

Weavers Way Co-op

January 7, 2014

WW Board of Directors Meeting
Meeting Minutes: January 7, 2014
Quaker Friends Meetinghouse
20 East Mermaid Lane, 19118

Board Members Present: Margaret Lenzi, Laura Siena, Nathea Lee, Josh Bloom, Megan Clinton, Jeremy Thomas, Chris Hill, Lisa Hogan, Dave Tukey, Stu Katz, Linda Shein (7:30pm).

Guests: April Pendrick, Steve Preiss, Maryann Helferty, Greg Paulmier (& friend)

Staff: Glenn Bergman

The Meeting commenced at 7:09 at CH Meetinghouse January 7, 2014

Agenda

No additions or changes were proposed.

BOARD ACTION: The Board accepted the agenda as submitted.

Minutes from December 3, 2013:

Two changes recommended.

BOARD ACTION: The Board accepted the December 2013 meeting minutes as amended.

Calendar

The reports usually due in January have been interchanged with the ones scheduled for February. Therefore, the February meeting will focus largely on the Ends. If time allows, there will be an update on expansion.

Shuttle Articles on behalf of the Board:

Nothing will be submitted for the February issue, but Nathea agreed to write about the upcoming elections for March.

Committees Review

Two new ad hoc committees added: GM Review and Growth/Expansion. See discussion under Self-Monitoring on G6 where it was decided to keep Education and Member Engagement as ongoing committees and not make them permanent. A specific charge should be added to the Leadership Com to review nomination, vetting candidates, and outreach procedures and report back to the board in September 2014.

GM Report

Board Members made several commendations on sales. Glenn reported that \$100,000 of debt had recently been paid down, and a similar amount will be paid again in late February or March. He reported that the cash looks strong. It was noted that recent snow days appeared to have a positive impact on sales due to "panic" buying, and that WWND is doing well.

Glenn promised to send out the most recent Membership Report as soon as it was ready, and regretted that he was not able to include it in the GM report.

BOARD ACTION: The Board accepted the General Manager's Report as submitted.

Other Reports

Weavers Way Co-op

January 7, 2014

Report from WWCP by Jill Fink.

BOARD ACTION: The Board accepted the report from WWCP as submitted.

—END OF PRELIMINARIES—

EDUCATION – Expansion Discussion: Jeremy Thomas

The NCGA PROPOSAL was summarized for the sake of guests present. Jeremy reminded Board Members that the NCGA understands that WW will take three months to think about it. It will be discussed in depth at the Board retreat in February.

Jeremy asked the board to share reactions to the December Meetings led by NCGA.

Nathea thanked Jeremy for all the information provided to Board Members by the expansion committee. She commented that she found it very helpful, and added that, nevertheless, she is still not persuaded that the NCGA proposal offers the best mode of expansion.

Margaret observed that the guest co-ops at the meeting on December 4, 2013, seemed to respond very well overall and that the gathering really had a good “vibe.”

Lisa agreed that there was a good feeling in the room that evening, but said she felt that a question also hung in the air: Could WW be seriously interested in taking them over?

Laura expressed the idea that some of the co-ops, such as Bethlehem, were geographically beyond the reach of the WW brand.

Jeremy noted that there is a survey of the start-ups underway.

He pointed to concern expressed by start-up representatives on December 4th that the individual co-ops retain their identity, which ties into ideas about governance. Jeremy added that the committee is addressing this question with Michael Healy and looking at how this issue has been dealt with in other parts of the country.

Margaret: There are a lot of legal & financial issues that might come up depending on the stage of the start-ups development.

Jeremy: Re possible loan guarantee program—In early December, representatives from the WW Board and WW Management met with various lenders and financial organizations to feel out possibilities for loans to fund expansion. Response was that it might be feasible, largely because of the reputation and history of WW, the strength being our management and cash flow. However, lenders might require some kind of loan guarantee

Margaret: re: loan guarantee program, The Reinvestment Fund thought expansion idea very promising.

Laura: do you think there would be interest in crowdsourcing funding?

GB: NCGA says they would have funds to underwrite a financial consultant to assist with evaluating funding/borrowing possibilities. I don't think we should have to pay for that.

Chris: if we did decide to move forward, we would need to examine some of the assumptions presented by NCGA regarding the amounts of money each co-op would have to contribute/raise and projections—OTHER EXPANSION OPTIONS should be carefully looked at too, at the retreat.

Laura—will we have enough info at the retreat to really balance/weigh all these options?

GB: we will bring something, but we won't have a whole lot of anything concrete

Laura: But there are some ideas on Glenn's list of expansion opportunities that feel very real....

Nathea: who decides what the choice will be.... And to me there are some great ideas on GB's list....

GB: My hope is that at the end of Jan we will come out of management retreat with a sense of direction....

Chris: I would like to also hear what your response is to the NCGA proposal is....I hope that will be part of the management retreat.

GB: There will be a market study before moving forward on any expansion. There are three things: the warehouse, Mt. Airy, and the start-ups....

Weavers Way Co-op

January 7, 2014

Linda: Market studies should be taken with a grain of salt, they are a “crap shoot” —bad data is worse than no data...

Linda: The hardest thing to do is to absorb another culture.... And here we are talking about taking on multiple cultures, I am very concerned about how difficult that this can be, and I think we can do this, and we don't need anybody else....

Josh: It would be very uncooperative of us to barge in on other co-op startups efforts, though it has been done [Wheatsville opened second store in area where a startup had been organizing].

Margaret: if we took on a start-up, they would become WW....

Jeremy: We are researching... how has this been done in other places.... Is this [local identity] an issue we can overcome and deal with...

Nathea: expansion makes sense to me and there are a lot of great ideas here.... But WHY pursue THIS [NCGA-promoted] path..... We have so much experience and such a strong position in the northwest Philadelphia region...

Stu: there are two issues:

- 1) Seeds of a paradigm change, changing the model of the economy
- 2) It takes 5-10 years for a new co-op to get off the ground and more fail than succeed. It takes only two years to bring a new store to fruition. The question becomes (ref. speech Dame Pauline Green from the ICA gave at the international conference) if we really want to grow an international cooperative movement we need to work in a bigger more powerful faster way.

This is an interesting idea—nobody believes that we are going to be managing four more stores in the next five years but we have some expertise from which Kensington, South Philly could benefit. We are not going to get in front of them, we'll be friends not family, but a place like Narberth, we might be able to really help them and help the co-op movement..... These start ups don't have the means to meet their customers' needs, and they limp along....

Nathea: What are the benefits to WW specifically?

Megan: There are benefits like lower prices....bigger buying power...ability to bring in economies of scale...

Jeremy: I think we are trying to answer these very questions—we are still even trying to articulate what questions we need to ask.....

Linda: once you have the experience of opening stores, that piece can easily be done in the conventional business world, it isn't done a lot in the co-op world.... I think we should take Narberth off our list.....

Whole Foods coming within walking distance....

Laura: Do we have the managerial bandwidth to expand without expanding our administration? GB: we would need to add assistants, but not managers....

Margaret: what about member engagement? How do we get the members involved in this conversation....

Jeremy: we will need to put this within the scope of the NCGA consultancy....

Lisa/Josh: we've been open with the WW membership about this proposed plan —Stu's Shuttle article last month, etc.

Linda: We need some really compelling reasons to pursue this particular path vs. other forms of expansion.....

Jeremy reviewed the remainder of the Growth/Expansion Report that was submitted which laid out a plan for the next 3 months including a survey, research, loan guarantee program, NCGA consultant, other expansion options, meetings and retreats. There will be an update to the board at the February board meeting or as it becomes available.

Weavers Way Co-op

January 7, 2014

BOARD RETREAT- February 15, 2014: Chris Hill

The original idea was to set aside some space to acquire some skills regarding strategic issues/decision-making with GM.... Michael Healy structured it so that we would spend the morning talking meaningfully about these ideas. One of the things we tried to convey to Healy was we want tools & techniques for decision-making.

Not only learning to structure productive conversations, but also learn to discern what we need to learn.

Laura: I am concerned that the magnitude of the decisions we are looking at—we need to deal with that, and not JUST our relationship with GB....

Chris: Well the second part of the day could accommodate that.... The morning is for learning tools the afternoon for engaging in substance.

ML: can Stu or GB write about the CH expansion... and what role the board played....

GB: The Marketing Study [for CH expansion] was presented to the board. And it happened from there.... Board members were invited to all the prospective locations. If NCGA had not approached us, we would still be doing something....

Stu and Glenn agreed to write up a report on CH expansion to be given to Bd in Feb

Chris will add clarifying next steps to retreat agenda, taking into account the board's comments.

BOARD ABSENCE POLICY: MARGARET

Margaret reviewed policy on Board member absences from meetings. The By-laws say 3 consecutive unexcused absences will constitute grounds for automatic removal. The Board Policy says board Members are expected to attend every meeting but there is nothing in writing regarding what happens if they don't. We also don't have a policy regarding what defines and unexcused vs excused absence... this has never been written although in practice an absence is excused if there is notice and a reasonable excuse such as medical, work or family obligation.

Chris: excused vs not excused is not the issue. Rather, it doesn't matter if consecutive or not, what matters is total absences, overall, you have to be available.... Four is a lot of absence, board members should be prepared to give this time....

Margaret: Presently, we can forcibly kick somebody off for 3 consecutive unexcused absences. If we want to change absence policy, we can change the Bylaw or we can add some language to the Board policy that defines what is an excused absence.

Nathea: I haven't seen any slackers and I don't think we need more guidelines. If someone is not attending, I want to know why.... I want to know if there is something the board is doing

Consensus dictates that we do not need to further define the policy.

GM MONITORING REPORT: Board Communications, L6

Decision Tree:

Is the interpretation reasonable? All in favor (Nathea out of the room)

Is there adequate data? Unanimous- Yes

Discussion: Tukey—Raised the question on 6.1.2- relevant trends: need more information on local trends?

Is there adequate data: Unanimous-Yes

Does the data demonstrate compliance? Unanimous-Yes.

Should the policy be changed? No changes were proposed.

BOARD ACTION: The Board accepted the GM Monitoring Report as in compliance with Policy L6 on Board Communications & Support.

Weavers Way Co-op

January 7, 2014

SELF-MONITORING, G6: Margaret

G6.2—The Leadership Committee: Is it required that we have board members on it? This is not an issue now because we have several board members on it.

Margaret- Education and Membership Engagement are ongoing... they seem to exist as standing... should they be officially standing....? No we can keep them on the list but we don't need to make them permanent...

G.6.2.2.—The Leadership Committee –let's ask them to get the info we need to vet well and better We missed our opportunity for this election.... How do we get co-op members to even get to know candidates Shouldn't we try harder.... Work with member engagement committee? It was agreed that the Leadership Com address these nomination, vetting, and outreach issues and give a report to the board by September of this year...

GB: Perhaps there should be a committee that works with management to audit staff treatment

Stu: Let's set a time to talk about that before June.

ML: Michael Healy thinks we do too many things by committee, and that among national co-ops we have longer meetings and more committees.....

Announcements:

ML: We will be getting a new board administrator. Thanks to Bettina for her wonderful service to the Board.

The meeting adjourned at 9:13pm.