

**Wheatsville Board of Directors
May Meeting Agenda
Tuesday, June 7th, 2011
6:00 – 9:15 pm @ Wheatsville meeting room, 3105 Guadalupe**



TIME	TOPIC	ACTION
6:00pm	1. OPEN TIME – for WV Owners to present any topic to the board	LISTEN
6:10pm (5 min)	AGENDA REVIEW 2. CONSENT AGENDA: April 2011 Meeting Minutes General Manager's Report 2011 Candidate Packet B5- Director's Code of Conduct C2- Accountability of the GM D9- Emergency GM Succession HRA Resolution	DISCUSS VOTE
6:15pm (5 min)	3. HRA Resolution	DISCUSS
6 :20pm (15 min)	4. Employee Bonus Plan 2012	DISCUSS
6 :35pm (20 min)	5. Nominations Committee Report from the Nominations Committee 2011 Board Candidate Packet	DISCUSS
6 :55pm (10 min)	6. CCMA	DISCUSS
7:05pm (10 min)	7. Break	
7 :15pm (90 min)	8. Strategic Learning Discussion The value of cooperative ownership The Board's responsibilities to Owners	DISCUSS
8 :45pm (10 min)	9. Fall Owner Gathering	DISCUSS
8 :55pm	10. Adjourn	

Benefitting Community * Promoting Cooperative Economics * Transforming Society



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Present: Rose Marie Klee, *President*; Lee Blaney, *Secretary*; Steven Tomlinson, *Treasurer*; Theron Beaudreau; Kate Vickery; Kitten Holloway; Reyna Bishop; Mark Wochner; and Doug Addison.

Also Present: Dan Gillotte, *General Manager* (6:09–9:05 p.m.); John Perkins, *Finance Manager*; Merilee Kuchon, Filling in as Board Assistant, Terry Huth, *Wheatsville owner/visitor* (6:22–9:05 p.m.)

Absent: none

Call to Order

6:00 PM

1. OPEN TIME

- IT consultant Ryan Vanstone is setting up space for the Board on the Wheatsville file server.
- Board members discussed how policy comments given in monitoring surveys can be incorporated into an ongoing Board policies revision process.

2. CONSENT AGENDA

6:15 PM

- April 2011 Meeting Minutes
- General Manager's Report
- 2011 Candidate Packet
- B5- Director's Code of Conduct
- C2- Accountability of the GM
- D9- Emergency GM Succession
- HRA Resolution

--Lee moved to accept the consent agenda. Kate seconded the motion. Motion passed 9-0-0

3. HRA Resolution

6:15 PM

- The Board discussed whether they would like additional annual reporting on the HRA Resolution approved with the Consent Agenda, or if existing policy monitoring will be sufficient.

4. Employee Bonus Plan 2012

6:25 PM

- Dan gave the Board information on his proposed 2012 bonus plan and expressed his interest in using the same bonus plan as the previous fiscal year.
- Dan would like to be included in bonus game this time, as he was in 2011.



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- Dan explained that the 1.5% net income goal for the bonus plan includes 11,119 for long-term development but that additional funds spent on long-term development would not be counted against the bonus plan net income goal.
- Doug asked how much additional funds for long-term development could be allocated and not counted against net income for the bonus plan. Dan explained that the distinction between operations income and development funds will become more clear later.
- RMK reminded the Board that Dan has purview over the staff bonus plan. The Board only determines Dan's bonus, and that Dan is proposing that he participate in the same bonus plan as staff.
- The Board indicated preliminary support for Dan's plan through a straw poll.
- The Board will see more bonus plan details and discuss at a future meeting.

5. Nominations Committee

6:35 PM

Report from the Nominations Committee
2011 Board Candidate Packet

- Kate offered a report from the Nominations Committee, which met twice in May.
- The Committee has been discussing recruiting new Board members for skills rather than attributes, and contacted the Boards of a few similar-sized food co-ops to get something perspective.
- Kate asked the Board to contact the people they had previously identified as potential candidates and ask them if they are available for a summer interim appointment to the Board.
- Lee and Theron clarified their availability through the summer: Lee will be leaving in late July or early August, and plans to attend the July 28 meeting. Theron will be leaving September 14. Theron plans to be at both the July and August Board meetings.
- The Board discussed on the pros and cons of selecting candidates for attributes over skills. The Board reached a general agreement that candidates who have experience with real estate, construction or finance are a bonus, but that should come after the other requirements are met, both for interim and long-term candidates.
- Kate asked Board members to bring people to the Nominations Committee as potential interim appointees no later than June 21.

6. CCMA

7:04 PM

- RMK said that five members of the Board plus Dan will be attending the CCMA conference in San Diego June 16-19, 2011.
- The Board listened to advice from previous CCMA attendees Dan and RMK about making sure the group spreads out and attends as many sessions as possible.



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- RMK indicated that the Board of People's Co-op would love to get together with the Wheatsville Board during CCMA.

7. Break

7:09 PM

8. Strategic Learning Discussion

7:19 PM

The Board engaged in strategic learning exercise to discuss the following questions.

Why does it matter whether or not we're a co-op?

- Community ownership, which allows for local small business ownership.
- It matters because we are demonstrating that a profitable enterprise can be organized in a non status qua way. That is, a co-op is a values driven organization.
- Co-ops are better because coops provide opportunities for more happy people, more good jobs, more local and sustainable food for our community.
- Co-ops allow a more equitable distribution of wealth – “democratization of wealth.”

Does it matter how many owners our co-op has? What are criteria for picking the “right” number?

- As many as possible; however, it is important to realize that our organization should represent all of the owners. Besides owners, we also have shoppers. The Board prefers to have transformational non-owners over owners who do not buy into the co-op's Ends policies.
- The more owners, the more transformation of society. More owners are more likely to be more involved in more co-ops. However, there is a distribution of owners – core owners vs. peripheral owners.
- Can the co-op have too many owners? Will our message become diluted? What are the practical limitations to having infinite owners? Core of transformation owners needs to grow at proper ratio with outer ring of peripheral shoppers. To keep the core growing, we need to create a pathway for peripheral owners to migrate towards the center core.
- Ends are still ends. With 100K members, we have more happy workers, more local food, etc.

What is the right ratio of shoppers to owners, relating to sales?

- Shoppers are potential owners. The Board prefers 25-50% of shoppers to be owners.
- Operations can handle a 100 shoppers to 1 owner ration that is converting people to ownership quickly. Do more shoppers lead to more conversion to owners?
- Although owners provide equity, there is an associated administrative cost.
- Most owners come to Wheatsville through owner/shopper interaction.



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What do you think is the Board's responsibility, re: first three questions, as a Board to the co-op?

- Keep us informed. You're steering the ship, we're passengers, want to make sure we know where we're going. Furthermore, make sure there is a ship and that it is nice.
- Prevent Wal-Mart from happening by keeping to our mission statement and Ends policies.

How do we draw the line, practically, between communication that is the Board's job vs GM/Operation's job?

- Operations talks about sales, products, and specials. Board expresses higher level values.
- How do we communicate Board work (and the Co-op Think Tank) in a way shoppers can understand? How do we convert them to owners and get them on the path to the core?
- The Board and the GM want communication to be a collaborative effort. Communication happens on both sides. All communication could fall under the umbrella of Operations. GM is the one responsible for how co-op is seen in community. It is strategic for us to resonate a single message through different pathways. Alignment.
- We need to find a single message, cultivate it and transmit it to owners and shoppers.

Expansion Plans- Board's role? What dilemmas might arise?

- Choice of location will be a hot question/issue among owners. Answer needs to be in total alignment with Operations. The Board should not be communicating minutiae.
- The Board needs to take this opportunity to build the co-op story and convert shoppers to owners. How can we tie this opportunity to higher values?
- The "how" and "why" of the expansion project are intertwined. Dan is the visionary. The Board cannot answer the "how"s, but rather, the Board is endorsing Dan's vision.
- The Board needs to use our success as leverage for the transformation of society.

Things that resonated with people during this session:

- The concept of democratization of wealth.
- Building the pathway for shoppers and peripheral owners to become core owners.
- Board/Operations communication is intriguing, and we need to ensure alignment between Board/Operations messages. More supportive answers will help remove tension.
- Board/Operations are not at odds, though discussions sometimes go there. We have been able to transcend that. We get along, fitting for the friendliest store in Austin.
- Tell the story of co-ops to anyone who will listen. Tension can become creative rather than distracting.

4. Fall Owner Gathering

8:57 PM

- The Fall Owner Gathering Committee will be discussed next month.



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- Dan wants the BIG Direction to be a part of the Fall Owner Gathering. The multi-store location concept will be presented in the upcoming Breeze.
- There are 3-4 Breeze deadlines before the Fall Owner Gathering.

RMK moved to adjourn at **9:01pm**.

ACTION ITEMS

- All- review Dan's packet re: bonus program 2012.
- All- refer interim Director candidates to NomCom by 6/21
- Kate – send out Word version of application packet for candidates.
- CCMA folks – think about questions to ask board members from multi-store co-ops. How did they expand? What questions did their Boards ask during expansion? Have a game plan before you get there.