

**WHOLE FOODS COMMUNITY CO-OP, INC.**  
**Minutes of September 26, 2016, Meeting of Board of Directors**  
*As approved by the Board of Directors on October 24, 2016*

**DATE:** September 26, 2016  
**TIME:** 5:30 PM  
**LOCATION:** Whole Foods Co-op, 610 East 4<sup>th</sup> Street, Duluth, MN

Attended by Board members: Carol Andrews, MaryAnn Bernard (arrived at 5:37 PM), 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.

Owners present: Geoffrey Compton, Sharla Gardner, Micah Tigner, Karin White, Amy Wilcox, Glenn Jackson, Mechaela Hudak, Allison Heitmiller, Susan Boorsma, Larry Sillanpa, Alex Livadaros, Stacy White, Abraham Wangnoo, Todd White, Diana Tastad and Walter Raschick.

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 President Jean Sramek facilitated and called the open session meeting to order at approximately 5:33 PM. This session was also attended by the Owners listed above. Jean welcomed Owners present and described the Board's process with respect to guests at meetings and the Board's agenda for open and closed sessions during this meeting – open session 5:30–6:30 PM, closed session 6:30–8:30 PM to hear report of General Manager Search Committee.

Owner Karin White requested that the Board move to modify its agenda, pursuant to Board policies, to allow Owners present to speak to the Board. MS (Wayne, Carol), two votes in favor, four against, Jean abstained; the motion did not pass. Karin White requested to be advised of the reason for the Board's closed session meetings in July and August. Jean advised that the Board met in closed sessions in July and August to hear reports from the General Manager Search Committee; Jean also advised that the August Board meeting included the annual closed session with management to review the Strategic Plan so there were two closed sessions at the August Board meeting.

Board members and management were introduced. Board members were prepared and reported no conflicts of interest. Mickey served as timekeeper.

Agenda review: Wayne agreed to carry his New Business item – consider proposal re ENDS Policy – over to the Board's November retreat agenda. Mickey added consideration of his Compliance Report for Policy C6 Officers' Roles to tonight's agenda.

#### **CONSENT AGENDA**

The Board approved/accepted (MSC, Mickey, Wayne, Brad abstained) as presented:

- Minutes of the August 22, 2016, Board meeting (open session)
- The September 2016 Owners Report

- 69 Owner applications
- One (1) term/transfer request (Nos. 14543)
- One (1) transfer of excess equity (No. 113/\$200 to Matching Funds)
- One (1) abandoned equity request (No. 7874)
- Important dates, Board calendar items and assignments
  - Gazette submissions are due by Friday, October 21 to [awade@wholefoods.coop](mailto:awade@wholefoods.coop)
    - Board Report/Jean
    - Membership Matters/Mickey
  - Board Compliance Report for October: Policy C7 Board Committee Principles/Carol

## REVIEW

### COMPLIANCE REPORTS

- ❖ Barring objections, the Board accepted:
  - Compliance Report on Policy B8 Board Logistical Support/Sharon
  - Compliance Report on Policy B9 GM Succession/Sharon
  - Compliance Report on Policy C6 Officers' Roles/Mickey
    - Board request to note on Policy Monitoring Calendar consideration of a bylaw amendment related to the Treasurer's duties.

### MANAGEMENT REPORT-

#### ADMIN

- ❖ July 2016 sales to date/consolidated = 15.3% growth; goal is 19.4%
- ❖ At management's request, the Board approved (MSU, Jamie, Wayne) transferring \$5,000 of unrestricted savings at Members Cooperative Credit Union to a restricted savings account at Shared Capital Cooperative, Minneapolis, for five (5) years as part of a Central Corridor co-ops' packet of collateral for gap financing for the expansion of The Dill Pickle Co-op in Chicago.
- ❖ At management's request, the Board accepted the Management Team's Strategic Plan for the Growth of Whole Foods Co-op (2016-2019) as reviewed at the August Board meeting.
- ❖ Sharon encouraged the Board to, if requested, support the continuation of WFC participation on the Board of the Myers Wilkins Community School Collaborative Board especially as this participation now includes the Community School at Lincoln Middle School near Denfeld.
- ❖ Sharon also encouraged the Board to, if requested, support the continuation of WFC participation on the Board of Growing Farms; Sharon noted that Human Resources Manager Colleen Kelly will be representing WFC on the Advisory Board of CHOICE, Unlimited.
- ❖ At management's request and following discussion, the Board approved option one (1) on our accounting firm's list of patronage rebate options for net earnings from purchases by Owners

in FY 2016 (ended June 30, 2016); at the Owners Annual Meeting on October 21, 2016, the Board will announce a patronage rebate for FY 2016 in the amount of \$454,520 with 20% (\$90,904) to be distributed to 8,763 Owners in proportion to their purchases during that fiscal year; approval of a patronage rebate in this amount reduces WFC's additional tax liability due for FY 2016 from \$206,500 to \$1,400.

- ❖ Management requested Board direction on including proposed Meeting Guidelines for Guests on their October agenda; following discussion, the Board agreed to draft a hybrid of the two proposals for consideration.
- ❖ The Board requested that consideration of the Cooperative Board Leadership Development/CBLD contract for 2017 be added to their November retreat agenda.

#### DENFELD

- ❖ Denfeld's staff parking lot is nearly completed; at management's request the Board approved a resolution authorizing Finance Manager Dale Maiers or Board President Jean Sramek to sign any and all documents related to closing on the purchase of the fully constructed and landscaped parking lot for Denfeld staff; funds for this purchase were previously paid into an escrow account.
- ❖ More outside signage for the building is on order.
- ❖ General Manager Sharon Murphy and Denfeld Store Manager Peter Krieger met with LHB Architects and Engineers on September 16 about the last pieces of documentation needed to submit the LEED certification request and about unresolved HVAC issues.

#### HILLSIDE

- ❖ There is a giant ditch the length of 4<sup>th</sup> Street in front of the Hillside store although, for the most part, both 4<sup>th</sup> Street driveways have been kept open throughout September; Carol reported that St. Louis County Project Engineer Steve Krasaway believes the project will last into November.
- ❖ The reset of Bulk Department equipment is about 95% complete; still waiting on some new shelving.
- ❖ A two-door upright freezer is on order to replace the troubled coffin-style freezer across from the express checkout; the new unit should be in place before the winter holidays.

#### OLD/NEW BUSINESS

- ❖ Jean asked Board members if they had any questions about the outline of Annual Meeting logistics and process and reminded them to pre-register and arrive by 4 PM on October 21.
  - Jamie had questions about the meeting registration process.

- Sharon will have a draft Power Point to Jean in early October.
- ❖ Jean asked Sharon to research Pier B regarding meeting space for the Board's retreat on November 12, 2016
  - Possible retreat topics include: renewal of CBLD contract, Wayne's proposal re amending subtext of ENDS statement, communicating with Owners, game plan for Bylaws review

#### COMMENTS BY OWNER

- ❖ Owner Sharla Gardner asked the Board to conduct an open member forum before the Owner Annual Meeting regarding unionization of WFC staff.
- ❖ The Board thanked Owners for attending and reminded guests of the process to request agenda time at future Board meetings; there was no Board discussion of this request during the open session.

Jean adjourned the open session of the meeting at approximately 6:30 PM.

#### CLOSED SESSION

After a short break, Jean directed the Board to closed session from approximately 6:35 PM to 8:30 PM to hear a report from the General Manager Search Committee. Management did not attend this closed session.

Respectfully submitted,

Sharon Murphy, General Manager