

Weavers Way Co-operative Association

555 Carpenter Lane, Phila. PA 19119 * 8424 Germantown Ave., Phila. PA 19118
www.weaversway.coop

WW BOARD OF DIRECTORS MEETING: MONDAY JUNE 3, 2013

Board Members Present: Margaret Lenzi, Megan Clinton-Seitz Chris Hill, Lisa Hogan, Laura Siena, Nathea Lee, Linda Shein, Jeremy Thomas (until 8pm), Dave Tukey, David Woo

Board Members Absent: Stu Katz, Jonna Naylor

Staff: Glenn Bergman, Dean Stefano, Michael McGearry

Guests: No Guests

Board Members and Staff dined and socialized from 6:30-7:02pm
The Meeting commenced at 7:03pm

PRELIMINARIES: Margaret Lenzi

Margaret welcomed newly elected Board members Chris Hill, Lisa Hogan, Laura Siena. Introductions were made all around.

Margaret informed the board that Stu Katz was absent because he was already in Texas, in anticipation of CCMA commencing June 6.

Margaret also informed the board that she had been made aware beforehand that Linda Shein would likely attend the board meeting late. Margaret said she assumed Nathea was coming in late, as well.

Lisa Hogan was appointed Timekeeper.

JUNE AGENDA: Margaret Lenzi

Margaret informed the Board that Jonna Naylor had recently submitted her resignation as a WW Board member, effective immediately. Since the Board would need to decide how to proceed in view of this resignation, Margaret suggested that the June agenda be amended to include the topic, and that it be placed after The Election of Board Officers. She anticipated that the meeting schedule would not be markedly affected.

BOARD ACTION: The Board accepted the agenda as amended to include the topic of Jonna Naylor's resignation.

MINUTES OF BOARD OF DIRECTORS MEETING ON MAY 7 2013

No changes were offered.

BOARD ACTION: The Board accepted the May Minutes as submitted, all in favor with one abstention.

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MINUTES OF THE SPRING GENERAL MEMBERSHIP MEETING ON MAY 19, 2013

The board acknowledged that the minutes of the Spring 2013 General Membership Meeting must be approved at the next GMM to take place in the fall. Margaret added that the present board can offer changes at this time. No changes were offered.

BOARD ACTION: The Board accepted the draft minutes of the Spring 2013 General Membership Meeting as submitted, pending a formal vote of approval at the Fall 2013 GMM.

GM MONTHLY REPORT: Glenn Bergman

Discussion: The General Manager reported that the Mount Airy store is currently trending stronger than previously projected. Glenn explained that produce sales are contributing significantly to this trend, as farm products are becoming more available. Sales at this time are showing as 11% ahead of last year. Labor costs have been stabilized and are lower than this time last year. Margaret observed that a report from the Finance Committee last month described special circumstances that have contributed to a lower figure for net income as percentage of sales.

BOARD ACTION: The Board accepted the GM Report unanimously as submitted.

OTHER REPORTS

(1) Farm Committee Report

BOARD ACTION: The Board accepted a report from the Farm Committee as submitted.

(2) Environment Committee Report

BOARD ACTION: The Board accepted a report from the Environment Committee as submitted.

CONFLICT OF INTEREST FORMS

Conflict of Interest Forms were distributed to all board members present and were filled out and returned to Margaret.

WWCP Report: Jeremy Thomas

Jeremy reported that a plan to clarify the relationship between WWC & WWCP had been determined to be necessary and consistent with the current Strategic Plan. Glenn will work with WWCP Executive Director Jill to develop proposals over the course of the summer which will then be presented to the two boards. The central question is how can WWCP execute the community goals of WWC in the broadest sense possible. Jeremy observed that Laura Siena is now sitting on both boards, and that this could be very helpful to the project. He added that Jill hopes to be able to fund a strategic planning process specifically for WWCP, eventually. Jeremy said that the project would involve a quest for a higher level of integration between the two organizations, including new structural ways to cross-pollinate and correlate the two boards on an on-going basis. He noted that the exploratory phases might require the formation of an executive committee, or some more casual kind of group discussion. The summer season would be used to promote discussion. Project proposals will be submitted to a WW Board of Directors agenda sometime in the course of the fall season 2013.

BOARD MEMBERS CONTACT INFORMATION

Board members submitted updated contact information to a sheet that was passed around the table.

EXPANSION OPPORTUNITIES: Glenn Bergman, Michael McGeary, Dean Stefano

Glenn opened the discussion by stating that WW management had not been actively seeking any opportunities for expansion near its stores since the Mt. Airy renovation. However, the Chestnut Hill Parking Foundation (CHPF) and the Chestnut Hill Business Association recently presented him with an opportunity for a modest, immediate expansion that would extend WWCH retail space by 950 square feet.

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CHPF informed Glenn that a small storefront directly adjacent to WWCH (8426 Germantown Ave) would soon be vacated by CHBA and available for lease.

A financial review showed Pet Store and HABA sales consistently up for the past two or three years by 20+%, while shelf space for these categories of goods is severely limited in our Chestnut Hill store. Management decided to explore the feasibility of leasing the additional retail space for the purpose of expanding these high margin departments exclusively. Dean Stefano, manager of WWCH, stated that with only 16 feet of existing retail display space, HABA and pet supplies products were not currently well-merchandised in the CH. Expansion into the storefront next door would allow for attractive window displays as well as bulk HABA products that could help to draw new members. Dean added that an additional bonus of moving these departments to the separate adjacent storefront would be expanded display for CH meat and fish departments within the CH store.

At subsequent meetings, management determined that the expansion opportunity should be approved, and negotiations were initiated on a suitable lease agreement. A triple-net lease has since been prepared, at \$24.50 per square foot, with a three percent increase for three years. Leasable area is 950 square feet. Glenn reported that this rate was at the lower end of average rates for commercial space in Chestnut Hill. Start-up costs for the Co-op would include construction expenses on the interior. The CHPF has agreed to paint exterior sides and rear façade, and will remove carpets inside to expose the hardwood floor. The parking foundation has also agreed to re-rig an existing security system to tie into the system WWCH currently uses. The lease agreement allows the co-op to break the lease after twelve months with six months' notice if sales projections are not met.

Total upfront costs have been estimated at \$90,000, half of which would be cost of inventory. The financial reports project that WW would recoup the \$45,000 for expansion costs in the first year of operation. In addition to the first floor leased retail space, WW will acquire use of the basement and the backyard. The additional backyard space is considered to be a notable enhancement to WWCH's outdoor community-gathering space. Additional outdoor furnishings have been ordered and plans to provide free Wi-Fi service are in place. Management anticipates that these accommodations will potentially help increase sales of prepared foods throughout the summer.

Risk factors include the issue of having to direct CH HABA/pet supplies shoppers to the separate storefront, but that has been done very successfully already in Mt. Airy. The expansion would require two new positions, including a qualified manager. David Woo commented that the separate storefront could offer an excellent opportunity for outreach and suggested setting up a permanent information station inside the store. Glenn remarked that NCGA has agreed to help with merchandising, as was done with Across the Way.

Margaret observed that since this expansion opportunity did not involve a purchase, board approval was not necessary. Nonetheless, Glenn felt it was important that the Board be well informed of the project and invited to express concerns. The Board agreed to sanction the project by soliciting a vote of approval.

BOARD ACTION: The Board resolved by unanimous vote to support the expansion of WWCH as presented, into the adjacent storefront at 8426 Germantown Ave.

ELECTION OF BOARD OFFICERS: Megan Clinton

Megan noted that one nominee had been declared for each position, including newly elected board member Laura Siena who self-nominated for the position of Secretary. All nominees being accepted, the Board agreed to vote once on the whole slate.

BOARD ACTION: The Board voted to elect all officers as nominated, with a vote of 9 members in favor and one abstention.

(At this point, Jeremy Thomas left).

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BOARD MEMBER JONNA NAYLOR'S NOTICE OF RESIGNATION & FILLING THE VACANCY: Margaret Lenzi

Margaret informed the Board that Jonna Naylor had submitted formal notice of her immediate resignation because of an imminent move to Alaska. Margaret reminded the board that Jonna was elected in 2012 for two years. Her term would therefore expire in May of 2014. WW By-laws state that the board can elect someone to fill a vacancy until the next membership meeting at which an election can take place. Margaret suggested that the board consider electing the candidate who had the most votes after those who were recognized as winners in recent board elections. Or, given that the existing number of directors meets minimum requirements, the board could choose to let Jonna's seat remain vacant.

The candidate next in line for a seat on the board was determined to be Josh Bloom. Josh has a background in Historic Preservation, Main Street Redevelopment work, and marketing for farms. After some discussion, the Board decided that Josh could potentially bring fresh perspective to the board, and that it would be useful to have more people potentially available to serve on board committees.

BOARD ACTION: The Board moved unanimously in favor of filling the vacancy caused by Jonna Naylor's resignation.

BOARD ACTION: The Board moved unanimously to invite Josh Bloom to join the Board of Directors.

REVIEW OF BOARD COMMITTEES/NEW BOARD: Margaret

Policy Governance dictates that with the election of new board members, the board should review the status of all of its committees in June of each year, and determine if any changes are necessary to keep the committees functioning.

The board made the following observations:

Stu is the chair and the only board member-representative currently sitting on the Finance Committee. This is an important committee. Board members who might be interested in joining this committee are advised to contact Margaret directly.

David Woo is the board member-representative heading up the Leadership Committee, but he will be leaving the Board in November, so a replacement is required. This committee provides significant support to the Board of Directors, and has room for growth. Nathea resigned from the Leadership Com.

The Board Education Committee recommends and arranges for speakers on topics the Board has decided to explore. Sue W. was on this committee, but has completed her term. Megan resigned and Chris joined the Education Com.

On the Member and Community Engagement Com, Megan will become the chair, Lisa Hogan will join and Nathea L. resigned.

Temp ad hoc committees include WWCP, GM Compensation Plan, 40th Anniversary/Fall GMM, Officers, and L7 Review will also include GM Review, Sp GMM, Board Budget, Board Calendar, and Board Retreat.

Dave T., David Woo and Stu K. will work on a recommendation for the L7 Review Committee which is due in July 2013.

Chris Hill expressed interest in joining the WWCP committee, if this Com continues to exist.

Lisa Hogan and Laura Siena will join the 40th Anniversary/Fall GMM Com which is now chaired by Rebecca Torpie, WW Marketing Director.

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BOARD CALENDAR

Margaret invited board members who planned to attend this year's CCMA conference in Austin, Texas to be prepared to talk about the experience during the Educational part of the July Board Meeting.

Shuttle Articles -Margaret will write an article for the July issue of the Shuttle based on the NCGA study on the economic impacts of cooperatives which were part of her report at the Spring General Membership Meeting on May 19th. She suggested that another board member might write about CCMA 2013 for the August Shuttle. No one volunteered.

Next Board Packet will be due on June 28. The next Board Meeting will be on July 9.

There will be no Board Meeting in August.

Margaret stated that she would like to get an up-to-date membership sales report for the July meeting which covers the entire last fiscal year.

Board Monitoring. Facilitator volunteer--Nathea.

July L3 Planning report by GB.

Chris will not be present at July Meeting.

EDUCATION: BRANDING: Dave Tukey.

Discussion. Dave T. presented a synopsis of Leo Levinson's presentation at the May Board meeting, which he passed out with other references. Dave created a graphic to illustrate why branding is central to organizational cohesion. The discussion brought forth a wide divergence of views on branding from the board having no role in branding to the board being the principal developer of branding. Many questioned what the role of the board should be in branding. When the time ran out for this discussion, there was a suggestion to have a small committee discuss and return in July or September with a couple of options/recommendations. Committee volunteers: Chris, Lisa, Linda, Dave T. Chair: Lisa H. Rebecca can join.

SELF-MONITORING: M3- DELEGATION TO GM. Margaret facilitated.

Margaret explained that the purpose of the Survey Monkey was to show the areas where the board believes there is compliance and to highlight areas where there is non-compliance or concern. The board does not spend time discussing the areas where there is general agreement on compliance but tries to discuss areas where there are comments or concerns or a majority believes we are in non-compliance.

On this policy, 83-100 % of responding board members were of the opinion that compliance was good or better in all sections. One responder indicated that compliance was minimal in three of the sections but no further information was provided at the meeting. In the comment section, Dave T. questioned whether our ends define populations to be served. Another commentator (through Survey Monkey) reminded us that the board's role is governance and not operations and opined that at times, a board member is pursuing an unspoken agenda which is found to be disruptive, time consuming and disrespectful of the process. Margaret added that sometimes there is a difference of opinion on how board members view "reasonable interpretation" of the policy by the GM. Dave T suggested that perhaps these concerns can be addressed in the code of conduct board members should follow at board members.

Announcements: Two T-shirts and two hats for silent auction. Can anyone find space for, going to CCMA.

Meeting Evaluations: fifteen minutes overtime. Nathea apologized for being late, and welcomed new board members, and thanked Dave T. for leading the Education section. Linda dittoed.

Meeting adjourned for executive session at 9:34pm.

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EXECUTIVE SESSION

The Board reviewed the GM two-year compensation plan.

BOARD ACTION: The Board voted to approve the compensation plan with a vote of 9 in favor and one opposed.