

WHOLE FOODS COMMUNITY CO-OP, INC.
Minutes of SEPTEMBER 2011 Meeting of Board of Directors
As approved by the Board of Directors on October 24, 2011

DATE: September 26, 2011
TIME: 5:30 PM
LOCATION: Whole Foods Co-op, 610 East 4th Street, Duluth, MN

Attended by Board members: Alison Champeaux, Mary Dragich, Chris Edwardson, Mark Friederichs, David Helf and Heather Murphy. Theresa Koenig was absent. Also present: General Manager Sharon Murphy and Owner John Westlund.

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. David accepted timekeeper duties. Board members were prepared and no conflicts of interest were noted. The Board recognized that this is Alison's last meeting as a Board member following over three and a half years of service and congratulated John Westlund on his election to a three-year Board term effective at the October 2011 meeting.

IMPORTANT DATES

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

- The Board established a range of dates (first two weekends in October 2012/DECC) for the 2012 Annual Owners meeting with the goal of obtaining a larger venue capable of providing dinner to all Owners who register by a set date; the Board agreed to require prepayment from Owners for the dinner at the 2012 Annual Owners meeting
- Chris, Sharon and Theresa, if she is available, will orient new Board member John Westlund on Monday, October 3, 2011, 8:30-10 AM at WFC.
- Chris will contact CBLD Consultant Nina Johnson about her availability to facilitate a Board retreat on Sunday, November 6, 2011.
- Chris will advise when a date is set for the MN Food Co-op Boards meeting in November 2011.

REVIEW

Minutes – The Board approved (MSC, Mary, David; Heather abstained) the draft of the Minutes of their August 23, 2011, meeting.

Management Report – Sharon updated the Board and requested action as follows on:

- Planning for development of 630 East 4th Street property – following discussion, the Board advised seeking legal assistance for both options recommended by the Planning Department, i.e., pursuing creation of an LLC to transfer ownership of the alley parking lot properties and pursuing a variance from the Planning Commission.
- Discussion of renewal of the CBLD consultant contract will be carried over to the October agenda.
- Discussion of Seward's High Risk Pool Proposal to support cooperative development will be carried over to the October agenda; David asked to participate in conference calls about this proposal.

- Results of 2011 Board election: David and Heather were re-elected to three-year terms. John Westlund was elected to a three-year term. 253 Owners voted electronically; 36 Owners voted by paper ballot = 4.6% of eligible Owners voted. The Duluth Community Garden Program will be the recipient of the balance of 2011 unclaimed abandoned equity. The Board recommended that, on future ballot questions about unclaimed abandoned equity, potential recipients not include non-profits that have benefited within the previous two years.
- Board members, except Mark, will arrive at the Clyde Iron Banquet Center by 4:30 PM on Friday, October 14, 2011, for the Annual Owners meeting; Sharon will remind Clyde Iron staff to cover the windows in the meeting room to facilitate the power point presentation.
- Following discussion, the Board approved (MSC, David, Heather) extension of the request from Member #32 to extend the term of her Owner loan to June 30, 2012, subject to payment of accrued interest due as of the current maturity date of November 28, 2011.
- Discussion of the results of the 2011 Shopper Survey will be carried over to the November Board retreat.

Ownership Report - With respect to the September Ownership Report, the Board approved:

- (MSU, David, Heather) 59 new Owner applications,
- (MSU, David, Mark) four transfer of equity requests and one termination request from the estate of an Owner.
- (MSU, David, Mary) allocation of \$80 in Matching Funds for Owner #10418.

Financial Report – The Board reviewed the August 2011 Income Statement and recommended a formatting change in the report on average transactions. Sales growth to date in September is approximately 10% with a goal of 7%.

Compliance Reports – Barring objections, the Board accepted the Compliance Report on Policy D11 General Manager Evaluation Committee/Chris. Consideration of Chris' proposal to amend the wording of Policy D11 will be carried over to the October agenda.

Board Calendar – In response to management's questions regarding the Board's proposal for WFC to sponsor a live music event, the Board advised:

- The purpose of any such event/s is to connect with younger Owners and to encourage more young adults to become Owners; performers will be engaged in order to attract the 21-35 age group and room to dance is recommended.
- In general, there was support for the event to be a fundraiser with reduced/not free admission for Owners.
- Partnership with a local venue where beer can be served was encouraged, e.g., Clyde Iron, Pizza Luce, Sacred Heart.
- The Board is open to WFC co-sponsoring a musical event/s at a local venue though the opportunity to control costs, set admission and/or donate profits would change.
- The Board is open to an outside tent event (early evening/beer provided by outside vendor), e.g., to celebrate the remodeled parking lot.
- Response to the questions about project budget, Board participation, attendance goals, allocation of profits/losses, etc., will be reconsidered for each project proposed.

COMMITTEES

The Board Recruitment Committee will meet in early October to conduct Alison's exit interview; Theresa will participate in John's orientation.

The General Manager Evaluation Committee will meet at 4:45 PM before the Board meeting on Monday, October 24, 2011.

NEW BUSINESS

With respect to the topic of leadership continuity and officer succession, continuing Board members discussed their intentions and interests. Election of Board officers and committee assignments will be on the October meeting agenda.

Discussion of an intentional plan for Owner linkage will be on the agenda of the November retreat.

Following discussion, the Board approved (MSU, Alison, Mark) the following amendment to Policy D7 Governance Investment:

"We will invest in the Board's governance capacity by:

1. Ensuring that Board skills, methods and supports are sufficient to allow us to govern with excellence.
 - a. At least annually, the Board will offer professionally facilitated planning retreats and/or participation in other board and/or cooperative training opportunities like the Cooperative Board Leadership Development/CBLD program sponsored by Cooperative Development Services or the annual conference of the Consumer Cooperative Management Association/CCMA.
 - b. Including an item in the governance budget for "additional training opportunities"; with Board approval, directors are encouraged to participate in meetings and activities they feel complements their work on the Board.
2. Incurring governance costs prudently, though not at the expense of endangering the development and maintenance of superior capability.
 - a. Using training and retraining liberally to orient new directors ~~and candidates for membership, as well as~~ and to maintain and increase existing directors' skills and understandings.
 - i. Prior to the first Board meeting after an election, at least two Board officers and the General Manager will meet with new directors to:
 1. Review the Board's wiki site including, but not limited to, the Articles, Bylaws, Policies, Minutes, pre-meeting packets and other reports.
 2. Orient new directors to policy governance, financial reports, Board ethics, potential for conflicts of interest and the need for confidentiality with respect to Board participation.
 3. Describe committees and recruit new directors to serve on committees.
 - ii. Following the first Board meeting, discuss any questions with new directors.
 - iii. Conduct at least one interim interview with newly elected directors during the first year of Board service as part of the orientation process.
 - iv. Conduct exit interviews of outgoing directors as part of on-going improvement of the orientation process and Board development.
 - b. Arranging outside monitoring assistance as necessary so that the Board can exercise confident control over organizational performance.
 - c. Using outreach mechanisms as needed to ensure our ability to listen to owner viewpoints and values.

- d. Using professional and administrative support.
3. Relative to the cooperative's budget cycle, developing the Board's annual governance budget no later than April 30.

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

As approved by the Board of Directors on January 25, 2010
Amendments approved by the Board of Directors on September 26, 2011 “

Chris assigned Board compliance reports for October:

- Policy D3 Officers' Roles/Mark
- Policy D4 Board Members' Code of Conduct/Mary

Reminder of Gazette assignments due by October 31, 2011:

- Board Report/David (NCBA meetings; IYC 2012)
- Ownership Matters/Theresa (Food & Justice for All Gathering)

Heather's notes and attachments from the Food & Justice for All Gathering in Milwaukee earlier this month will be posted in the October 2011 meeting packet on the wiki site.

STUDY

Additional census and demographics materials from Mark have been posted on the wiki site for reference; no additional Board meeting time is requested on this subject.

Following an evaluation on process, the Board approved (MSU, Alison, David) adjourning this meeting at 7:40 PM.

Respectfully submitted,
Sharon Murphy, General Manager