

**WHOLE FOODS COMMUNITY CO-OP, INC.**  
**Minutes of OCTOBER 22, 2012, Meeting of Board of Directors**  
*Approved by Board of Directors on November 26, 2012*

DATE: October 22, 2012  
TIME: 5:30 PM  
LOCATION: Whole Foods Co-op, 610 East 4<sup>th</sup> Street, Duluth, MN

Attended by Board members: Jennifer Cummings, Chris Edwardson, David Helf, Heather Murphy, Mickey Pearson and John Westlund. Board member Jean Sramek did not attend this meeting. Also present: General Manager Sharon Murphy.

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 5:31 PM. David accepted timekeeper duties. Board members were prepared and reported no conflicts of interest. Board members reported positive owner linkage relating to the 2012 Annual Owners Meeting conducted on October 13, 2012, at the DECC.

### **CONSENT AGENDA**

Chris reviewed the intention and process for a Consent Agenda. By consensus, the following items were removed from the Consent Agenda:

- Compliance Report on Policy D1 Governing Style/Chris – not received/carried over to November.
- Compliance Report on Policy D4 Code of Conduct/Chris – not received/carried over to November.

The Board approved/accepted (MSU, John, Mickey) the following items on the October 2012 Consent Agenda:

- Important Dates
- Minutes of September 2012 Board Meeting/open session
- October 2012 Owners Report
  - 73 ownership applications accepted
  - Transfer of equity approved for Owner Nos. 12495, 47 and 12139
  - Owner Nos. 11520 and 11340 each approved for Matching Funds of \$80 based on income eligibility.
- Compliance Report on Policy B8 Treatment of Consumers/Sharon
- Compliance Report on Policy B10 Community Commitment/Sharon
- Compliance Report on Policy B11 Peer Accountability/Sharon
- Board Calendar
- Assigned Board Compliance Report for November: D3 Officers Roles/Heather

### **NEW BUSINESS**

#### **REVIEW MANAGEMENT REPORT**

The Board approved (MSU, John, David) management's request to authorize the following resolution required by the US Small Business Administration with respect to our loan authorization:

**RESOLUTION OF BOARD OF DIRECTORS OF  
WHOLE FOODS COMMUNITY CO-OP, INC.**

- (1) RESOLVED, that the officers of WHOLE FOODS COMMUNITY CO-OP, INC. (hereinafter referred to as "Organization") named below, or any one of them, or their, or any one of their, duly elected or appointed successors in office, be and they are hereby authorized and empowered in the name and on behalf of this Organization to execute and deliver to the Small Business Administration, an agency of the Government of the United States of America (hereinafter called "SBA"), in the form required by SBA, the following documents:
  - a. Application for a loan or loans, the total thereof not to exceed in the principal amount of \$363,800.00, maturing upon such date or dates and bearing interest at such rate or rates as may be prescribed by SBA;
  - b. Applications for any renewals or extensions of all or any part of such loan or loans and of any other loans, heretofore or hereafter made by SBA to this Organization;
  - c. The Note or Notes of this Organization evidencing such loan or loans or any renewals or extensions thereof;
  - d. Any other Instruments or Agreements of this Organization which may be required by SBA in connection with such loans, renewals, and/or extensions; and that said officers in their discretion may accept any such loan or loans in installments and give one or more Notes of this Organization therefore, and may receive and endorse in the name of this Organization any checks or drafts representing such loan or loans or any such installments; and
  - e. Sign Guarantee of loan or loans in the principal amount of \$363,800.00 to WHOLE FOODS COMMUNITY CO-OP, INC.
- (2) FURTHER RESOLVED, that the aforesaid officers or any one of them, or their duly elected or appointed successors in office, be and they are hereby authorized and empowered to do any acts, including but not limited to the mortgage, pledge, or hypothecation from time to time with SBA of any or all assets of this Organization to secure such loan or loans, renewals and extensions, and to execute in the name and on behalf of this Organization or otherwise, any Instruments or Agreements deemed necessary or proper by SBA, in respect of the collateral securing any indebtedness of this Organization;
- (3) FURTHER RESOLVED, that any indebtedness heretofore contracted and any Contracts or Agreements heretofore made with SBA on behalf of this Organization, and all acts of officers or agents of this Organization in connection with said indebtedness or said Contracts or Agreements, are hereby ratified and confirmed;
- (4) FURTHER RESOLVED, that the officers referred to in the foregoing resolution are as follows: CHRIS EDWARDSON, President, and HEATHER MURPHY, Secretary.
- (5) FURTHER RESOLVED, that SBA is authorized to rely upon the aforesaid resolutions until receipt of written notice of any change.

Sharon distributed draft Minutes from the 2012 Annual Owners Meeting conducted on October 13, 2012, for Board review. No changes were recommended. These Minutes will be included in the 2013 Annual Report for approval at the 2013 Annual Owners Meeting. The Board agreed that management should negotiate with the DECC for a date in October 2013 for the next Annual Owners Meeting.

Sharon reported that October sales to date are 9% ahead of October 2011 with a goal of 8% sales growth and advised the Board about volunteer opportunities available at WFC's Halloween Party scheduled for 4-7 PM on Wednesday, October 31, 2012, in the Dungeon of Doom.

With respect to progress on flood recovery efforts on the 4<sup>th</sup> Street level, Sharon advised that, weather permitting, the construction fence around the parking lot is scheduled to come down about 1 PM on Tuesday, October 23, and the improved and expanded lot will then be available for customer parking. Amenities including, but not limited to, the bus shelter, parking lot lights, permanent railings along the retaining wall and outside staircase, bike racks, landscaping, pavers for the outside seating

area, and public party to celebrate the new lot will follow. With respect to flood recovery efforts on the alley level, the Board authorized Sharon to research options regarding possible purchase of the 25' wide strip of land between the staff lot and the exposed section of Brewery Creek culvert.

### **BOARD OFFICER ELECTIONS**

Following the nomination process and submission of paper ballots, Board officers for the next 12 months are:

- President Chris Edwardson
- Vice President David Helf
- Secretary Heather Murphy
- Treasurer John Westlund

### **BOARD COMMITTEE ASSIGNMENTS**

Following discussion, the following committee affiliations were established:

- ❖ General Manager Evaluation Committee
  - Chris Edwardson, Chair
  - David Helf
  - Jean Sramek
  - John Westlund
- ❖ Finance Committee
  - John Westlund, Chair
  - Chris Edwardson
  - David Helf
- ❖ Board Recruitment and Election Ballot Committee
  - Heather Murphy, Chair
  - Jennifer Cummings
  - Mickey Pearson

### **COMPLIANCE REPORTS/FINANCIALS**

Barring objections, the Board accepted management's compliance reports on the following policies:

- B4 Financial Condition for FY 2012 including the external financial audit for FY 2012 and
- B4 Financial Condition for 1<sup>st</sup> Quarter/FY 2013; John noted a discrepancy on a footnote on the September Income Statement – that statement will be amended and re-posted.

### **AGENDA FOR BOARD RETREAT ON NOVEMBER 3, 2012**

Following discussion, Chris agreed to work with CBLD Consultant Nina Johnson on constructing an agenda for the Board's November 3 retreat including establishing Board goals for calendar 2013 including, but not limited to, Owner education on Class C stock opportunity. Chris asked Board members to review the Board's 2012 goals (see Policy D2 Board Job Products, Section 4) as well as management's Strategic Plan for Growth of WFC (accepted by the Board August 27, 2012) with respect to Board actions required on the internal readiness time line. Chris will also ask Nina for resources and an exercise related to policy governance education on the Board's role in an expansion.

### **OLD BUSINESS**

#### **CLASS C STOCK**

Following discussion, the Board asked Sharon to research Class C stock offering policies from other co-ops. This discussion will be continued at the November Board meeting.

Following a written evaluation on process, the Board approved (MSU, Heather, John) adjournment of this meeting at 7:30 PM.

Respectfully submitted,  
Sharon Murphy, General Manager