

WHOLE FOODS COMMUNITY CO-OP, INC.
Minutes of JULY 2011 Meeting of Board of Directors
As approved by the Board of Directors on August 22, 2011

DATE: July 25, 2011
TIME: 5:30 PM
LOCATION: Whole Foods Co-op, 610 East 4th Street, Duluth, MN

Attended by Board members: Mary Dragich, Chris Edwardson, Mark Friederichs, David Helf, Theresa Koenig, and Heather Murphy. Also present: General Manager Sharon Murphy and Owners John Westlund, Joann Wells, Jean Sramek and Eric Ament.

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 5:35 PM. David accepted timekeeper duties. 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:

- Board members are invited to attend a benefit preview of the children's play *Our Peace O'Ground* at Harbor City High School on Thursday, July 28.
- WFC's Midsummer Food Fest, Saturday, August 6, 2011, 10-2
- 2011 Hill Fest event featuring Tofu Toss in WFC's parking lot on Saturday, September 17th
- WFC-sponsored showing of the documentary "FRESH!" at the Zinema on Sunday, October 2, at 6:30 PM (free to Owners)

The Board authorized (MSU, Mary, Mark) Heather and Theresa to attend and report back to the Board on the Growing Food & Justice for All Gathering in Milwaukee, WI, on September 9-11, 2011, at an approximate cost of \$1,267/person.

The Board authorized (MSU, Theresa, Heather) Chris and David to attend and report back to the Board on the National Cooperative Business Association Annual Meeting and workshops in Minneapolis, MN, on October 4-7, 2011, at an approximate cost of \$1,100/person.

REVIEW

Minutes – The Board approved (MSU, Theresa, David) the draft of the Minutes of their June 27, 2011, meeting.

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

- Planning for development of 630 East 4th Street property – no action requested at this time.
- The Board authorized (MSU, David, Heather) Board President Chris Edwardson and/or Board Vice President Theresa Koenig and General Manager Sharon Murphy to sign any and all documents as requested by Members Cooperative Credit Union/MCCU in order to acknowledge the decision by the MCCU Board to purchase the balance owing as of closing on WFC's mortgage with the Zeppa Family Foundation.

- Over 1,200 electronic responses were received to the 2011 Shopper Survey compared to 445 printed responses to the 2009 Shopper Survey; University of Wisconsin at River Falls is tabulating and analyzing data with results expected in early August.
- A new local food system group: Lake Superior Good Food Network Coordinating Council.
- WFC will accept American Express cards in September 2011.
- The Board approved (MSU, David, Mark) allocation of \$35,000 for a storewide performance bonus for eligible employees for the period April 1-June 30, 2011.
- The Board authorized (MSU, Mary, Mark) distribution of approximately \$3,000 of the oldest abandoned equity pursuant to the terms of its Abandoned Equity Process including asking Owners to complete a survey question on the 2011 Board election ballot to determine the local, mission-related non-profit that will receive 2011 unclaimed abandoned equity.
- The Board approved (MSU, Heather, David) the following resolution of support for the United Nations resolution proclaiming 2012 as the International Year of Cooperatives. This resolution will be enlarged and posted at WFC's Annual Owners Meeting on October 14 for Owners who wish to add their signatures.

Resolution on the International Year of Cooperatives

WHEREAS, The United Nations General Assembly Resolution 64/136 on cooperatives in social development proclaims the year 2012 as the International Year of Cooperatives (IYC);

WHEREAS, The theme of the International Year is "Cooperative Enterprises Build a Better World";

WHEREAS, The Resolution recognizes that "cooperatives, in their various forms, promote the fullest possible participation in the economic and social development of all people, including women, youth, older persons, persons with disabilities and indigenous peoples, are becoming a major factor of economic and social development and contribute to the eradication of poverty";

WHEREAS, The Resolution encourages all relevant stakeholders to take advantage of the IYC to promote cooperatives, to raise public awareness of the contribution of cooperatives to social and economic development and to promote the formation and growth of cooperatives;

WHEREAS, The National Cooperative Business Association (NCBA), a membership association representing cooperatives in the United States, has advocated that the United States and its government participate in the International Year;

WHEREAS, NCBA is preparing tools and materials to enable cooperatives to take advantage of the IYC to promote cooperatives;

WHEREAS, The cooperative business model has empowered people around the world to improve their lives through economic and social progress;

WHEREAS, Cooperatives are a major economic force in developed countries and a powerful business model in developing countries, employing 100 million people;

WHEREAS, Millions of cooperatives operate in every nation of the world, owned and governed by more than 1 billion members;

WHEREAS, The economic activity of the largest 300 cooperatives in the world equals the 10th largest national economy;

WHEREAS, More than 29,000 cooperatives operate in the United States;

WHEREAS, U.S. cooperatives generate 2 million jobs, make a substantial contribution to the U.S. economy with annual sales of \$652 billion and possessing assets of \$3 trillion;

WHEREAS, Cooperatives are the people's business, and for more than a century have been a vital part of the world economy. Now, therefore, be it

RESOLVED, That Whole Foods Community Co-op, Inc., convened at its 2011 Annual Meeting in Duluth, MN, commits to

1. Join with NCBA and its members in supporting and celebrating the year 2012 as "the International Year of Cooperatives";
2. Recognize the vital role cooperatives play in the economic and social well-being of the United States; and

3. Celebrate the year by engaging in efforts to raise the profile of cooperatives and demonstrate how cooperatives build local wealth, generate employment and provide competition in the marketplace.
 - Following discussion of information provided by WFC's accountant, the Board approved (MSU, David, Mark) maximizing bonus depreciation for tax filings for FY 2011 (ended June 30, 2011).
 - Following discussion of information provided by WFC's accountant and in recognition of a profit from Owner purchases in FY 2011 in the amount of \$468,377, the Board approved (MSU, David, Mark) a cash patronage rebate payable by December 31, 2011, in the amount of 20% of that profit (\$93,675) to eligible Owners whose cash rebate will equal a minimum of \$5.00 in accordance with WFC's Bylaws (Article VII Patronage Dividends/Reserve Funds, Section 4(b)(2) Capital Reserve); the remainder of profit from purchases by eligible Owners in FY 2011 (\$374,702) will be allocated to retained equity of each Owner in proportion to his/her net purchases in FY 2011; Owners not eligible for the FY 2011 cash rebate will receive a 5% off coupon valid for one purchase through December 31, 2011.

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

- (MSU, Mark, Heather) 77 new Owner applications,
- (MSU, Heather, David) refund of one term/transfer request (Owner No. 10081).

There were no requests for Matching Funds on this month's Ownership Report. The Board noted that, as of June 30, 2011, WFC has 6,254 active Owners and 1,112 inactive Owners.

Financial Report – The Board reviewed draft (subject to end of year tax and rebate adjustments) financial statements for June, 4th Quarter and end of Fiscal Year 2011. Sales growth to date in July is approximately 11% with a goal of 5%.

Compliance Reports – Barring objections, the Board accepted compliance reports on the following policies:

- Policy D1 Governing Style/Mary
- Policy D5 Committees/Theresa
- Policy D6 Meetings/David (suggested revision withdrawn)
- Policy D8 Minutes/Heather

Board Calendar – The Board discussed but recommended no change in the ENDS statement at this time.

Committees – Notes from today's meeting of the General Manager Evaluation Committee will be included in the August pre-meeting packet.

NEW BUSINESS

David offered to write the Board report for the winter issue of the *Garbonzo Gazette* (submission deadline October 31, 2011).

STUDY

Heather introduced discussion on the topic of sustainability and food issues with reference to the following articles:

- How to Feed the World in 2050 (a paper by the Food & Agriculture Organization of the United Nations) and

- An Abstract on “Project Eggplant,” a new project of Community Action’s Seeds of Success Duluth Urban Acres Coalition.

Next month’s study topic is population and demographics; Mark will gather U.S. Census data on our region and we will review the demographic results of WFC’s 2011 Shopper Survey.

Following an evaluation on process, the Board approved (MSU, Heather, Theresa) adjourning this meeting at 7:35 PM.

Respectfully submitted,
Sharon Murphy, General Manager