

WHOLE FOODS COMMUNITY CO-OP, INC.
Minutes of April 25, 2016, Meeting of Board of Directors
As amended and approved by Board of Directors on May 23, 2016

DATE: April 25, 2016
TIME: 5:30 PM
LOCATION: Whole Foods Co-op, 4426 Grand Avenue, Duluth, MN

Attended by Board members: Carol Andrews, MaryAnn Bernard, Jamie Harvie, Brad Nelson, Mickey Pearson, Wayne Pulford and Jean Sramek. Also present: General Manager Sharon Murphy, Hillside Store Manager Sarah Hannigan and Denfeld Store Manager Peter Krieger.

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 Jean Sramek facilitated this meeting and called the meeting to order at 5:34 PM. Wayne was appointed timekeeper. Board members were prepared and reported no conflicts of interest. Peter offered to conduct a back-of-the-house tour for interested Board members after this meeting.

CHECK-INS

Board members discussed comments from Owners and the public on the Denfeld store.

CONSENT AGENDA

The Board approved/accepted (MSU, Mickey, Wayne) as presented:

- The amended draft Minutes of the March 28, 2016, Board meeting/open session
- The April 2016 Owners Report
 - 226 Owner applications
- Important dates, Board calendar items and assignments
 - Plan governance budget (discussion during Management Report)
 - Finance Committee (Wayne, Jean, Brad and Sharon) will meet on Thursday, May 26, 2016, at 10 AM in the Hillside conference room
 - Review officer continuity (discussion following Management Report)
 - Gazette articles due April 23, 2016: Board Report/Jean; Membership Matters/Wayne
 - Board Compliance Report on Policy C3 Agenda Planning assigned to MaryAnn

REVIEW

MANAGEMENT REPORT- ADMIN

- ❖ April 2016 sales to date/consolidated = 21.5% growth
 - Hillside = 68.5% of consolidated sales; 16.8% decline over same period in 2015
 - Denfeld = 31.5% of consolidated sales
 - There are 165 new Owner applications to date in April 2016
- ❖ Cash flow is strong; 98% of Denfeld project expenses have been paid with balances available on the equipment loan and on the construction loan; reviewed capital improvements planned for Denfeld (solar panels) and for Hillside (painting and bathroom remodel on lower level; bulk reset; possible security system upgrade)
- ❖ May will be an Owner Appreciation Month; Owners will be mailed a coupon for 10% off a purchase of their choice in May; this coupon may not be combined with April Grand Opening coupons
- ❖ As of May 2016, WFC is no longer maintaining any off-site storage location for equipment.
- ❖ General Manager position postings will be activated effective May 1; staff were advised of this position opening at meetings in March and by global email on April 24.
- ❖ A staff survey on wages and benefits will be conducted in early May in preparation for development of a strategic compensation plan.
- ❖ The Board reviewed and accepted the draft (updated through March 31, 2016) governance budget comparison.

- ❖ With respect to the Denfeld store, the MN Pollution Control Agency determined that WFC's response action plan was completely implemented at the Denfeld site and contaminated media was managed as proposed.
 - Denfeld became an authorized SNAP (formerly foods stamps) vendor on April 5; next certifications applied for: Certified Organic Retailer and LEED/Leadership in Energy and Environmental Design
 - The Denfeld Operations Team is focused on increasing inventory turnover and sales per labor hour and decreasing inventory storage issues.
 - The Board couldn't help but notice leaking windows in the classroom meeting space; these leaks developed during heavy rains and high winds over the last two days; the general contractor will effect repairs on April 27.
 - There was an area power failure during this first Board meeting at Denfeld but the generator came on within 10 seconds and the meeting and store operations continued within 10 seconds.
- ❖ With respect to the Hillside store, the Hillside OPS Team is focused on increasing inventory turnover and sales per labor hour.
 - Management is negotiating for warranty repairs to bubbling sections of green tile on the sales floor.
 - Resealing equipment on the roof seems to have resolved roof leak issues.
 - Management was notified today of gas main repair work scheduled to occur over the next 5-6 weeks on 4th Street between 4th Avenue East and 6th Avenue East.
- ❖ Compliance Reports – as there were no objections, the Board accepted the following Compliance Reports on:
 - Policy C2 Board's Job/Mickey
 - Policy B1 Financial Condition/Sharon (included financial reports for March and 3rd Quarter/FY 2016)
 - Food Policies
- ❖ At management's request, the Board reviewed its policy (August 27, 2007) regarding Early Payment of Member Loans and approved (MSU, Mickey, MaryAnn) the following new case-by-case-policy regarding Early Payment of Owner Loans:

Early loan payback requests will be considered, in the order they are received, at the Board meeting at the end of each fiscal quarter. Honoring requests is at the discretion of a majority vote of the Board of Directors and is subject, but not limited to, the following conditions:

 - *Owner/lender is deceased and failure to grant early payment will delay probate of that Owner's estate*
 - *Number of early payback requests*
 - *Rationale for early payback request*

Early payback under any conditions remains subject to WFC's ability to pay without jeopardizing payments to secured lenders, vendors and employees.
- ❖ Following its review of 3rd Quarter financials and with no objection from management, the Board approved (MSU, Mickey, MaryAnn) early payment of an owner loan from Owner #7680 pursuant to terms of that note including reduction in interest due to early payment.

OLD/NEW BUSINESS

SEARCH COMMITTEE MEETING REPORT – At Jean's request, Sharon, Peter and Sarah left the meeting room while the Search Committee reported to the Board on their recommendations regarding wording of the General Manager's job description and qualifications. The Search Committee also recommended a salary range for the General Manager position. Thereafter, Sharon, Peter and Sarah returned to the meeting room.

REVIEW RESULTS FROM OWNER SURVEY – This discussion was carried over to the Board's May meeting agenda.

CONSIDER PROPOSAL RE BYLAWS – This discussion was carried over to the Board's May meeting agenda.

REVIEW DRAFT FROM AD HOC FOOD POLICY COMMITTEE – Following discussion of this draft, Jean advised that the conversation will continue at the next Board meeting.

Following a written evaluation on process, Jean adjourned this meeting at 7:36 PM.

Respectfully submitted,

Sharon Murphy, General Manager