

Weavers Way Co-op

December 3, 2013

WW Board of Directors Meeting
Meeting Minutes: December 3, 2013
Summit Presbyterian Church, Parlor Room
6757 Greene Street, 19119
6:30pm

Board Members present: *All Board Members were in attendance, Linda Shein at 7pm*
Staff: *Rebecca Torpie, Mary Sweeten, Stephanie Kane, David Chaplin-Loebell, Rick Spalek, Jon Roesser, Michael McGearry, Susan Beetle, Steve Garfinkle, Annette Aloe, Norman Weiss, Jonathan Leeds, Stephanie Kane, Glenn Bergman*
Members: *Helen Seitz, Sylvia Carter, Jim Quigley, Linda Beckman, David Woo, David Kraut, Nancy Weinman*
**Guests: Mark Goehring, CDS CONSULTING Co-op;
C.E. Pugh, Chief Operating Officer, National Cooperative Grocers Association;
David Blackburn, NCGA Development Co-op**

Presentation: Cooperative Development Proposal for Start-Ups

Margaret introduced C.E. Pugh of the National Cooperative Grocers Association (NCGA) and Mark Goehring of CDS Consulting.

Mark Goehring reviewed the International Cooperative Alliance's Blueprint for this decade, which has three goals:

- Coops to be acknowledged leader in economic, social and environmental sustainability
- To become the preferred model
- To be the fastest growing form of enterprise

He noted that the ICA's goals are aligned with Weavers Way's goals.

C.E. Pugh reviewed the body of knowledge that NCGA has developed over many years of working with start-ups. He stated that a Business Development Co-op subsidiary was created in 2008. Demand for natural and organic foods is increasing, and many believe the sector will double in the next five years. However, starting a co-op from scratch is difficult, so the NCGA is recommending that start-ups align with existing co-ops like Weavers Way in order to jump-start their growth.

NCGA is recommending that WW consider opening stores with the following equity and retail characteristics:

- 5000 sq. ft. of retail space/7000 sq. ft. overall
- Anticipate \$5 million each first year
- Development cost of \$2.6 million each
- Sources of Capital:
 - One million from local members equity and loans
 - One point three million of senior bank debt
 - \$300k working capital

Weavers Way Co-op

December 3, 2013

Margaret took questions and comments for twenty minutes:

- Steve Garfinkle—Concerned that too much growth is also full of problems—there are tremendous challenges and complexities. It may take longer and it may be harder, but adhering to our own vision is ultimately more solid.
- Jeremy Thomas - The board discussion thus far have been very cautious, there is a real sense of caution—great presentation strong argument but what are the other stories about experience of these coops how expansion has affected them. (Nathea also expressed later on that the Board has not decided what to do and that a much longer conversation is needed.)
- Josh Bloom -- we may become irrelevant as other players enter our space, i.e., growing is a way to ward off competition
- Glenn Bergman – Creekside is a good example of a start-up that went on its own and has struggled unnecessarily. I don't think we are talking about taking on all eight coops that are participating at the meeting tomorrow. Maybe we would take on one or two.
- Stuart Katz: what will WW become if it grows in this way? Identity of our co-op. And how do we address the debt?
- David Kraut: How realistic is it that each local effort can raise one million dollars? We only raised \$700K in member loans.
- Sylvia Carter: How can we get appropriate background on whatever start ups we might take over? Whose responsibility would that be?

Margaret thanked all participants. Mark Goehring reviewed the agenda for Wednesday's meeting with the start-up co-ops. 5 minute break.

Margaret called the meeting back to order at 8:05 pm.

Preliminaries

Time Keeper

Lisa Hogan agreed to be timekeeper.

Agenda

Margaret invited the Board members to suggest changes or add items to the agenda. Dave Tukey expressed concern that adequate time had been allotted for the L5 report. Without changing the agenda, the Board agreed to exercise flexibility should it become apparent that more time was needed when the report came up for discussion.

Minutes of November 2013 Meeting

Jeremy requested that the minutes be amended to include his request that that we include reports from Glenn Bergman regarding forms of expansion other than grocery stores.

BOARD ACTION: The Minutes of the November meeting were accepted as amended, with nine in favor, none opposed and two abstentions.

Weavers Way Co-op

December 3, 2013

Calendar Review

ML pointed to changes recently made to the Board calendar. She announced that the Ends Report will be submitted and discussed at the Board Meeting in February 2014, in order to incorporate data from the December 2013 customer survey. And, the Board Education discussion in January will focus on reactions to the NCGA presentation to regional co-ops that took place on December 4, 2013.

General Manager's Report

Discussion—GB announced that the most recent Membership reports will be available tomorrow. Chris Hill would like to see the Farm report compiled by the consultant from Roanoke. Glenn promised to share the Farm consultant report with the Board.

BOARD ACTION: The Board accepted GM report as submitted.

Other Reports

WW Environment Committee report

BOARD ACTION: The Board accepted the WW Environment Committee Report as submitted.

Monitoring Report L5, Treatment of Staff: Glenn Bergman and Jon Roesser, Human Resources Manager

David Tukey expressed concern that not all employee reviews were done in a timely manner. Jon Roesser noted that tardy reviews do sometimes hold up raises, although some are also given retroactively. Glenn Bergman added that management was worried about the financial situation this year so we focused on targeted pay increases.

Nathea: Concern about "old school" staff seems to be a carry-over from previous reports. There is still a distinctly different experience at each of the two stores. Laura noted that the survey indicates that there is a perception of an all white male club in the higher levels of management.

Margaret: Are the criteria for pay raises clear to the employees? Jon Roesser and Glenn affirmed that job descriptions and benchmarks are clear.

BOARD ACTION: A Motion was raised to close discussion and apply the Decision Tree. The motion was seconded. The Board voted to Close Discussion with nine in favor, one opposed and one abstention.

DECISION TREE

The Board approved the operational definition of the L5 Policy as reasonable, as presented, with nine in favor, one opposed and one abstention.

The Board determined that adequate data to support compliance had been presented, with eight in favor, three opposed and no abstentions.

The Board voted nine in favor with one opposed and one abstention that the data as presented successfully demonstrates compliance with the L5 Policy on Treatment of Staff.

Board Action: The L5 Monitoring Report demonstrated compliance with the L5 Policy on Treatment of Staff.

The Board pursued some additional discussion pertaining to the L5 Policy. ML asked if anyone thought this policy needed to be changed in any way, or if anyone had questions about it. Dave Tukey stated

Weavers Way Co-op

December 3, 2013

that we are at the low end of the spectrum as to the number of specific staff policies typically monitored. There are many other human resources issues such as hiring, training and compensation for which WW has no Board policies. He further noted that employee relations reflect the values of the co-op. Chris Hill suggested that the Board vote on whether to create a committee to review the L5 policy.

BOARD ACTION: There was a motion to establish a committee to review L5 Policy. With three in favor, seven opposed and one abstention, the motion failed.

WW Board of Directors Retreat, Chris Hill

Chris Hill reported the following suggestions as compiled by the Retreat Committee:

1. The goal of the retreat will be for the GM and The Board to learn new, more effective, strategies for joint decision-making
2. Then applying those strategies to looking at Expansion

Glenn Bergman offered to have staff participate. After some discussion, The Board agreed not to include staff. Chris will take some suggestions of Board members into account, discuss the retreat agenda with Mike Healey and report back at the January 2014 Board Meeting.

BOARD ACTION: The Board Retreat will occur on Feb 15, 2014 in the Dick James Room at the Schuylkill Center for Environmental Education, and the final report from the Retreat Committee to the Board will be at the Board Meeting in January 2014.

Spring General Membership Meeting

Margaret reviewed the plan for the Spring General Membership Meeting, to be held at Chestnut Hill Friends Meeting on Sunday, May 18th. There will be no speaker. However, we will invite everyone who attends to experience the Skyspace at sunset.

BOARD ACTION: The Board accepted the Agenda for the Spring 2014 General Membership Meeting as submitted with ten Board Members in favor and one abstention.

GM Review Committee

Margaret observed that the GM Review report is due in April 2014 and called for volunteers. Laura suggested Margaret nominate committee members rather than call for volunteers. She agreed to do that, and will report back in January.

Self-monitoring report: G5, Directors' Code of Conduct, Stu Katz

The results of the Self-monitoring report were generally positive, except G5.1.3.1 -- Stu himself claimed responsibility here for not distributing the conflict of interest documents in question. He promised to remedy the situation.

The Board also observed that the results regarding "having fun" were not very positive.

Glenn Bergman asked that the survey results be shared in a way less wasteful of paper and ink. All agreed that future Board packets could contain a single chart or spreadsheet compiling all the results on one page.

BOARD ACTION: The Board accepted the self-monitoring report as submitted.

Weavers Way Co-op

December 3, 2013

Announcements and Meeting Evaluation:

Chris stressed the importance of Board member participation and strict attendance at Board meetings. Additionally, the general observation was made that the WW Board would benefit from deliberately referencing the WW mission statement more often.

Margaret responded to concern about Board member attendance that there is no written policy on, or limit to, excused absences. There is only a By-law section that states that three consecutive unexcused absences will result in a loss of seat on the Board. Josh stressed that this is an issue the Board should review. The Board agreed to include it on an agenda for a future meeting.

David Woo: As a courtesy to him personally, as chairperson of the Leadership Committee, David requested that Board members eligible to run again in 2014 let him know what their intentions are.

Megan asked Board Members to kindly let her know if they do not want to be on the Membership Engagement Committee.

Margaret noted that the beginning part of the discussion on L5 brought up some issues that were clarified with additional information and a respectful discussion, but that the board had a difference of opinion on whether the policy should be changed.

Dave Tukey expressed frustration that the policies were not changed.

The meeting ended at 9:23pm.