

# Weavers Way Board of Directors

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November 12, 2013

## Weavers Way Board Meeting Minutes

### Meeting Minutes: October 1, 2013

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Board members present: *Margaret Lenzi, Josh Bloom, Chris Hill, Lisa Hogan, Nathea Lee, Laura Siena, Megan Seitz-Clinton, Jeremy Thomas, Dave Tukey, David Woo*  
Absent: *Stu Katz (excused), Linda Shein (excused)*

Guests: *No Guests*

WW staff: *Glenn Bergman, Michael Geary, Jon Roesser, Norman Weiss, Susan Beetle*  
Others: *David Kraut of Kraut, Harris P.C.; Bob Boland of Maillie LLC*

### Preliminaries

- Pick Timekeeper: no volunteers, so Margaret served as timekeeper
- Agenda: Changes were proposed to the Agenda to accommodate an NCGA conference call regarding development of co-ops.
- Minutes of September 10, 2013 meeting: accepted as written
- Agenda – next month’s meeting
  - Next meeting will be on second Tuesday November 12, due to Election Day.
  - At the November meeting, the board will continue discussion/education on the topic of Growth & Expansion.
  - Next month’s monitoring policy will be L4 - Customer Relations
  - Megan volunteered to facilitate discussion of November’s Self-monitoring Survey results.
  - The November agenda should include a report from the Leadership Committee.
- An article for the Shuttle from a board member is due by November 10<sup>th</sup>.

### Calendar Review:

- Margaret reminded/encouraged board members to register for the upcoming “Co-op Café” to be held at the Brossman Center of the Lutheran Seminary on Nov. 2.
- Shuttle: November 10<sup>th</sup> deadline for December Shuttle – need info on elections. David Woo will do article.

### Committees for next year:

- Retreat Committee volunteers: Chris Hill, Josh Bloom, Lisa Hogan
- Spring GMM volunteers: Margaret Lenzi, Megan Seitz Clinton, Mary Sweeten (suggested by Glenn)

Business cards – they will be made up for Board members requesting them.

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**Education: Growth and Expansion** (Conference call with C. E. Pugh of the National Cooperative Grocers Association and Mark Goehring of CDS Consulting Co-op)  
Jeremy facilitated this part of the meeting. Note: this discussion was split in two, with part taking place later in the meeting. Mark Goehring did not join the phone call until half-way through.

C.E. Pugh: encouraging WW to take Philadelphia region nascent coops under its umbrella. Advantages: Costs of duplicative administrative expenses; efficiency; structure capital to support and best use of potential but limited capital in our region for coop expansion. While preferred shares are one way co-ops raise capital, PA statute does not allow it. WW would have to decide on risk as with any expansion effort.

Potential financing sources:

NCGA is working to put together a \$20 million loan fund from \$4 million in commitments from co-ops around the country and \$16 million in private equity. They want \$50 -- \$100K from each co-op. NCGA will invest \$700K. 3% interest back to participating co-ops. Jeremy: There is a State grant called RACP, a program to assist with redevelopment projects. WW received a RACP grant for the Chestnut Hill expansion. While the program is still open, it is now a lot more difficult to receive a RACP award than in the past. Glenn: Also The Reinvestment Fund, Valley Green Bank, National Cooperative Bank, other banks and credit unions are also potential sources of financing.

Board Action: Meetings on December 3<sup>rd</sup> and 4<sup>th</sup> to broach topic with other nascent coops and also potential funding partners. Letter to start-ups will come from David Woo, CDS and NCGA. David will draft. Glenn will work with WW financial staff on the funding piece. Suggestion that meeting not be held in NW Philadelphia

Chris urged Board members to read the articles on co-op expansion that Jeremy sent by email.

## **Finance Committee and Audit Report:**

Bob Boland of Maillie LLC stated that WW received an unqualified clean audit report and presented highlights from the FY 2013 audit:

- 6% sales growth; gross profit margin retained
- No federal or state income taxes
- Auditors made no material changes to numbers submitted by WW staff\

While there were no deficiencies in internal controls that were material weaknesses, the Management letter identified certain matters to be considered:

- A couple of missing invoices not recorded as payable in proper period.
  - WW needs a consistent approach to depreciation of capital items
  - Concern over theft at register: more controls are being put in place.
- Question over whether to run national checks on prospective employees – they are expensive but would have revealed prior problems in at least one case.

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Member loans:

There will be a letter to members with outstanding loans asking them to roll over until the following year. Expectation is that 60% -- 70% will do it.

Possible investment by WW in NCGA loan fund: Glenn said he is considering an investment.

**Board Action:** A motion was made to accept the Audit Report as submitted. Seconded. The board voted unanimously to accept the FY 2013 Audit

## **GM Monitoring Report: L2 – Asset Protection**

Michael McGeary and Susan Beetle remained for this part of the Board meeting.

Margaret asked Board members to vote on each section of the L2 report.

1. Operational definitions reasonable? 8 yeas, 1 nay, 1 abstention
2. Adequate data? 8 yeas, 1 nay, 1 abstention
3. Do data demonstrate compliance? 8 yeas, 1 nay, 1 abstention

Dave Tukey noted that there are no sub-policies to assure adequate and comprehensive physical maintenance of assets. He made a motion that the Board consider drafting a sub-policy to L2 on the proper maintenance of fixed assets. Vote was 4 yeas, 6 nays. The motion did not pass.

**Board Action:** L2 report was accepted as being in compliance with L2 policy.

## **Self-Monitoring: G3 – Agenda Planning**

Megan Seitz Clinton led the discussion. Generally positive. Concern expressed about adding items to the agenda. Margaret said that Board members should contact her if they want items added to the agenda.

Josh Bloom brought up the idea of using a consent agenda. There was not sufficient time to discuss this idea in full.

## **Endorsement Policy Recommendation:**

Chris Hill and Josh Bloom reviewed their recommended endorsement policy, a draft of which was included in the Board packet. Discussion.

Board members asked to send their comments on the draft to Chris and Josh by October 15<sup>th</sup>.

Policy will be added to November meeting for a vote.

Meeting Evaluation: Generally positive

Jeremy disclosed that his wife Alison Hirsh has taken a position with Weavers Way Community Programs.

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With no further business to discuss, the meeting was adjourned at 9:19 pm.

Respectfully submitted,

Laura Morris Siena  
Secretary