

WHOLE FOODS COMMUNITY CO-OP, INC.
Minutes of December 15, 2014, Meeting of Board of Directors
Approved by Board of Directors on January 26, 2015

DATE: December 15, 2014
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, Mickey Pearson, Wayne Pulford and Jean Sramek. Absent: Chris Edwardson. Also present: General Manager Sharon Murphy and 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 meeting to order at 5:35 PM. Jean appointed Wayne as timekeeper and determined there was no need for a closed session. Board members were prepared, checked in and reviewed Owner linkage.

Sharon noted that WFC will sponsor (free attendance with Owner card) a film, What's On Your Plate, at the Zinema on Tuesday, December 30, 2014, at 6:30 PM.

CONSENT AGENDA

The Board approved (MSC, Mickey, MaryAnn, Wayne abstained) the following items on the December 2014 Consent Agenda:

- Important Dates/Board Calendar/Board Goals/Owner Participation Events
- Minutes of the November 24, 2014, Board Meeting/open session
- Assignment of Gazette articles:
 - Board Report/Jean
 - Membership Matters/to be determined
- Assignment of January Compliance Reports:
 - Policies C 1, 2, 3 and 4/Jean and Sharon
 - Policy D2/Mickey
 - Policy D9/Chris

REVIEW

OWNER REPORT – The Board approved the following with respect to the December 2014 Owners Report:

- 55 Owner applications (MSU, Mickey, Wayne)
- One Matching Fund request (#14218/\$80) (MSU, Wayne, Jamie)

COMPLIANCE REPORTS – Barring objections, the Board accepted the following Compliance Reports:

- Policy D3 Officers' Roles/MaryAnn
- Policy D10 Board Recruitment/Mickey

FINANCIAL REPORTS – The Board reviewed the November 2014 Income Statement. Sharon reported that sales growth to date in December is at 22% (note that sales took a serious weather-related hit in the first two weeks of December 2013) with a goal of 9%. The final (no changes from draft reviewed at the November 2014 Board meeting) of FY 2014 finances was included in the Board's packet for this meeting. Jean signed WFC's state and federal tax income tax forms for FY 2014 as prepared by WFC's accountants at Wipfli.

Based on 2014 sales growth trends at WFC and at food co-ops nationally, at management's request the Board approved (MSU, Wayne, Jamie) an amended budget for FY 2015

reducing annual sales growth expectations from 8% to 5%. This change in sales growth projections has been incorporated in the financial Pro Forma for the Denfeld expansion.

MANAGEMENT REPORT

DENFELD PROJECT - At management's request, the Board accepted the December 12, 2014, updated financial Pro Forma for the Denfeld Project as prepared by consultants at the National Cooperative Grocers Association-Development Co-op/NCGA-DC. Sharon reviewed the outline of Owner Finance Program mailings and information sessions planned for January and February. Sharon has submitted equipment loan applications with the NCGA-DC Fund and with Members Cooperative Credit Union.

HILLSIDE - At management's request, the Board (MSU, Jamie, Wayne) authorized Jean to sign an amendment of the paid leave allocation and liability terms of the General Manager's Contract to conform with practices and terms in salary agreements of other WFC managers. Sharon advised that the Management Team has completed its update of the WFC Policy and Procedure Manual including a legal and employee review of the Employee Handbook. The Management Team is now updating operational Best Practices, a document that will serve as a training manual for managers and assistant managers. The Grand Re-Opening of Hillside is scheduled for the week of January 5-10, 2015.

OLD BUSINESS

{Jamie left the meeting at 7:20 PM}

Following discussion, the Board (MSU, Mickey, Wayne) adopted the governance policies drafted at their November 15, 2014, retreat with the following amendments:

- Delete Section 7 in Policy C5 Directors' Code of Conduct as the wording conflicts with the Bylaws.
- Incorporate wording on officer responsibilities from Bylaws into Sections 5 and 6 of Policy C6 Officers' Roles.

Jean advised that the first Board study topic for 2015 will be former governance Policy B10/Community Commitment/Environmental Policy.

The Board accepted the November 16, 2014, draft of a 2015 Board Calendar including a proposed monitoring schedule for the governance policies adopted at this meeting.

Following a written evaluation on process, Jean adjourned this meeting at 7:35 PM.

Respectfully submitted,
Sharon Murphy, General Manager