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# WHOLE FOODS CO-OP

IS A CONSUMER-OWNED COOPERATIVE  
WITH OVER 3,500 MEMBER/OWNERS

**YOU** ARE A MEMBER/OWNER OF WHOLE FOODS CO-OP

### Definition

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

### Values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility, and caring for others.

### Principles

The Cooperative Principles are guidelines by which cooperatives put their values into practice.

#### First Principle

Voluntary and Open Membership

#### Second Principle

Democratic Member Control

#### Third Principle

Member Economic Participation

#### Fourth Principle

Autonomy and Independence

#### Fifth Principle

Education, Training and Information

#### Sixth Principle

Cooperation Among Cooperatives

#### Seventh Principle

Concern for the Community



*Our grid-tied solar panel illustrates your Co-op's commitment to the fifth and seventh Co-op principles.*

FISCAL YEAR



2 0 0 6

ANNUAL

REPORT





# board's annual report 2005 by Jean Sramek

This might be the best WFC Annual Meeting ever. I feel like a little kid, saying that, but I mean it. In fact, I'm pretty sure I said that in 2005, and probably the year before that as well. But last year was special because we had the meeting at our new store at 610 E 4th Street. It was also tantalizing, even excruciating, so close and yet so far—since the construction on the new site was not quite completed and we were not able to let our membership tour, let alone shop in, the new store.

It's nine months later. Not only

will we be able to have the Annual Meeting at WFC's new store, but we no longer call it "the new store." We no longer have to dream or speculate or wonder what the new store will look like, because it's a three-dimensional reality. If we want to, we even have the luxurious option of taking the new store for granted. "Oh yeah, sure—that's the Whole Foods Co-op. Great, isn't it? I'm a member, you know," as if we'd always been there, as if we hadn't spent almost seven years looking for a site to expand, as if we didn't have 3,500 member-owners, and as if the

place wasn't financed with the help of almost \$900,000 in member loans.

I don't usually recommend taking things for granted, and I think WFC member-owners are prevented from doing so just about every time we shop at the new s ... I mean "the store." On behalf of the WFC Board of Directors, I look forward to seeing all of you at the 2006 Annual Meeting on Friday, July 28. It will be the best WFC Annual Meeting ever—that is, until the 2007 Annual Meeting.

## committee reports

*The following committees met in FY 2006:*

### The Membership Committee

Lynn Fena, Chair

The Membership Committee continued its review of WFC's member discount structure in meetings in March and May 2006. The Membership Committee submitted its recommendations to the Board, and the Board approved discontinuing accrual of the working member discount and elimination of the senior member discount effective as of the end of business on June 30, 2006. Also following the recommendations of the Membership Committee, the Board encouraged management to develop sustainable member benefits and promotional discounts that benefit all customers.

### The General Manager Evaluation Committee (GMEC)

Jean Sramek, Chair

The GMEC is a Board-only committee that meets quarterly to monitor the General Manager's performance and, in alternate years, negotiate and recommend contract changes.

### The Finance Committee

Jeri Brysch, Chair

The Finance Committee is a Board-only committee that meets as needed with the General Manager to monitor financial performance, review budget projections, and consult with the General Manager on financial matters (e.g., audit

inquiries, patronage rebates, expansion financing).

### The Food Policy Committee

Chad Coffey, Chair

This committee reviewed management's 2005 Compliance Report to WFC's Food and Non-Food Policies in August 2005 and, due to a change in the Board's monitoring calendar, reviewed management's 2006 Compliance Report in April 2006. Following the committee's recommendations, the Board accepted the compliance reports and edited the Food Policies accordingly.

### Our Board of Directors



Jeri Brysch



Chad Coffey



Chris Edwardson



Lynn Fena



Erik Hahn



Theresa Koenig



Jean Sramek



# from member services

by Gina La Brosse, Member Services Coordinator

What a lovely cooperative grocery store we have here! Well worth the wait, I'd venture to say. From the comments we've received from our awesome members (and non-member regulars) it seems there's a bit of a love fest going on! What a beautiful thing to be a part of, watching all the long-term plans for this Co-op take on a true life of it's own.

When I was put in charge of organizing classes for our new space it was not a stretch to trust the great potential of that classroom and all it could offer this community. I have to say how amazing it has been to coordinate with such an open, diverse group of individuals who took the time to share their knowledge, laughter and expertise. I appreciate them exchanging their energy here to bring a greater understanding of the world around us and inside us.

Without further ado, I'd like to list the classes we offered to the community these first five months of our existence in our new classroom: January, February and March we hosted a three-part series on "Nourishing the Brain" by Dr Gary Kohls. The information he shared was enlightening and certainly called us to action for our brain health.

January also saw member Dan Shapiro give a great demonstration of "Whole Grain Baking" and was the first to use our new ovens! In March we had a delicious demonstration of the "Basics of Rolled Sushi" with Frank von Poppen. Mouth-watering memories! In April we hosted Tehri Parker lecturing on "Introduction to Renewable Energy" that was well received and well attended.

The first Saturday of April brought Emily Montgomery who did a fascinating workshop on "Juicing For Life", which was not only fun but also nothing less than vital information for restoring health to our bodies.

Richie Townsend came in April for a "Drumming the Circle" and



filled our classroom with rhythms from many different cultures with all kinds of very cool drums! I brought my own drum and didn't realize I could make those sounds come out of it!

In May the classroom was host to our own Bjorn Gangeness of the Produce Department and his presentation on the "The Radical Act of Saving Seed". His depth of knowledge and his own experiences with this ancient practice were not only fascinating but an urgent call to save seeds for our future generations, before it is, in fact, too late.

June hosted Lyndon Ramrattan doing his "Caribbean Cooking 101," his salsas have been a well-received gift made from our fresh produce and his skilled culinary heritage. Again, mouth-watering memories!

The remainder of our schedule was filled by our very extensive "in-house" training sessions hosted by our Buyers and Managers for our new co-op staffers. Some of these

classes have been made available to the public and to other employees from regional cooperatives throughout the Midwest and are beginning to be nationally recognized. I'm telling you, we rock!

By the time you all read this, the July/August/September class schedule will be in full swing with all the new offerings from our bountiful community. I truly hope you find a topic that will bring you to your beautiful classroom. Perhaps you'd like to rent the space or teach a class yourself? As I said, there is unlimited potential as we continue to learn and grow and spiral upward in our new space.

Thank you to all who have supported this essential cooperative principle of education and outreach, and here's to this awesome co-op community!

**For several years some WFC employees have generously shared their professional experience and teaching talents with other WFC staff through our employee classes. These folks have done an outstanding job above and beyond their job descriptions and they deserve our thanks and special appreciation:**

- **Customer Service Training:** Deb Manhart & Shannon Szymkowiak
- **The Incredible Bulk:** Jim Richardson
- **Store Safety:** Deb Manhart & members of the Staff Safety Committee
- **Food Safety:** Deb Manhart
- **Perfection in Produce:** Michael Karsh
- **Cool is Cool:** Jesse Hoheisel & Brad Rozman
- **Co-op 101:** Christof von Rabenau
- **What Else is There?:** Jill Holmen
- **HBC! HBC!:** Jill Hall
- **Organic Standards:** Michael Karsh & Shannon Szymkowiak



## STAFF

### ADMINISTRATION

*General Manager* Sharon Murphy

*Finance Manager* Christina Cotruvo

*Administrative Assistants*

Debra Elmer • Karen Johnson

Martha Livingston • Julie Unulock

*Human Resources Manager*

Colleen Kelly

*Training Coordinator*

Jill Holmen

*IT Manager*

Christof von Rabenau

*IT Coordinator*

Andy Theuninck

*Marketing & Member Services Manager*

Shannon Szymkowiak

*Member Services Coordinator*

Gina LaBrosse

### DELI

*Manager* Jane Herbert

*Assistant Managers*

Eric Bong • Per Carver

*Cooks*

Jackie Bradley • Vicky Carper

Timothy Daniel • Ben Dumke

John Freedline • Anni Friesen

Heidi Frison • Kim Grinde

Claire Hanlon • Avy Jackson

Melissa Litchke • Dolores Meidl

Dan Sauter • Wendy Sjoblom

Heather Telschow • Chad Terch

John Underwood • Jeff Wilson

*Counter Assistants*

Liz Auchter • Emily Demmer

Kala Edwards • Andrea Geary

Katy Pokela • Rianna Reiter

*Prep Cooks*

Bjorn Bjerklie • Lynette Chesnery

Mike Colvin • Travis Erickson

Matt Niesen



## management report by Sharon Murphy, General Manager

In 3/4 time for Fiscal Year (FY) 2006

After a very well-attended but chilly Annual Meeting outside our new site in late September 2005, the Board reshuffled their calendar and resolved the Annual Meeting for 2006 should occur in summer. As Duluthians, we know that summer is only guaranteed for two weeks in July. Our fiscal year ends on June 30th but, in order to get the Annual Report out in time for a July Annual Meeting, articles are due in before June 1st. So, what follows is management's report for FY 2006 **Quarters:**

**ONE:** *Construction and equipment move-in at 610, status quo at 1332, The Big Hire Month,*

**TWO:** *The Big Training Month, closing 1332, frantic final touches at 610, 35th Anniversary and preview party, record sales on opening day, staff turnover begins, and*

**THREE:** *Grand Opening Celebration, sale of 1332, Board accepts Business Plan for calendar 2006 & 2007, solar panels and outside lights installed, staff turnover slows down...*

And our hopes for **Quarter FOUR:**

- Complete the construction punch list
- Good news from the U.S. Green Building Council on the Co-op's application for LEED (Leadership in Energy & Environmental Design) certification, and;
- Close in on break-even operations.



The commitment, combined wisdom and experience of the Co-op's Management Team provided the inspiration and leadership to get onto solid ground at the new site. They all made it through the move and continue to grow with each new challenge:



*Sharon Murphy, digging her new digs.*

Lisa Anderson, *Merchandising Manager*  
Christina Cotruvo, *Finance Manager*  
Jane Herbert, *Deli Manager*  
Michael Karsh, *Produce Manager*  
Colleen Kelly, *Human Resources Manager*

Briana Lowrie, *Front End Manager*  
Deb Manhart, *Store Ops Manager*  
Shannon Szymkowiak, *Marketing & Member Services Manager*  
Christof von Rabenau, *IT Manager*



Riding the wave of all the changes in work environment, tools, equipment, policies, systems, and communication practices, our staff size has evolved from an average of 50 at the previous site to a high of 138 to the current average of 118. Of the employees from our previous site, 40 people are still with us though many have different job titles and/or are in different departments. Our new employees share a commitment to the Co-op's mission and values, and they bring a wealth of business and personal experience and energy for which we are very grateful.

In April 2006, management reported to the Board on compliance with the storewide goals of the calendar 2006 Business Plan:



	GOAL	ACHIEVED
Sales growth over previous year	65%	80%
Personnel costs as a percentage of total sales	25%	30%
Margin (% of sales retained after paying cost of goods sold)	35.65%	36.07%
Average new members per month	50	85
401K benefit	Implement	Done
1332 East 4th Street	Sell	Done

The primary goals of our Business Plan are to:

- Merchandise 610 and develop human resources and operating systems to meet or exceed annual membership goals and financial goals including sales, margin, labor, profitability, and debt service.
- Maintain 610 physical plant and grounds, reduce energy consumption, promote recycling, alternative transportation, and alternative energy, and obtain and educate community about LEED certification.
- Research new projects and additional services based on responses to surveys of market area and industry trends, members, customers and

staff, and prioritize and implement based on WFC’s Mission Statement, Core Values, Board goals, and financial feasibility.



While working hard to meet the above goals, management will commission market, member, and staff surveys to determine satisfaction with our location, programs, and services after the first year at our new site. Those results will also impact our planning process. In other words, we’re not done yet!

**THANK YOU TO THE STAFF, BOARD, MEMBERS, SUPPLIERS AND FRIENDS OF WHOLE FOODS CO-OP FOR 36 YEARS OF COOPERATION**

**WHOLE FOODS CO-OP CORE VALUES**

**Service to Members** – WFC members contribute to a consumer-owned business that supports local organic growers and local suppliers and provides jobs and services that stay in our community.

**Member & Community Education** – WFC offers member and community education to enhance the lives and health of its members and potential members as well as to promote the Co-op’s uniqueness and philosophy.

**Member Involvement/Governance** – WFC practices democratic forms of government.

**Diversity** – WFC values diversity in staff as well as in membership and brings people of diverse backgrounds and experiences into leadership and other roles at the Co-op.

**Public Service/Corporate Citizenship** – WFC is an active partner in our community.

**Commitment to the Cooperative Movement and to Other Cooperative Activities** – WFC builds and strengthens the cooperative movement.

**WHOLE FOODS CO-OP MISSION STATEMENT**

*As approved by the Board of Directors on February 20, 1997*

*The Whole Foods Co-op is committed to the Cooperative Principles, to providing its members, patrons and community the highest quality nutritious whole foods, and to the products and practices which make positive changes in the life of its community, employees and environment.*

**FRONT END**

*Manager* Briana Lowrie  
*Assistant Manager* Michael Olker

*Coordinators*  
Jessica Belich • Rain Elfvin  
Jeremy Francisco • Jean Marie Johnson

*Assistants*  
Brian Bluhm • Sue Boorsma  
Necia Cochlin • Rebecca Hinds  
Aaron Hoffmeister • Colleen Hoppe  
Sonya Hoyum • Maria Johnson  
Carol Kari • Jason Kokal  
Daniel Larva • Katy Ockwig Larson  
Jennie Lennick • Maria Lopez  
Lupita Marchan • Rayann Schramm  
Melissa Snow • Vikki Swenson  
Jennifer Zoretich

**MERCHANDISING**

*Manager* Lisa Anderson

*Buyers*  
Karl Becker • Jill Hall  
Jesse Hoheisel • Brad Rozman  
Jim Richardson • Susan Stone  
*Receiver* Eriq Reed  
*Stockers*  
Jeremy Beckman • Jason Caddy  
Larry Cuffe • Nathaniel Frie  
Rebecca Jarvis • Julie Kohls  
Melanie Lynch • Dustin Mencil  
Mary Shackelford • Kevin Taylor  
Jessica Torvinen • Joe Ulvi  
Charlotte Van Vactor • Sonya Welter

**PRODUCE**

*Manager* Michael Karsh  
*Assistant Manager* Justin Hemming  
*Receiver* Bjorn Gangeness  
*Assistants*  
Scott Alsleben • Rose Anderson  
Lynn Brasgalla • Sarah Fenner  
Andrea Foro • Jahn Hibbs  
Julia Holmblad • Kara Isaacson  
Sheena Meddaugh • Lyndon Ramrattan

**STORE OPERATIONS**

*Manager* Debbie Manhart  
*Shift Leaders*  
Maria Hickey • Chris LaGraves  
Jay Newkirk • Steve Perry  
*Storekeepers*  
John Fisher Merritt • Ben Friesen  
Darcy Sathers • Kat Sembroski  
Joe Woodcock



## WHOLE FOODS COMMUNITY CO-OP, INC. (WFC)

### Annual Membership Meeting Minutes 🌱 September 28, 2005

*As reviewed by the Board of Directors on December 19, 2005*

WFC's 2005 Annual Meeting was held in a tent across the alley behind our new store at 610 East 4th Street, Duluth, Minnesota. This meeting was attended by 154 members and 25 guests. As it is still under construction, the new store was not open for tours at the Annual Meeting.

#### Welcome and Introductions:

The Business Meeting was conducted after a dinner catered by Coco's to Geaux. President Jean Sramek called the meeting to order at 6:20 PM. Jean welcomed all in attendance. She introduced the current Board Members and the candidates for election to the Board.

Jean also introduced General Manager Sharon Murphy. Together they presented gifts to departing Board Members Katie Neff Dawson and Dennis Kaleta.

Sharon introduced the Management Team noting that they possess a total of more than 75 years experience at WFC. Sharon also asked the Co-op staff to stand and be recognized.

#### Proof of Notice and Quorum:

Sharon Murphy presented proof of notice of the Annual Meeting as published in the Annual Report. Sharon also reported that there was a quorum present.

#### Approval of Meeting Minutes:

Mary B. Newcomb made a motion to approve the Annual Meeting Minutes of October 6, 2004, as submitted in the Annual Report. Steve O'Neil seconded the motion. Motion carried.

#### Election of Officers:

Due to an error in the directions on the Board election ballot, an amended ballot was sent on September 27, 2005. The original ballot said to vote for up to three candidates; however, there are four open positions. The deadline for submitting amended ballots is October 7, 2005, and results will be announced shortly thereafter.

#### Patronage Rebate:

Jean announced that the Co-op will not issue a patronage rebate for the fiscal year ending June 30, 2005. The Board decided to reinvest profits into the new store. The membership responded with a round of applause.

#### Expansion Update:

Sharon introduced some of the key players in our expansion efforts: General Contractor Arno Kahn from Builder's Commonwealth and Architect Jill Johnson from LHB.

The expansion is on time despite increased costs and surprises found along the way that added to the overall project. Some exciting new features include windows in the work areas, a loading dock for receiving deliveries, and the use of reclaimed timber and a variety of recycled and sustainably produced materials.

Tentative opening date is set for October 26, 2005. If delayed, the opening will be pushed forward in one week increments. A members-only premiere party is scheduled for 5-7:30 PM the night before the new store opens. The party will be a celebration to introduce members to their new store and to commemorate WFC's 35th Anniversary. Future public events, such as the WFC Earth Day Fair, will be held in the lower parking lot.

Jean facilitated a brainstorming session. She posed the following questions to the members present and asked that they write their ideas and responses on paper provided at each table.

We have our new store; now what?

Where do we want the Co-op to be in five or ten years?

What role should the Co-op take in our new community?

Comments will be reviewed by the Board and excerpts published in a future newsletter

#### Closing Remarks:

Marketing Manager Shannon Szymkowiak thanked Arlene Coco and her staff from Coco's to Geaux for the wonderful dinner. She also thanked everyone who donated door prizes for the Annual Meeting. Shannon and Member Services Coordinator Gina LaBrosse conducted a drawing for door prizes.

Member Geiger Yount offered remarks for the good and welfare of the organization: "For many years Fran Skinner was one of the guiding lights for WFC and now, as we move, we remember her and those who founded this co-op and we cherish our active members."

Dianna von Rabenau made a motion to adjourn the meeting. Susan Van Druten seconded the motion. Motion carried. Meeting adjourned at 7 PM.

Respectfully submitted,

Penny Nemec,  
*Administrative Assistant*

## TO VIEW

the complete list of responses to the survey conducted at the September 28, 2005, Annual Meeting, visit

<http://wholefoods.coop/index.php?page=membersurvey>

### The Board's annual election will be conducted by mail ballot in September 2006.

Interested Board candidates who attend the Annual Meeting on July 28, 2006, will be encouraged to introduce themselves. 🌱 Board candidates have until August 1, 2006, to submit their applications. 🌱

The September ballot will also include an opportunity for members to vote on amended Articles of Incorporation and to participate in a Member/Board linkage survey.



## giving forward

by Shannon Szymkowiak, Marketing & Member Services Manager

One of the most rewarding parts of my jobs is distributing funds for donation.

Sometimes it is difficult to say "no" to a group that is worthy, but does not fall under our Donation Policy guidelines. Also, if the request being made is too expensive to be covered through Donations, I have to look at my Promotions budget to see if last minute funds are available. Unfortunately, I can't always accommo-

date the requests.

The good news is all of the good we CAN do. Since donations come from a percentage of sales, the more we sell, the more we have to work with in terms of donation dollars. That means that since November of last year, I've been able to say "yes" a whole lot more. In addition to giving donations, many of our staff and membership volunteer for organizations they feel passionate about. The Whole Foods Co-op

Management Team once again assisted at the Empty Bowl event serving soup, pouring soda, emptying garbage and generally having a really great time. We encourage you to spread your goodwill to groups in our community. They need your dollars and they need your help. Trust us, it's a win-win relationship.

So without further ado, I present the recipients of Fiscal Year 2006's Donations:

TLC Day Program	Sustainable Farming Association	Duluth Figure Skating Club	UMD
Duluth Boat Club	Duluth Curling Club	Young Athlete's Foundation	North Shore Climbing Club
CHUM (Rhubarb Fest, Toiletry Drive, Silent Auction)	Duluth Cross Country Ski Club	Duluth YMCA Aerials Gymnastics Team	North Community School solar panel project
Community Garden Program for organic gardening education	Living Green	Agate Fest	First Witness Spring Splash
Art of Peace	Hermantown Prom Committee	Hartley Nature Center	UMDF -MELAS research
Bay View School	Raleigh Edison PAC	Women Rock for Breast Cancer	Normanna Volunteer Fire Dept.
St. Michael's School	CASDA	United Way	NHS Bowl-a-thon
Summit School	HDC	Washburn Jr. Academy	UMD SERVE
Denfeld High School (AA Speech Sectionals)	St. Scholastica	Effective Educator Training	Piedmont PTA
YMCA Healthy Kids Day	UMD Heart Walk	Women's Transitional Housing	Kid's Plus
Arthur Foy III Scholarship Fund Battle of the Bands fundraiser	Hawk Ridge	SMDC Cardiac Rehab	Together For Youth
Duluth Canoe Team	MN Citizens Federation NE	Life House	Grant School PTA
Arrowhead DARE	Great Lakes Aquarium	St Mark African Methodist Episcopal Church Neighborhood Christmas Dinner	Kenwood Charter PAC
Duluth Bethel	Duluth Central High School Girls Swim Team	UWS American Indian Student Organization	New Moon Turn Beauty Inside Out
Witness For Peace	Muscular Dystrophy	Lowell Legato Foundation	Edible Art
Northland Youth Music Program	Northwoods Education Foundation	Hermantown Volunteer Fire Dept.	SMDC Wellness Program
Rockridge/Lester Park Elementary	MPIRG	North Shore Horizons	Project Action
League of Women Voters	Second Harvest Northern Lakes Food Bank (Food Shelf Donations, Katrina Relief, Taste of the Nation, Empty Bowl)	Marshall School	Pequaywan Fire & Rescue
		UMD Earth Club	Lake Superior Zoo Bowling for Rhinos
			NYS

## community outreach

by Shannon Szymkowiak, Marketing & Member Services Manager

OK, I know I said that Donations was a very satisfying part of my job, but one of the most fun is Outreach. I love going to health fairs and giving store tours.

I love spreading the word about all things co-op. The list for the last year is varied. It includes groups we've had into the store for tours, health fairs attended, and talks given. Hardly a

week goes by that I'm not asked to attend something. The best part is that many are new for this past year which means more and more folks want to know about the magic that is WFC.

United Way Chili Cook Off  
Sustainable Farming Association Harvest Fest  
WFC Birthday Party  
Maurices  
BNSF Health Fair  
Miller Dwan Stroke Prevention  
Fair Trade Festival  
Denfeld High School  
Harbor City High School  
Food Fun Group  
Superior Rotary  
SMDC Celiac Sprue Group  
AIA  
Northern Communities Land Trust

Living Green  
US Green Building Council, MN  
Duluth Youth Agency Coalition  
LSC Health Fair  
Homeschoolers Store Tour  
Girl Scout Adult Troop 90  
UMD Health Fair  
WITC Health Fair  
Women's Expo  
UWS Health Fair  
Duluth Kiwanis  
Cub Scouts  
Taste of the Nation  
Empty Bowl  
UMD

YMCA Girl Power  
Gloria Dei TOPS  
Grant School  
St. Luke's Breast Cancer Support  
Lake Superior Zoo Earth Tracks

