

**Wheatsville Board of Directors**  
**September Meeting Agenda**  
**Tuesday, September 23, 2008**  
**6:00 – 9:00 pm @ the new Wheatsville HQ!**



TIME	TOPIC	ACTION
6:00pm	<b>1. OPEN TIME</b> – for WV Owners to present any topic to the board	LISTEN
6:10pm	<b>AGENDA REVIEW</b> <b>2. CONSENT AGENDA:</b> July Meeting Minutes August Meeting Minutes September Special Meeting Minutes GM Report	DISCUSS VOTE
6:15pm (15 min) (1 min) (5 min) (2 min) (2 min)	<b>3. LINKAGE/COMMITTEE WORK</b> Bylaws Committee Report Nominations Committee Report Fall Owner Gathering Committee Report Annual Report Store Vote	DISCUSS DISCUSS DISCUSS DISCUSS VOTE
6 :40pm (10 min) (5 min) (5 min) (5 min) (15 min)	<b>4. POLICY MONITORING AND FINANCIAL REPORTS</b> Learning discussion about policy monitoring B8 – Board Perpetuation D6 – Customer Treatment and Service D4 – Financial Condition (top level) Year-End Financials, Net Income Distributions, Patronage Rebate	DISCUSS VOTE VOTE VOTE VOTE
7 :20pm	<b>5. BREAK</b>	ENJOY
7:30pm	<b>6. STRATEGIC THINKING</b> What is conflict of interest? (a thoughtful discussion)	DISCUSS
8:15pm (10 min) (30 min)	<b>7. *EXECUTIVE SESSION*</b> Blackstar update (confidential discussion related to real estate) Board Directors Conduct (confidential due to sensitive nature of topic)	DISCUSS DISCUSS
8:55pm	<b>8. HOUSEKEEPING/CLOSING ITEMS</b> Administrative update – miscellany & check-in on outstanding action items Review action items/upcoming agenda items Board self-evaluation	DISCUSS DISCUSS DISCUSS
9:00pm	<b>ADJOURN</b>	



**Board of Directors  
23 September 2008  
Meeting Minutes**

**Present:** Rose Marie Klee, President; Jane Kurzawa Cravey, Treasurer; Tom Wald, Secretary; Stephanie Johnson; Jimmy Robertson; Bob Kinney (arrived at 8:39 PM); David Pease (arrived at 6:37PM); Theron Beaudreau; Mike Crissey.

**Absent:** None.

**Also present:** Dan Gillotte, General Manager; John Perkins, Finance Manager (arrived at 6:10 PM); Therese Adams, Minutes Taker; Barbara Virian, Meeting Facilitator; Steven Yarak, President of Black Star Co-Op Board.

**CALL TO ORDER**

**6:03 PM**

Bob and David will arrive late

**1. OPEN TIME**

- Introductions of all present.
- Dan suggested distributing board packets electronically only. The Board expressed interest in receiving hard copies of some materials. Dan and Rose Marie will develop a proposal.
- Theron reported on his attendance at CBLD101.

**AGENDA REVIEW**

- Add 5 minutes to Treasurer's report after Year-End Financials.

**2. CONSENT AGENDA**

**6:12 PM**

- o July Meeting Minutes
- o August Meeting Minutes
- o September Special Meeting Minutes
- o GM Report
- Consent agenda approved 7-0-0.

**3. LINKAGE AND COMMITTEE WORK**

**Bylaws Committee Report (SJ)**

**6:15 PM**

- The board discussed a resolution (drafted by WV legal counsel), to recommend to the Owners that WV be governed by the Texas Business Organizations Code (TBOC), that an amended and restated Certificate of Formation (COF) be adopted, that an amended set of Bylaws be adopted.
- The board discussed whether it would be redundant to include approval to be governed by the TBOC, since they would be voting on the amended, restated COF (the COF only exists in TBOC and replaces Articles of Incorporation).
- The board discussed whether/how the number of members should be included in the Certificate of Formation on the ballot, since the current number should be updated at the date of filing with the Secretary of State. The board concluded that the number should not be left blank, and a clause "to be updated on filing" be added for clarification.
- Stephanie moved to adopt the proposed resolution with the amendment that "election to be governed by the Texas Business Organizations Code" be removed from the list of items submitted to a vote by members. Mike seconded. The motion passed 7-0-0.

- The committee presented concerns from the owner forum: that Directors should help present the unified voice of the Board at all public functions. The committee failed to discuss this with the Board in advance of the forum, and was caught off guard by questions from individual



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Directors which perhaps should have been addressed at any of multiple occasions prior to the forum. The board resolves to be mindful of this in the future, and the committee expresses appreciation for the helpful support that Directors did provide during the Bylaws Forum

### Nomination Committee Report

6:37 PM

-- The committee is pleased with the excellent group of candidates we will present to the Owners for election, and thanks the Board for its support. All candidates successfully completed the requirements for endorsement and this will be indicated on the ballot.

### Fall Owner Gathering Committee Report

6:39 PM

-- The committee has not met, but the Board discussed the Fall Gathering after the Special Bylaws meeting on September 11<sup>th</sup>. The agenda at Fall Owner Gathering will include: expansion update and tour, meet board candidates, discuss changes to Bylaws and Certificate of Formation. There will also be time for questions and answers with the Bylaws Committee.  
-- Please let Dan and rmk know if you have any other ideas or suggestions!

### Annual Report

6:45 PM

-- Reminder that *Breeze* deadline is October 10th. Various Directors are writing articles for the Breeze and Annual Report.

### Store Vote

6:46 PM

-- Rose Marie moved to initiate a store vote for: the election of Directors, approval of proposed Bylaws, approval of proposed Certificate of Formation, election of Community Action Wednesday recipients, and approval of boycott of products tested on animals; and to appoint Aldia Bluewillow as the store vote coordinator. David seconded. Motion passed 8-0-0.

## 4. POLICY MONITORING AND FINANCIAL REPORTS

### Learning discussion about Policy Monitoring

6:48 PM

-- The board discussed creation of a Policy Monitoring Committee to compile and analyze results of 2008 B and C policy monitoring and plan learning discussions on how the board fulfills its accountability function.  
-- Theron and Mike volunteered to serve on the committee. RMK will serve on the committee as needed.  
-- Theron moved to create a Policy Monitoring Committee that will report back to the board at the November board meeting. Mike seconded. Motion passed 8-0-0.

### B8 - Board Perpetuation

6:56 PM

Are we doing what we said that we would do?	1=NO!	2	3	4	5=definitely YES	Don't Know
8.1			1		6	
8.2				3	4	
8.3			1	1	5	
8.4			1		6	

-- The board discussed the results of the monitoring report, noting areas of low scores and large skews in response.



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-- Rose Marie moved to approve the B8 Policy Monitoring. Jane seconded. Motion passed 8-0-0.

**D6 - Customer Treatment and Service**

**7:01 PM**

-- The board discussed the monitoring report. Concerns were raised about adequacy of data. A suggestion was made to include price comparisons for future monitoring reports on this policy.

-- Directors expressed appreciation for inclusion of member survey data to support compliance, and noted noticeable progress in customer service.

-- Theron moved to approve the D6 Monitoring Report. Stephanie seconded. Motion passed 8-0-1.

**D4 - Financial Condition (top level)**

**7:07 PM**

-- Stephanie moved to approve the D4 Monitoring Report. Mike seconded. Motion passed 4-0-4. Some Directors abstained because they were not able to review the report (sent late).

**Year-End Financials, Net income Distributions, Patronage Rebate**

**7:10 PM**

-- John presented the draft Accountants Review Report prepared by Wheatsville's CPA, and clarified that the final approved figures for patronage allocations are necessary for the CPA to complete the final review.

-- John clarified that the Board does not need to approve the CPA report.

-- Jane moved to accept the year-end financial statements. Jimmy seconded. Motion passed 8-0-0.

-- Rose Marie moved to accept the resolution for the distribution of net savings for fiscal year ending May 31, 2008, with all references to CPA review amended to specify "a draft, independent review." Mike seconded. Motion passed 8-0-0.

**Treasurer's Report**

**7:29 PM**

-- Jane noted that she will provide a year-to-date updated Board budget at the October meeting, and requested that a discussion of the pro forma be added to the October agenda.

-- The Board requested that staff investigate the soundness/risk of account balances in excess of FDIC-insured limit and report back to the Board in October.

**5. BREAK**

**7:37 PM**

**6. STRATEGIC THINKING/CONFLICT OF INTEREST**

**7:47pm**

-- RMK introduces discussion stating that the idea of conflict of interest arises frequently, and while there is a simple definition, it is challenging to find a rational and consistent basis for interpreting how to manage conflicts of interest. It is a highly-charged topic which can lead to sensitivity about personal ethics, and the delicate nature of this topic can lead to crippling impasses.

--The Board discussed ideas from reading materials included in the Board packet, and pondered questions about how we can determine whether we are executing our duty of unconflicted loyalty

-- The Board acknowledged that disclosure is the key element in managing conflict of interest and discussed potential conflicts of interests other than financial, such as emotional and (time) commitment.

-- The Board also discusses when and whether 'cooperation among co-ops' (a element of WV Ends Policy) may present conflict of interest issues. Even though we want to support the cooperative economy, we must be able to discern what level of support is in our best interest. (This may relate to conflict rather than conflict of interest). The board will continue discussion on relationship with other co-ops in Austin at November or December meeting.



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**7. EXECUTIVE SESSION, 8:38pm**

- Jane moved to enter into Executive Session to discuss confidential matters relating to real estate. Steven Yarak, Barbara Varian, Therese Adams, John Perkins, and Dan Gillotte were invited to stay for the executive session. David seconded. Motion passed 9-0-0.
- The Board excuses Steven Yarak, Therese Adams, and John Perkins for confidential discussion on Board of Directors conduct (confidential due to sensitive nature of topic).

Jimmy moved to come out of executive session at 9:48pm. Mike seconded. Motion passed 9-0-0.

**8. HOUSEKEEPING/CLOSING ITEMS**

Agenda item omitted. Any significant items will be communicated by email.

September Action Items/October Agenda:

- monitor B9, D3, D4
- approve 1st quarter financials
- Dan and rmk to discuss paper reduction with respect to board packets
- Dan/rmk to get election materials posted/available in store
- Theron, Mike, and rmk to participate in policy monitoring committee
- Dan to report on 'the security of our deposits'
- continued discussion on conflict/ of interest
- discuss pro-forma

**Meeting adjourned at 9:49pm.**

**Wheatsville Board of Directors  
September Special Meeting Agenda  
Thursday, September 11, 2008**

**6:00 – 8:00 pm @ the \*NEW WHEATSVILLE OFFICE HEADQUARTERS!!!\***

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**The purpose of this Special Meeting of the Board is to discuss and take action on the Bylaws Revision Project in anticipation of the commencement of the Annual Election in October.**

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TIME	TOPIC	ACTION
6:00pm	<b>1. OPEN TIME</b> – for WV Owners to present any topic to the board	LISTEN
6 :10pm	<b>2. PROPOSED BYLAWS REVISION</b> Discuss proposed language Motion to take action	DISCUSS VOTE
8:00pm	<b>ADJOURN</b>	

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Benefitting Community \* Promoting Cooperative Economics \* Transforming Society



**Board of Directors  
11 September 2008  
Special Meeting Minutes**

**Present:** Rose Marie Klee, Board Chair; Jane Kurzawa Cravey, Treasurer; Stephanie Johnson; Jimmy Robertson; Bob Kinney; David Pease; Theron Beaudreau, staff-director; Mike Crissey, staff-director.

**Absent:** Tom Wald, Secretary.

**Also present:** Dan Gillotte, General Manager (arrived at 6:40 pm); John Perkins, Finance Manager, Michelle Gesenberg, Owner

**CALL TO ORDER**

**6:05 PM**

**Open Time:** No Owners present for Open Time

**Agenda Item: Proposed Bylaws Revisions**

Stephanie led the discussion of the bylaws revisions. The board and guests discussed the Bylaws and Certificate of Formation which incorporated a full legal review by our lawyers, feedback from the Owners' Bylaws Forum of September 7, 2008 and additional work from the Bylaws Committee to reduce redundancy between the Bylaws and the Certificate of Formation.

The Board discussed whether we should present the Certificate of Formation separately from the Bylaws for voting purposes. We decided that we should.

The Board and guests discussed language to clarify Article 2.4 concerning termination and reinstatement.

The Bylaws Committee (Stephanie Johnson, Jimmy Robertson, David Pease, Rose Marie Klee, and John Perkins) moved pursuant to Article IX of the Wheatsville Bylaws that

1. The proposed revisions to the Bylaws be recommended for adoption by the ownership;
2. The proposed Certificate of Formation be recommended for adoption of the ownership; and
3. The Bylaws Committee be authorized to make any final editorial changes to the text prior to publication of the election ballot, providing that any such changes do not materially alter the meaning of the text.

Bob Kinney seconded. Passed 8-0.

Motion to adjourn made and seconded at 7:55 pm. Passed 8-0-0.