

WHOLE FOODS COMMUNITY CO-OP, INC.
Minutes of JANUARY 28, 2013, Meeting of Board of Directors
Approved by Board of Directors on February 25, 2013

DATE: January 28, 2013
TIME: 5:30 PM
LOCATION: Whole Foods Co-op, 610 East 4th Street, Duluth, MN

Attended by Board members: Jennifer Cummings, Chris Edwardson, David Helf, Heather Murphy, Mickey Pearson, Jean Sramek and John Westlund. 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 5:33 PM. David accepted timekeeper duties. Board members were prepared and reported no conflicts of interest.

CONSENT AGENDA

The Board approved/accepted (MSU, Heather, Mickey) the following items on the January 2013 Consent Agenda:

- Important Dates
- Minutes of December 2012 Board Meeting/open session

NEW BUSINESS

Chris will write the Board column and Jean will write the Owner Matters column for the summer Gazette (submission deadline April 15, 2013).

REVIEW

JANUARY OWNERS REPORT – The Board approved:

- (MSU, John, David) 49 new owner applications,
- (MSU, David, Jennifer) four term/transfer requests (Owners #4833, 8800, 13029 and 6401) and
- (MSU, Mickey, Jean) the request of Owner #11662 for Matching Funds in the amount of \$40.00.

COMPLIANCE REPORTS – Barring objections, the Board accepted the following compliance reports:

- B4 Financial Condition and December 2012 and 2nd QTR/FY 2013 financial reports/Sharon
- C1 Unity of Control/Chris and Sharon
- C2 Delegation to General Manager/Chris and Sharon
- C3 General Manager Job Contribution/Chris and Sharon
- C4 Monitoring General Manager Performance

The compliance report on Policy D2 Board Job Products will be carried over to the Board's February agenda.

NEW BUSINESS

MANAGEMENT REPORT

Sharon reported that US Small Business Administration/SBA loan proceeds have not yet been received, and that there has been no announcement to date of approved DEED loans.

The Board approved (MSU, Jean, David) management's request for a Storewide Performance Bonus for the 2nd Quarter of Fiscal Year 2013 (October-December 2012) in the amount of \$31,332.

At management's request, the Board approved (MSU, David, Mickey) the following clarifications to Section 6 of Policy C4 Monitoring General Manager Performance:

POLICY C4

MONITORING GENERAL MANAGER PERFORMANCE

...6) The Board's annual evaluation of the General Manager, based on a summary of monitoring reports received from ~~(date)~~ through ~~(date)~~ the previous four quarters, will be completed by ~~(date)~~ May 1 annually. The Board will make its decisions concerning the evaluation, the employment contract and compensation no later than ~~(date)~~ the May Board meeting each year.

Sharon advised that average daily sales growth through January 27 is at 10% with a goal of 9%.

BOARD CALENDAR

The Board scheduled a meeting of the General Manager Evaluation Committee for 4:30 – 5:30 PM on Monday, February 25, 2013, in the conference room.

The Board agreed to plan the 2013 Annual Owners Meeting as a committee of the whole with time at the Board's spring retreat to be allocated for developing the process and compelling questions for a World Café event at the Annual Meeting. Jennifer will forward information to the Board on an upcoming Art of Hosting training.

The Board accepted (MSU, Heather, David) the January 6, 2013, draft of its 2013 Calendar with the date for the Board's spring retreat to be determined.

OLD BUSINESS

The Board approved (MSU, Jean, John) the following proposed amendments to Section 4 of Policy D2 Board Job Products:

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 2013:
- a. Set annual goals at November retreat; goal setting will be the primary focus at this retreat.
 - b. Develop a strategic thinking mechanism/template (e.g., thought provoking questions) to include in the Board's monitoring process.
 - c. Determine Board tasks related to management's Strategic Plan and incorporate those tasks into the Board's calendar.
 - i. These tasks become a subset of c above; e.g., set dates for strategic conversations with stakeholders.
 - d. Develop Class C stock policies as needed.
 - e. Plan/calendar Board participation in training/development opportunities; e.g., CBLD 101, CBLD Leadership Training, CCMA, etc.
 - f. Plan/calendar Board participation in ENDS-related community events to connect with stakeholders.
 - g. Continue refining the Board's three-year rolling plan; e.g., maintain a parking lot of ideas on the wiki or other electronic method accessible to Board.

This policy will be monitored annually by internal report from the Board in ~~February~~ January.

Mickey read his draft response to Owner #2694. The Board added and edited comments and requested that Mickey email the response on behalf of the Board and that Sharon also respond with respect to this owner's concerns with store operations.

Jean and John expressed interest in attending the Consumer Cooperative Management Association/CCMA Conference in June 2013.

Following a written evaluation on process, the Board approved (MSU, Jean, David) a motion to adjourn at 7:26 PM.

Respectfully submitted,
Sharon Murphy, General Manager