

**WHOLE FOODS COMMUNITY CO-OP, INC.**  
*Minutes of November 28, 2016, Meeting of Board of Directors*  
*As approved by the Board of Directors on December 19, 2016*

**DATE:** November 28, 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 Sarah Hannigan. Finance Manager Dale Maiers and WIPFLI, LLP Accountant Ryan McCausland joined the meeting from approximately 6:45-7:05 PM.

Motion, seconded and carried is abbreviated as MSC, followed by the names of the maker, second and vote tally. U = unanimous vote.

**OPEN SESSION**

Board Vice President MaryAnn Bernard facilitated the meeting. Jean Sramek served as timekeeper. MaryAnn called the meeting to order at approximately 5:35 PM.

Open Listening Sessions:

With no guests in attendance, the Board closed the Open Listening Session (MSC, Brad, Wayne) at approximately 5:36 PM.

Board members and management introduced themselves. All were prepared and reported no conflicts of interest.

Agenda review:

2017 Committee assignments and review of the Bylaws Committee Charter were added to the New Business section of the agenda. No other modifications were made to the agenda.

Consent Agenda:

The Board approved/accepted (MSU, Mickey, Brad) the Consent Agenda as presented:

- Minutes of the October 24, 2016, Board meeting (open session and closed session were approved)
- Owners Report
  - 145 Owner Applications in October 2016
- Important dates, Board calendar items and assignments
  - No assignments for December

Review:

Annual Conflict of Interest Statements:

- Board completed and reviewed annual conflict of interest statements; no conflicts were reported.

Cooperative Board Leadership Development (CBLD) Participation Agreement:

- Board reviewed annual participation agreement for services from CDS Consulting Co-op's CBLD program. The Board approved/accepted (MSU, Jamie, Mickey) entering in to the proposed contract for services for 2017 and directed GM, Sarah to execute the contract and return it to CDS Consulting Co-op.
- Board discussed potential goals for 2017 and agreed to circulate ideas to be considered for prioritization at an upcoming meeting.

Compliance Reports:

- The Board reviewed and accepted the Compliance Report on Policy C5 Directors Code of Conduct prepared and presented by MaryAnn.

FY2016 Audited Financial Statements:

- Dale Maiers and Ryan McCausland joined the meeting.
- Audited financial statements for FY2016 were presented by Ryan.
- It was noted that the audit was a “clean audit” without exceptions or material findings, and with no difficulties or disagreements.
- Ryan reviewed ratios and pointed out long-term debt associated with the opening of the second location and debt service over next five years.
- Ryan suggested that Patronage Rebate to Members be reported on Statements of Equity instead of Statements of Income in future years as this would be a better reflection of the co-op’s true income.
- Dale Maiers and Ryan McCausland left the meeting.

Management Report:

- Admin:
  - Staff listening sessions were conducted in both stores and in all departments between October 12th and November 7th. Each meeting focused on three questions: what brought you to the co-op? What do you love about our co-op? What ideas do you have to improve the co-op experience for staff, shoppers and the greater community? Great turnout and participation from staff in all departments. Much positivity was expressed by staff about the Co-op. Ideas for improving the experience for staff, shoppers and the community ranged from small to grand, easy and quick to complex and long-range. Most ideas could be considered within the realm of a consumer owned cooperative business model. Management is working with operations and admin departments to implement viable suggested changes over the coming months.
  - Management is developing the Business Plan for 2017.
- Denfeld:
  - HVAC modifications are necessary to ensure consistent and adequate heating of classroom, office and backstock areas:
    - A roof-top unit will receive new controls, to be installed in early December by a tech from the manufacturer.
    - Waste heat from the refrigeration rack is used to preheat air in the heating system. The temperature of the refrigerant coming off the rack was underestimated; a secondary boiler will be added to the system to provide further preheating. Bids are being sought for mid-late December installation.
  - Organic Certification inspection scheduled for mid-December.
- Hillside:
  - 4<sup>th</sup> Street road construction was complete and the parking lot became fully accessible as of November 17<sup>th</sup>. The worst of the impact on sales happened in early November when all WFC parking perpendicular to 4<sup>th</sup> street was vacated. Street lighting will not be installed until January or February.
  - Organic re-certification inspection scheduled for mid-December.

Old/New Business:

Board Recruitment:

- Mickey requested for Board members to send him names and contact information for potential candidates.

Bylaws Charter:

- Board reviewed and accepted (MSU, Wayne, Mickey) the Bylaws Charter with suggested edits.

2017 Board Committee Assignments:

- The following committee assignments were accepted:
  - Recruitment Committee (no potential 2017 candidates will participate on this committee): Mickey (chair), Brad, Jean
  - Bylaws Committee: Wayne (chair), MaryAnn, Carol, Jamie (alternate) and Sarah

- General Manager Evaluation Committee: Jean (chair), Jamie, Wayne

**CLOSED SESSION**

MaryAnn directed the Board and General Manager to closed session from approximately 7:45 PM to 8:30 PM to hear a report from the General Manager monthly financial reports for October 2016 and to review and accept the GM Compliance Report on Policy B7 Communication to the Board.

Respectfully submitted,

Sarah Hannigan, General Manager