the September meeting.

7. GM Evaluation (EXECUTIVE SESSION)

8:30 PM

RMK reviewed the process for evaluating the GM and asked the directors to think about the GM's goals and objectives using last year's GM letter as a reference.

The Board entered into executive session, including Dan, and Jennifer, at 8:35pm.

The Board came out of executive session at 9:30pm.

--RMK moved to affirm that the GM is performing with admirable success and set his annual compensation and bonus as discussed during executive session. The entire Board seconded the motion. Motion passed 7-0-0.



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RMK moved to adjourn at **9:35pm.**

ACTION ITEMS

- Kate volunteered to start writing an article about the patronage dividend for the annual report.
- The Board requested that Dan write a Breeze article about product selection and vetting, the store's values, how we correct mistakes, and the struggle of balancing many owner philosophies with our products.
- Kate will initiate the email discussion about the Fall Owner Gathering.



Wheatsville Co-op Resolution to Support Black Star Co-op Pub and Brewery

Whereas, Wheatsville Co-op is committed to practicing the sixth cooperative principle, cooperation among cooperatives;

Whereas, Wheatsville Co-op believes that growth of the cooperative economy in Austin contributes to the transformation of society as defined in the Wheatsville Co-op Ends policies;

Whereas, following the success of our recent renovation project, Wheatsville Co-op is financially equipped to invest in the growth of new cooperative ventures in our community;

Whereas, Black Star Co-op is incorporated as a co-operative association under the Texas Business Organizations Code;

Whereas, Black Star Co-op has provided, to the satisfaction of the Wheatsville Co-op Board of Directors and General Manager, evidence of a sound and viable cooperative economic business venture;

Whereas, Black Star Co-op is aggressively pursuing investors and making good progress towards their stated goal of raising \$475k before opening their store;

Now Therefore Be It Resolved That:

Wheatsville Co-op intends to invest the final \$50,000 of \$475k required to open Black Star Co-op through the Black Star Co-op 2010 Member-Investor Share Offering, as affirmation of our commitment to cooperation among cooperatives, demonstration of our support of growing the cooperative economy in Austin, and our expression of confidence in Black Star Co-op and its positive impact on the Austin cooperative community!

Approved by the Wheatsville Board of Directors on this 12th day of August 2010.

Rose Marie Klee, President

Lee Blaney, Secretary



-----Original Message-----

From: rose marie klee [mailto:rmk@alumni.utexas.net]
Sent: Thu 8/12/2010 6:17 AM
To: Boardemail
Cc: Jennifer Lueckemeyer; Dan Gillotte
Subject: WV - electronic action: Black Star Resolution

Dear Board,

I would like to make the motion to approve the attached resolution that Wheatsville participate in the investor-share offering by Black Star Co-op.

Kitten, I would invite you to second.

-rmk

-----Original Message-----

From: Kitten Holloway [mailto:tenhollow2247@att.net]
Sent: Thu 8/12/2010 9:46 AM
To: rmk@alumni.utexas.net; Boardemail
Cc: Jennifer Lueckemeyer; Dan Gillotte
Subject: RE: WV - electronic action: Black Star Resolution

I second the motion to approve the resolution attached to RMK's email that Wheatsville participate in the investor-share offering by Black Star Co-op.

Signed: Kitten Holloway

-----Original Message-----

From: Doug Addison [mailto:daddison@mac.com]
Sent: Thu 8/12/2010 9:47 AM
To: Boardemail
Cc: Jennifer Lueckemeyer; Dan Gillotte
Subject: Re: WV - electronic action: Black Star Resolution

I vote to approve the BlackStar resolution.

signed,
Doug Addison
Aug. 12, 2010

-----Original Message-----

From: Theron Beaudreau



Sent: Thu 8/12/2010 9:48 AM
To: Kitten H; rmk@alumni.utexas.net; Boardemail
Cc: Jennifer Lueckemeyer; Dan Gillotte
Subject: RE: WV - electronic action: Black Star Resolution

I vote to approve the resolution attached to RMK's email that Wheatsville participate in the investor-share offering by Black Star Co-op.

Signed: Theron Beaudreau
Date: 8/12/10

-----Original Message-----

From: Lee Blaney [mailto:leeblaney@gmail.com]
Sent: Thu 8/12/2010 9:50 AM
To: Theron Beaudreau
Cc: Kitten H; rmk@alumni.utexas.net; Boardemail; Jennifer Lueckemeyer; Dan Gillotte
Subject: Re: WV - electronic action: Black Star Resolution

I vote to approve the resolution attached to RMK's email that Wheatsville participate in the investor-share offering by Black Star Co-op.

Signed: Lee Blaney
Date: 8/12/10

-----Original Message-----

From: Kitten Holloway [mailto:tenhollow2247@att.net]
Sent: Thu 8/12/2010 9:52 AM
To: Lee B; Theron Beaudreau
Cc: rmk@alumni.utexas.net; Boardemail; Jennifer Lueckemeyer; Dan Gillotte
Subject: RE: WV - electronic action: Black Star Resolution

I vote to approve the resolution attached to RMK's email that Wheatsville participate in the investor-share offering by Black Star Co-op.

Signed: Kitten Holloway
Date: 8/12/10

-----Original Message-----

From: rose marie klee [mailto:rmk@alumni.utexas.net]
Sent: Thu 8/12/2010 10:09 AM
Cc: Boardemail; Jennifer Lueckemeyer; Dan Gillotte
Subject: Re: WV - electronic action: Black Star Resolution



I approve the resolution.

Signed,
Rose Marie Klee
8/12/10

-----Original Message-----

From: Steven Tomlinson [mailto:steven@abporter.org]
Sent: Thu 8/12/2010 10:22 AM
To: rmk@alumni.utexas.net
Cc: Boardemail; Jennifer Lueckemeyer; Dan Gillotte
Subject: Re: WV - electronic action: Black Star Resolution

I vote to approve the Black Star resolution.

Steven

-----Original Message-----

From: Kate Vickery [mailto:kate.vickery@gmail.com]
Sent: Thu 8/12/2010 2:09 PM
To: Steven Tomlinson
Cc: rmk@alumni.utexas.net; Boardemail; Jennifer Lueckemeyer; Dan Gillotte
Subject: Re: WV - electronic action: Black Star Resolution

I vote to approve the resolution attached to RMK's email that Wheatsville participate in the investor-share offering by Black Star Co-op.

Signed: Kate Vickery
Date: 8/12/10

-----Original Message-----

From: Aditya Rustgi [mailto:aditya.rustgi@gmail.com]
Sent: Thu 8/12/2010 2:55 PM
To: Kate V
Cc: Steven Tomlinson; rmk@alumni.utexas.net; Boardemail; Jennifer Lueckemeyer; Dan Gillotte
Subject: Re: WV - electronic action: Black Star Resolution

I vote to approve the resolution

Signed: Aditya Rustgi
Date: 8/12/2010



-----Original Message-----

From: rose marie klee [mailto:rmk@alumni.utexas.net]
Sent: Thu 8/12/2010 3:00 PM
To: Boardemail
Cc: Jennifer Lueckemeyer; Dan Gillotte
Subject: Re: WV - electronic action: Black Star Resolution

And with that, the motion passes! Thank you all for such excellent collaboration!