

WHOLE FOODS COMMUNITY CO-OP, INC.
Minutes of JUNE 25, 2012, Meeting of Board of Directors
As amended and approved by the Board of Directors on July 23, 2012

DATE: June 25, 2012
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, Heather Murphy and John Westlund. Also present: General Manager Sharon Murphy, and Owners MaryAnn Bernard, Jennifer Cummings, Larry Spears and Jean Sramek.

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 5:32 PM. Theresa accepted timekeeper duties. Board members were prepared and no conflicts of interest were noted.

CONSENT AGENDA

Chris reviewed the intention and process for a Consent Agenda. The Board Compliance Report on Policy D7 Governance Investment was withdrawn from the Consent Agenda as it was not received prior to the Board meeting. The Board approved/accepted (MSU, David, Theresa) the following items on the June 2012 Consent Agenda:

- Important Dates
- Minutes of the May 21, 2012, Board meeting
- June 2012 Owners Report
 - 71 ownership applications
 - Eight requests (Owner Nos. 11506, 7284, 397, Soudan Buying Club, 1072, 9748, 1255, and 11612) for term/transfer of equity
 - One request (Owner No. 11033) for \$80 of Matching Funds.
- May 2012 Income Statement
- Assignment of the July Board Compliance Reports as follows:
 - Policy D1 Governing Style/Theresa
 - Policy D5 Board Committees/Mary
 - Policy D6 Board Meetings/Chris
 - Policy D8 Minutes Procedure/Heather

- Amendment of Section 4 of Board Policy D2 Board Job Products:
 - 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).

4. Progress on annual goals for calendar 2012:

- a. Set annual goals for calendar 2013 at November half-day retreat. Goal setting will be the primary focus at this retreat.
- b. Focus on strategic thinking. Have strategic conversations. For example have more than one solution for an issue/challenge/problem and make a choice between options.
- c. Review our ENDS. (This is to be an annual goal accomplished by the end of April.) Do our ENDS allow for or hinder strategic conversation? Further define healthy community.
- d. Improve Board Meeting process and discussion. Be intentional about including everyone on every issue. Be sure that we hear opinions that challenge conventional wisdom, and that we consider possible opinions of those who are absent.
- e. Synchronize Board and GM planning process.
- f. Use the IYC to promote and support cooperatives as a business model and educate Owners and the community.
- g. Continue efforts to create a three-year rolling plan. Maintain a parking lot of ideas on the wiki and explore other ways to electronically convey the Board's message to Owners and/or to each other.

COMMITTEES

Mary advised that the Board Recruitment and Election Ballot Committee has not met since the May Board meeting. To date, Owners Jennifer Cummings, Larry Spears and Mickey Pearson have attended two Board meetings in the last 12 months. Chris Edwardson confirmed that he plans to run again.

Mark reviewed the written report and recommendations submitted by the Finance Committee from their meeting on June 7, 2012. The Board accepted and approved, (MSU, Mary, John) the proposed operating and capital budget for FY 2013. The Board approved, (MSU, David, Mark) amendment of Section 6 of Policy B4 Financial Condition as follows:

- 6) Fail to establish a plan by which the Cooperative will achieve a current (A/L) ratio of at least ~~1.50:1.00~~ 1.25:1.00 and no more than ~~3.50:1.00~~ 3.00:1.00 and, should the current ratio fall below ~~1.50:1.00~~ 1.25:1.00 or rise above ~~3.50:1.00~~ 3.00:1.00, fail to notify the Board at the next Board meeting of said condition, reasons for said condition, and corrective action/plan to remedy said condition.

NEW BUSINESS

REVIEW MANAGEMENT REPORT

The Board approved, (MSU, David, Mary), management's request to amend the ENDS Policy as follows:

In Duluth there is a thriving consumer-owned cooperative that supports, invests, and partners to create a healthy community including, but not limited to, a healthy regional food system.

For whom:

- 1) *The Community*
 - a. *Local = ~~Co-op neighborhood~~ Twin Ports*
 - b. *Local LOCAL = ~~Twin Ports/North Shore~~ The 15-county region of Northeastern Minnesota and Northwestern Wisconsin known as The Superior Compact*
- 2) *The Regional Food System (300 mile radius)*
- 3) *Cooperatives*

Management's logistical plan for the 2012 Annual Owners Meeting was distributed to the Board. The Board approved, (MSU, John, Theresa), the following equity transfers pursuant to the IOU and Other Credit Policies for Members:

The following Owners are in arrears on IOUs by a minimum of 60 days:

OWNER NUMBER	EQUITY AVAILABLE	OUTSTANDING DEBT
#1102	\$100	\$19.40
#2061	\$100	\$18.00
#2409	\$100	\$20.00
#7955	\$100	\$19.66
#8010	\$100	\$12.43
\$9474	\$100	\$11.70
	TOTAL	\$101.19

The following Owners have insufficient funds checks over 60 days in arrears:

OWNER NUMBER	EQUITY AVAILABLE	OUTSTANDING DEBT
#9547	\$100	\$20.00
#10538	\$100	\$70.00
	TOTAL	\$90.00

With respect to the city-wide flood event on June 20, 2012, Sharon reported to the Board that there was no damage to the building or contents and there were no injuries to staff or to customers and no loss of personal property. Sharon is meeting with engineers and inspectors from the City of Duluth, WFC's flood insurance adjuster and engineer, and WFC's general contractors and engineers for the 2005 and 2012 parking lot/retaining wall projects. Builders Commonwealth is repairing the outside staircase and removed debris and constructed safety zones in the alley, staff parking lot and customer. Staff are working with vendors on the logistics of receiving product without access to our loading dock. Except for closing at 4 PM on June 20, 2012, when the Mayor declared a state of emergency and recommended no travel, WFC has maintained regular hours and services. Sales volume returned to and have maintained at expected levels as of June 21, 2012.

Management expects the alley will be repaired within a month as it is part of Duluth's transportation infrastructure. Repairs to the Brewery Creek culvert will be made subsequent to water levels receding so the city engineers can assess the damage and make recommendations. As repairs to the culvert will require further excavation of our parking lot, no action will be taken to reconstruct the retaining wall and develop the affected areas of the parking lot until the culvert is repaired.

COMPLIANCE REPORT

Barring objections, the Board accepted as amended (spelling error) management's Compliance Report on Policy B3 Budgeting/Financial Planning.

CLOSED SESSION

At approximately 6:30 PM, Chris declared the Board in closed session. All guests and management left the meeting at this time. At approximately 6:48 PM, Chris declared an end to the closed session and Sharon guests returned to the meeting.

PROPOSALS/STUDY

The Board discussed the articles in the May/June 2012 *Solutions* (Cooperative Development Services) newsletter regarding food co-ops with multiple locations.

Discussion of articles in the spring 2012 edition of the *LEADer* newsletter, a publication of the Western Corridor of the National Cooperative Grocers Association, will be on the Board's July agenda.

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

Respectfully submitted,
Sharon Murphy, General Manager