

Weavers Way Cooperative Association

General Membership Meeting Minutes

Wednesday, June 18, 2003

Sylvia Carter, Vice-President, called the meeting of the Weavers Way Co-op General Membership to order at 7:35 p.m. on the evening of Wednesday, June 18, 2003 at Summit Presbyterian Church, Greene Street and Westview Street. Sylvia announced that a quorum was met and thanked everyone for attending. 55 households were present.

AGENDA REVIEW: Sylvia reviewed the agenda and introduced the Board members.

AWARDS TO OUTGOING BOARD MEMBERS: George Benz, Karen Nightenhelser, Shannon Dewith McCormick, Margie Felton, Drew Stanislaw, and Yvonne Thonpson-Friend were thanked for their work on the Board of Directors and were given a plaque.

MINUTES APPROVAL: The minutes from the November 7, 2002 and February 3, 2003 General Membership Meetings were approved.

CREDIT UNION: John Tuffy

John informed the membership of the Delaware Valley Federal Credit Union's variety of services.

PRESIDENT'S REPORT: Bob Noble

Bob gave an update on some thriving programs currently at the co-op. He noted the co-op farm is flourishing as is the student Marketplace collaborative with Henry School. The Environment Committee recently distributed grants with funds earned through the monthly recycling program to worthy applicants. The Education Committee continues to run workshops, which enrich the membership and community. In order to continue these programs, he said our financial security must be ensured.

He thanked the Financial Recovery Committee for their hard work on helping to dig out of the financial crisis, he also thanked the members of the Fundraising, General Manager Review, General Manager Search, and Accountability Committees for their help. He thanked the staff who have the most to lose in this recovery process—and have had to adjust to reductions in pay and benefits. And finally, thanks to those members who have donated their money to help the recovery process.

As of June 16th :

426 Save Weavers Way Donations:	\$44,000	
Surcharge:	\$65,000	
Bank Charges:	\$75,000	
NEC equity:	\$16,000	
		<hr/>
		\$200,000
Less Expenses:		<hr/>
		\$132,000
Balance in Save WW		<hr/>
		\$68,000

The list does not include the loan from the city, which was used to pay down the debt on 608/610 Carpenter Lane property, but it does include \$80 donated by Henry School students involved in the Marketplace. The phone-a-thon is underway and needs volunteers.

Downsizing the four properties owned by the co-op has been a focus of the Financial Recovery Committee. The board decided on the committee's recommendation to sell 551 Carpenter Lane rather than 608/610 Carpenter Lane because there is more potential value in the 608/610 properties. There is a holdup because 551 was used as collateral on the 10-year-old 559 construction loan. The National Cooperative Bank will consider the sale of 551 when they see our financial statement and business plan.

The GM Search committee has begun their work and is made up of several qualified members. The process may take anywhere from 3-12 months. The Board honored the request of the Accountability Committee to postpone the decision on whether or not to prosecute Andi Sheaffer until the July board meeting, after the committee could make their recommendation tonight.

In keeping with the theme of the meeting, "Envisioning the Future," he asked members to not only look to the past but to be proactive for the future. The board formed a committee to engage the membership in defining the future—helping to decide what needs to change and what does not need changing. He suggested ten questions to consider:

1. Should the work requirement be increased?
2. Should the public be allowed to shop?
3. Should we relocate the store?
4. Where will the money come from to pay off the remainder of the crisis debt?
5. What do we do about the return of capital to ex-members?
6. Should we allocate co-op losses to co-op member accounts?
7. How do we achieve financial recovery without jeopardizing fair treatment of staff?
8. Should the board be smaller?
9. How to balance need for staff input on the board with need to avoid conflict of interest?
10. Should staff reps be real reps of the staff?

He said that some of these questions were considered in the past, but that this may be the time to reconsider them. It is time to define our ends—to take our Mission Statement to the next level.

TREASURER'S REPORT: George Benz

George reported that the financial situation has been stabilized but there have been losses in funds and in confidence. If the co-op is to survive, it is up to the members. Most board elections are uncontested—continuity and commitment are needed. He called for members to become involved in the visioning process. Financial discipline is needed for us to compete with the bigger markets that can purchase goods at lower prices. Finally, the co-op needs a surplus for future security.

GENERAL MANAGER'S REPORT: Norman Weiss (Acting General Manager)

Norman acknowledged the hard work of Ed McGann immediately after the crisis to keep the co-op functioning. He has now realized the complexity of his duties as G.M. Since the crisis, there have been reductions in payroll, there were 30 staff hours cut and the staff focus has been on productivity. The biggest cut was made to the home delivery program which will now be mostly maintained by volunteers and the Diversity Outreach Committee.

Finally, he announced the resignation of two long-term employees and acknowledged their hard work: Norman Koerner and Bill Riley.

Member comments and questions followed.

PROPOSED BY-LAW REVISIONS: Bob Rossman

	Current Language	Proposed New Language
Article VIII Section 6 Seal	The seal of the Co-op shall have inscribed on it the words "The Weavers Way Cooperative Association" the year "1974" and "District of Columbia".	The Board may authorize the purchase of a corporate seal. The seal of the Co-op shall have inscribed upon it the name of the Co-op, the year 2000, and the Commonwealth of Pennsylvania.
Article VIII Section 7 Annual Report	Within sixty (60) days after the end of each fiscal year, the Co-op shall make a report of its condition sworn to by the President and Secretary, which report shall be filed with the Recorder of Deeds of the District of Columbia.	[Delete in its entirety, and renumber subsequent sections.]

MOTION: Replace current language in Article VIII, Section 6 Seal, with, "The Board may authorize the purchase of a corporate seal. The seal of the Co-op shall have inscribed upon it the name of the Co-op, the year 2000, and the Commonwealth of Pennsylvania."

MEMBER ACTION: Motion passes

MOTION: Delete Article VIII, Section 7, Annual Report, in its entirety, and renumber subsequent sections.

MEMBER ACTION: Motion passes

MOTION: Adopt, "All nominations of candidates must be submitted in the manner outlined within the bylaws and by the Leadership Committee. No nomination may be made via write-in or from the floor."

MEMBER ACTION: Motion does not pass.

MOTION: Adopt additional language for Article 5, Section 1, subsection c, of the by-laws: "Only the names of candidates appearing on the printed ballot itself shall be deemed valid and viable candidates."

MEMBER ACTION: Motion does not pass.

MOTION: Adopt additional language for Article 5, Section 1, subsection e, of the by-laws: "Any vote for a write-in candidate shall not be counted."

MEMBER ACTION: Motion does not pass.

MOTION: Adopt additional language for Article 7, Section 7 of the by-laws: "Announce and advise the membership of 1) the requirements for voting eligibility and 2) the official procedure for nominating a candidate."

MEMBER ACTION: Motion passes

ACCOUNTABILITY COMMITTEE REPORT

TL Hill, the non-WW-member on the committee introduced himself and the rest of the committee: Susan Beetle, Roger Ashodian, Stuart Katz, Nancy Weinman, and Jim Feldman. TL Hill outlined the history of the crisis and their charge: to look at the accountability for the crisis in 3 levels: Financial Accountability, Structural Accountability, and Business Accountability (survival of the co-op).

Extensive research was done by the committee, through looking at historical records, bank statements, through interviews with 35 staff and board members, and speaking with Andi's attorney. The Executive Summary (see attached) was handed out at the meeting but the full results of their findings will be available shortly on the website weaversway.org.

In their research they found that most of the financial numbers cannot be trusted. They found that we missed out on distributor discounts on product by paying late, resulting in several thousand dollars lost. They found failures in the larger system through thousands of bounced checks month after month. The blame, they said, is system-wide that no one questioned bank fees.

They noted structural and cultural problems in the co-op. One example is the unwieldy board size and the length of time taken on projects such as policy governance. The balancing of community issues with financial issues has proven to be very demanding.

The co-op has many strengths and is an important part of the community. The co-op margin is lower than co-ops across the country and they recommended raising it to help pay down the debt.

Member comments and questions followed.

VISION COMMITTEE REPORT Rosemary Daub

50 new members joined the co-op in June and several new members acknowledged the co-ops hard work in sorting through the crisis as a reason to join at this time. She asked for member's feedback and involvement in the visioning process.

BOARD ELECTION RESULTS

Secretary: Dorothy Guy

Treasurer: Eva Schweber

Diversity/Outreach Committee Chair: Matt Berg

Leadership Committee Chair: Gerald Cohen

Merchandising Committee Chair: Nancy Hence

Operations Committee Chair: Jeffrey Jarvis

Staff Representative: Steve Hebden

Staff Representative: Chris Switkey

At-Large: Julia Bradley

At-Large: John Nolan

At-Large: Gloria Rohlf

The meeting adjourned at 10:19 p.m.

Respectfully submitted,
Dorothy Guy, Secretary