

Weavers Way Co-op

May 6, 2014

WW Board of Directors Meeting

Meeting Minutes: May 6, 2014

Chestnut Hill Meeting House 20 E. Mermaid Lane

Board Members Present: Margaret Lenzi, Stu Katz, Laura Siena, Chris Hill, Jeremy Thomas, Megan Clinton, Lisa Hogan, Nathea Lee, Linda Shein, Josh Bloom

Absent: Dave Tukey (excused)

Staff: Glenn Bergman, Jonathan Leeds, Susan Beetle, Rebecca Torpie, Annette Aloe (Rebecca and Annette from 6:30 – 7 pm)

David Kraut, WW's attorney

Guests: Larry Daniels (Board Candidate), Dan Salva, Cathlene Casey, Joan Patten (the latter two representing Ambler Co-op)

The Meeting commenced at 7:03pm in the Gathering Room of Chestnut Hill Meeting House, 20. E Mermaid Lane.

Lisa offered to be timekeeper.

PRELIMINARIES

Agenda

BOARD ACTION: The Board accepted the agenda as submitted.

Minutes from March 4th, 2014

Nathea requested that her statements in the "Retreat review" (PG. 2 Draft Minutes) and "Diversity" (PG. 3 Draft Minutes) sections be amended.

Margaret clarified that minor editing changes can be made before the next Board meeting – Board members to send these to Laura and Athena in time for inclusion in Board packet.

BOARD ACTION: The Board accepted the amended March 2014 meeting minutes unanimously.

Calendar

Presentation of the WWCP Strategic plan was moved to June meeting. Margaret noted that the 2014/2015 Board calendar would be a topic for discussion later in the meeting.

Committees Review

BOARD ACTION: Committee Review accepted as submitted.

GM Report

Glenn discussed loan repayment and financial data, including WW's quarterly loss. Cash position strong. First round of member loan reimbursement went out 5/6/14 and \$180,000 was successfully "rolled over"

Glenn provided an update on the negotiations for a walk-in cooler at the CH store

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

Weavers Way Co-op

May 6, 2014

Other Reports

BOARD ACTION: The Board accepted the WW Environmental Comm. minutes as submitted.

CCMA Conference

4 Board members (Margaret, Laura, Chris, and Megan) and 2 staff (Glenn and Bettina de Caumette) are currently registered to attend.

Board reviewed procedures for flight reimbursement.

GMM and Board Elections

Margaret reminded people to vote: voting numbers are lower this year than last year.

Linda noted that some members think that they can only vote for one candidate – communications need to be clarified.

Annette has created a sign for behind the registers at MA and cashiers have begun to remind people to vote.

Board Officer Nomination Process

Margaret reviewed the procedures for self nomination and nomination of fellow Board members for officer positions and urged members to think about officer positions. Written nominations (1-3 sentence statement) are due by May 22 in order to be in the June board packet. Election will be at June 3rd board meeting (nominations from the floor accepted at that time).

—END OF PRELIMINARIES—

Calendar Review- Lisa Hogan & Margaret Lenzi

Proposed Annual Calendar

Margaret and Lisa, who together comprised the Calendar Committee, reviewed suggested calendar for 2014/2015. An option was presented to change the regular meeting day from first Tuesday of the month, but Board decided to keep it as-is.

The Education/Strategic part of Board meetings was kept open with the understanding that most of those times will be filled with growth and diversity discussions over the course of the next year. Linda requested that some time be spent on looking at how WW deals with competition. Chris requested that some time be given to discussion of Weavers Way Farms.

Margaret noted that it might be time to look at changes to the By-laws, because several small changes have been suggested over the years. Stu said if we do it, it should be a comprehensive review including board nominations. Chris commented that By-laws changes may be a less important topic than some of the issues that need to be addressed in the upcoming year.

MOTION: A By-laws Review Committee will be created to review by-laws and make recommendation to Board

BOARD ACTION: Vote: unanimous

Lisa, Stu and Laura volunteered to serve on By-laws Review Committee: Lisa offered to chair.

Weavers Way Co-op

May 6, 2014

Board discussed making the 6:30-7:00 time more structured with presentations similar to Rebecca's and Annette's. Board agreed there is more benefit to keeping the time flexible.

BOARD ACTION: The Board accepted the WW Annual Board Calendar (June 2014 through May 2015) unanimously.

Diversity Report: Nathea, Josh and Stu

Review of categories of diversity: Race, Age, Gender, Sexual, Household income, Differently Abled.

Committee wants WW:

- 1.) To be inclusive of all diversity
- 2.) To be forward thinking and acknowledge the process as well as "where are we now?"
- 3.) To be diligent (especially in regard to staff and senior staff)
- 4.) To stay focused beyond just a conversation

Four areas to measure: Board representation, Management and staff, members, shoppers

Committee suggested putting action teams in each of the four focus areas. Assign a person or an entity to execute measurable and achievable tasks.

Board would be charged with the task of making the Board membership reflective of the community.

Glenn would be charged with the task of appointing staff/committees to work on the other 3 areas (management/staff, members and shoppers)

Data would need to be compiled on the demographics of the community.

Each of the four areas would present a one page plan with specific and measurable goals for one year.

Glenn added that this has already been started with staff members and that money has already been allocated for this work.

Jeremy commented that "where WW purchases from" is also a good measure of diversity: he can provide information from City of Philadelphia on minority and women vendors.

Stu noted that the Executive Limitation policies need to be reviewed, and possible additions made if this task is going to be added to Glenn's duties as GM.

MOTION: Diversity committee is assigned the task of creating a Diversity proposal for a "board plan with measurable tasks" and whether additions/amendments are necessary in the Executive Limitation policies.

BOARD ACTION: Vote, unanimous

L8, Member Involvement - Glenn, Jonathan Leeds

Board members noted that pieces of this report had not been updated since 2013 report. Consensus that Glenn would submit an updated report that would be acted upon at June meeting.

Action: L8 Report would be deferred until June 2014 Board Meeting.

Board Self-Monitoring, M4- General Manager Performance - Margaret

Board reviewed individual comments and responses to questions.

Question regarding M4.2- 3 methods of acquiring monitoring information- Margaret explained that the policy indicates 3 possible methods, but they are in the alternative and the board can choose to use only one method. The WW board, as most policy governance boards, primarily use method one, the internal

Weavers Way Co-op

May 6, 2014

monitoring report from the GM; however, the other two methods are there if the Board needs them. We do use external reports from the auditor and Staff Treatment survey.

M4.3- Comment that the standard sounds reasonable on the face, but not sure whether it is comprehensive enough....not sure whether the data we are being presented with is adequate for Board members to make qualified judgments regarding compliance (Laura). Jeremy suggested that we look into this further and discuss with Mike Healey.

NCGA Trends Report Supplement Report (March 2014)- Margaret

The Board discussed content of this report, specifically concerns over competition from Whole Foods and other, similar chains. The report found that the co-ops' strengths are with same store growth and strong balance sheets. However, co-ops' weaknesses are that we are slow in expanding new stores and that there is an earnings gap between competitors and co-ops. The concern of the report is that if we do not grow and keep pace with competitors, our market share will decrease and co-ops will have less impact on local communities.

The first issue specifically address is: Whether Market Share Matters? Data shows that co-ops are growing but at a slower rate than competitors and is falling further behind. For ex, Whole Foods opens a store every 2 weeks, but NCGA co-ops open up every 2 months. In the last 4 years, WF has opened up 91 stores, but NCGA co-ops have opened up 21. People noted that WF is one entity and can move quicker and has access to capital whereas NCGA stores are owned by individual co-ops. While people acknowledged that market share matters, Nathea and Laura suggested that WW can differentiate itself by focusing on how it contributes to the cooperative economy and is part of a different and more appealing economic model. The report does confirm that co-ops do well in alignment and motivation and that we have more local impact, pay better wages, and are better environmental stewards.

The last issue addressed was whether Efficiency Matters? While competitors do 5.6% better in efficiency than co-ops, the report found that co-ops do well when they control their margins and labor and have sales growth. The Report, page 13, showed that Weavers Way was one of the top performing co-ops using the measures of MMLPSG (Average Rolling Margin Minus Labor Plus Sales Growth) and can be successful in this market.

Open Meeting adjourned at 8:35 pm.

Executive Session on personnel matters regarding separation of CFO from Weavers Way

The meeting adjourned at 9:30 pm.