

**WHOLE FOODS COMMUNITY CO-OP, INC.**  
**Minutes of APRIL 2011 Meeting of Board of Directors**  
*Approved as amended by the Board of Directors on May 23, 2011*

DATE: April 25, 2011  
TIME: 5:30 PM  
LOCATION: Whole Foods Co-op, 610 East 4<sup>th</sup> Street, Duluth, MN

Attended by Board members: Alison Champeaux, Mary Dragich, Chris Edwardson, Mark Friederichs, Theresa Koenig, and Heather Murphy. Board member David Helf was absent. Also present: General Manager Sharon Murphy and Owners Eric Ament, Anni Friesen, Sarah Hannigan, Sarah Nelson and Earl Rosenwinkel (arrived at 6:10 PM).

Motion, seconded and carried is abbreviated as MSC, followed by the names of the maker, second and vote tally. U = unanimous vote.

### **OPEN SESSION**

President Chris Edwardson called the meeting to order at 5:30 PM. Heather was appointed timekeeper. Owners were welcomed and introduced themselves. Board members were prepared and no conflicts of interest were noted.

### **IMPORTANT DATES**

All dates were reviewed for possible conflicts and the following items were noted:

- The Finance Committee will meet in the conference room on Wednesday, June 1, 2011, at 5 PM, to review the FY 2012 budget proposal.
- Heather asked that Board members review the CCMA workshop schedule in this month's packet and advise her and Theresa if they recommend particular sessions.

### **REVIEW**

**Minutes** – The Board approved (MSU, Alison, Theresa) the draft of the Minutes of the open session of the March 28, 2011, meeting of the Board of Directors. The Board approved (MSU, Alison, Mary) the draft of the Minutes of the closed session of the March 28, 2011, meeting of the Board of Directors.

**Management Report** – Pursuant to management's request and following discussion, the Board:

- Approved (MSU, Heather, Alison) allocation of a Storewide Performance Bonus for employees in the amount of \$18,247 for the January-March quarter.
- Agreed to advise Sharon individually by April 30, 2011, regarding a book order for Food Fight: A Citizen's Guide to the Farm Bill.

**Ownership Report** - With respect to the April Ownership Report, the Board approved:

- (MSU, Theresa, Mark) 69 new Owner applications,
- (MSU, Alison, Mark) refund of three term/transfer requests (Owner #11401, 8141 and 538, and
- (MSU, Mary, Theresa) allocation of \$80 in Matching Funds for Owner #10199.

The Board noted that, as of March 31, 2011, WFC has 6,088 active Owners and 1,071 inactive Owners.

**Financial Report** – The Board reviewed and accepted the Balance Sheet for March 31, 2011, the Income Statement for the 3<sup>rd</sup> Quarter of Fiscal Year 2011 (Jan-Mar 2011) and the Income Statement for March 2011 along with management's compliance report on Policy B4 Financial Condition for the January-March 2011 period. Sharon advised that sales growth to date in April is approximately 10% with a goal of 12%.

**Compliance Reports** – Barring objections, the Board accepted the following April Compliance Reports:

- Policy B4 Financial Condition/Sharon
- Policy B7 Succession Planning/Sharon
- ENDS Policy/Sharon

- Policy D12 Board Compensation/David

The Board discussed David's proposal to amend Policy D12 Board Compensation and agreed to carry over discussion of that proposal to the May agenda.

**Board Calendar** – Chris advised that final approval of the General Manager's Contract (2011-2012) and the Owner proposal regarding the equity repayment schedule will be carried over to the May agenda. There were no questions on management's Calendar 2011 Business Plan Progress Report.

Chris opened a discussion in compliance with Policy D3, Section 5b, regarding leadership and office succession. Board members present replied as follows:

- Chris – not up for election in 2011; willing to continue as President
- Heather – running for re-election in 2011; willing to continue as Secretary
- Mark – not up for election in 2011; willing to continue as Treasurer
- Theresa – not up for election in 2011; willing to continue as Vice President
- Mary – not up for election in 2011
- Alison – not running for re-election in 2011

David's term also expires in 2011.

## COMMITTEES

Theresa thanked our guests for attending this meeting and reported on the Board Recruitment Committee meeting held earlier today. That Committee agreed to revisit in December 2011 the candidate requirement to attend two Board meetings prior to the Board election and also agreed to personally invite all potential Board candidates to the Annual Owners Meeting in October. Theresa reminded the Board that April is Owner Appreciation Month and encouraged Board members to spend some time in the store talking with Owners and customers.

## NEW BUSINESS

The Board approved (MSU, Mary, Alison) amendment of Policy D2 Board Job Products as follows:

### POLICY D2: GOVERNANCE PROCESS

#### BOARD JOB PRODUCTS

The Board will lead the organization toward the desired performance and assure that it occurs. The Board's specific contributions will reflect its trusteeship role and the necessity for proper governance and management. Consequently, the "products" or job contributions of the Board will be:

- 1) Create and sustain a relationship with Owners.
- 2) Written governing policies which, at the broadest levels, address:
  - a. ENDS: Organizational products, impacts, benefits, outcomes (what benefits for whom at what cost).
  - b. Executive Limitations: The General Manager shall not cause or allow any practice, decision or organizational circumstance that is unlawful, imprudent or in violation of commonly accepted business and professional ethics and practices or in violation of the Cooperative Principles.
  - c. Board-General Manager Relationship: The Board's sole official connection to the operations of the cooperative will be through the General Manager.
  - d. Governance Process: Acting on behalf of our Owners, the Board ensures that our cooperative produces benefit and value while avoiding unacceptable actions and situations.
- 3) The assurance of General Manager performance (against policies 2)a and 2)b above).
- 4) Progress on annual goals for calendar 2011:
  - a. Conduct studies of:
    - i. The Farm Bill in preparation for vote coming in 2012 (Feb, Mar, April 2011 meetings).
      - a. Write Gazette article for issue mailed in September 2011.
    - ii. Sustainability and food issues (May, June, July 2011 meetings).
    - iii. Population/demographics issues (Aug, Sept, Oct 2011 meetings).
      - a. Incorporate results of 2011 shopper survey.
  - b. Engage Owners
    - i. Conduct listening/learning events, e.g., films, focus groups, dinner with the Board.
    - ii. Sponsor social events, possibly as fundraisers, e.g., band at Clyde Iron.
  - c. Monitor ENDS
    - i. Use ENDS Compliance Report as a study tool (April 2011 meeting).

- d. Develop a constantly renewing three (3) year plan by December 2011 meeting.
- e. With respect to all of the subsections under this Section 4, check and reassess the effectiveness of the tools we use (e.g., did everyone get to speak, look for ways to improve).

This policy will be monitored annually by internal report in February.

Chris requested comments on the revisions to the calendar/chart for work on the Board's long-term strategic direction. Heather and Alison will meet before the Board's May meeting to prepare a list of resources for the sustainability and food issues topic.

Chris noted there are no Board compliance reports due in May. Chris will write the Board Report for the fall issue of the *Gazette* and the Board Report for the 2011 Annual Report to Owners (both due July 31, 2011). Theresa and Mary will write the *Owner Matters* column for the fall *Gazette* regarding action steps Owners can take with respect to the 2012 Farm Bill.

## STUDY

The Board discussed the article Mary distributed, *Cultivating Policy Support for Sustainable Farming*, by Kristina Hubbard, as well as next steps with respect to the Farm Bill study topic. With respect to this article, Sharon advised that the National Organic Action Plan is now available in the Study folder on the Board's wiki site and that she will be forwarding to the Board the SAC (Sustainable Agriculture Coalition) *Weekly Update*.

Following an evaluation on process, the Board approved (MSU, Heather, Alison) adjourning this meeting at 7:34 PM.

Respectfully submitted,  
Sharon Murphy, General Manager