

WHOLE FOODS COMMUNITY CO-OP, INC.
Minutes of December 21, 2015, Meeting of Board of Directors
As approved by the Board of Directors on January 25, 2016

DATE: December 21, 2015
TIME: 5:30 PM
LOCATION: Whole Foods Co-op, 610 East 4th Street, 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 and Hillside Store Manager Sarah Hannigan.

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 called the Board meeting to order at 5:35 PM. MaryAnn was appointed timekeeper. Board members were prepared, checked in and reviewed Owner linkage. Sharon reported that the ownership application process is now available on line through the Co-op's web site and shared the Deli's new catering menu.

CONSENT AGENDA

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

- The draft Minutes of the November 23, 2015, Board meeting/open session
- The November 2015 Income Statement
- The November 2015 Owners Report:
 - 50 Owner applications
 - Four term/transfer requests (#7875, #12639, #4263 and #11372).
- There were no compliance reports due at this meeting; Jean and Sharon will present Compliance Reports on Board-Management Relationship Policies D and D1-D4 for consideration at the January 2016 Board meeting.

REVIEW

MANAGEMENT REPORT-

DENFELD – Hiring decisions on the Denfeld department manager positions (Deli, Front End, Grocery and Produce) will be announced this week. The Human Resources Department will conduct a Job Fair for the Denfeld store on Tuesday, February 2, 2016, from 5 PM to 8:30 PM in the Commons Area at Denfeld High School. Construction remains on schedule for opening Denfeld on March 16, 2016. Owner loans and Class C equity investments total \$1,629,500.

HILLSIDE – December average daily sales growth rate to date is -9% with a goal of 6%; about 100 more Owners cashed their patronage rebate checks at WFC in the first two weeks of December 2015 compared to the first two weeks of December 2014. January 2016 will be an Owner Appreciation Month and we are conducting an Ownership drive in January.

As of December 1, 2015, Owner purchases with WIC vouchers are not eligible for Access or special order discounts; beginning February 1, 2016, Owner purchases of Co+op Basics items will not be eligible for Access or Special order discounts as Co+op Basics items are priced as low as possible.

Pursuant to management's request, the Board authorized (MSU, Carol, Mickey) President Jean Sramek to sign a Resolution of the Directors of WFC regarding amendments to the 401(k) plan.

Pursuant to management's request, the Board authorized (MSU, Carol, Wayne) General Manager Sharon Murphy to sign on behalf of WFC the Joinder to Subordinated Note Subscription Agreement extending the unallocated portion (\$42,000) of WFC's investment in the National Co+op Grocers Development Cooperative Loan Fund for one year (to January 2017).

There were no comments or questions regarding the draft Annual (2016) Board Calendar.

The Board requested an update on the location for the Cooperative Development Service trainings on January 9, 2016, in the Twin Cities; Sharon will follow up and advise the Board.

Sharon reported and the Board discussed the Management Team's decisions on sign format changes, primarily in the Bulk and Produce Departments, and on expansion of management's definition of LOCAL.

Sharon also advised the Board that, with reference to recommendations from the National Co+op Grocers Brand Assessment (October 2015), management will be removing shelf designations that may deter purchases, e.g., contains refined sugar, contains preservatives, also available in bulk. This report evolved to an extensive discussion of WFC's Food Policies to be continued on the Board's January agenda.

OLD BUSINESS

Jean advised that there was no update on the agenda for the Board's retreat on February 7, 2016.

The Board discussed trends and connections from the flip chart notes of Owner comments at the Cooperative Café session conducted at the October 23, 2015, Owners Annual Meeting. Jean and Mickey will reflect on this discussion in their reports (*Board Report and Membership Matters*) for the spring 2016 *Garbonzo Gazette* (submission date January 23, 2016).

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

Respectfully submitted,
Sharon Murphy, General Manager