

WHOLE FOODS COMMUNITY CO-OP, INC.
Minutes of April 27, 2015, Meeting of Board of Directors

As approved by the Board of Directors on May 18, 2015

DATE: April 27, 2015
TIME: 5:30 PM
LOCATION: Whole Foods Co-op, 610 East 4th Street, Duluth, MN

Attended by Board members: Carol Andrews, MaryAnn Bernard, Chris Edwardson, Jamie Harvie, Mickey Pearson, Wayne Pulford and Jean Sramek. 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 5:31 PM. Mickey served as timekeeper. Board members were prepared, checked in and reviewed Owner linkage. Jean reminded Board members of the MN Food Co-op Boards meeting on Saturday, May 2, from Noon to 2 PM at WFC. Sharon noted that the May Board meeting will be held one week earlier than usual, Monday, May 18, because of the Memorial Day Holiday.

CONSENT AGENDA

The Board approved (MSC, Wayne, Chris, Mickey abstained with respect to the Minutes) the following items on the April 2015 Consent Agenda:

- Important Dates/Board Calendar/Board Assignments: May Compliance Report on Policy C3 Agenda Planning/MaryAnn
- Minutes of the March 23, 2015, Board Meeting/open session
- Owners Report for April 2015
 - 95 Owner applications approved
 - One term/transfer request approved (#13674)
 - Two Matching Fund requests approved (#14175 and #14394)

REVIEW

MANAGEMENT REPORT

DENFELD PROJECT – Sharon reported that as of April 26, 2015, WFC has received \$1,190,500 in Owner loans and \$115,000 in Class C equity investments for the Denfeld Project. Following updates on the LEED certification process, the construction budget and the updated Pro Forma (from National Cooperative Grocers) for the Denfeld Project, the Board, by consensus, authorized General Manager Sharon Murphy to sign the contract for construction services with Johnson Wilson Constructors. Closing on financing from Members Cooperative Credit Union/MCCU is anticipated for May, however, MCCU supports “early start coverage” to begin site development work in the first week of May. Notice of hiring for the Denfeld Store Manager was posted in April.

HILLSIDE – Sharon advised that sales growth to date in April is at 8% with a goal of 5%; all departments are experiencing strong sales growth during this Owner Appreciation Month. New shelving has been installed in the 44’ produce wet case; Sarah advised the Board on follow-up on issues with the roof on the Hillside store and how we are ensuring that similar roof issues do not occur at the Denfeld store. Sharon, Jean and Chris set a Finance Committee meeting for 4:15 PM on Tuesday, June 2, 2015, to review management’s proposal for the FY 2016 budget (July 1, 2015 – June 30, 2016).

Jean reviewed with the Board the language of Governance Policy Section C6.3.3: “The president plans for leadership (officer) perpetuation.”

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

- Food Policies (2015)
 - The Board requested clarification on how the Deli measures organic ingredients in hot bar items for purposes of meeting the 70% organic goal and recommended that measurements of support for organic certified foods be based on sales as opposed to number of items offered in order to be consistent with how competitors indicate support for organic certified foods.
 - The Board approved (MSU, Mickey, Wayne) the following amendments to the Food Policies:
 - Addition to the **EGGS** section:
“WFC may require minimum/maximum orders for egg deliveries to maintain appropriate inventory. As feasible, WFC will coordinate with suppliers prior to shipment to ensure appropriate supply.”
 - Wording change in **FRESH PRODUCE** section:
Previous: “All produce will be individually labeled at a minimum as to its state of origin.”
Amended: “All produce will be labeled at minimum according to the USDA Country of Origin Labeling/COOL standards. REGIONAL and LOCAL produce will be identified by state, and LOCAL produce will also have signage reflecting the specific grower/s for any given items.”
- Policy BI Financial Condition (March 2015 and 3rd Quarter/Fiscal Year 2015) including the March financial reports (typo in section 2 of this report noted)
 - Following acceptance of the Compliance Report on Policy BI and attachments, the Board approved (MSU, Carol, Wayne) management’s request for a Storewide Performance Bonus for staff in the amount of \$31,877 for the quarter ending March 31, 2015.

Following a short break, Jean declared a closed session from 6:40 to 7:05 PM; no notes were taken during this session.

NEW BUSINESS

PROPOSAL TO AMEND GOVERNANCE POLICY C5 CODE OF CONDUCT

The Board approved (MSU, Mickey, Wayne) Jean’s proposal to amend Governance Policy C5 Code of Conduct as follows:

2.1.2. ~~At a new director’s first board meeting, he/she will complete the “Conflict of Interest Disclosure” form and will verbally report to the whole Board the potential conflicts. At the first Board meeting following an election or at a director’s first meeting in the case of appointment or at the first Board meeting following the Annual Meeting in years with no election each director will complete the “Conflict of Interest Disclosure” form and will then verbally report to the whole Board the potential conflicts.~~

2.1.2.1. Any subsequent potential conflicts will be reported to the whole Board ~~immediately~~ at the beginning of each Board meeting.

COMMITTEE CHARTERS – Sharon noted that the Board has already accepted Committee Charters for the Search and Board Recruitment Committees. Barring objections the Board accepted Jean’s Charter for the General Manager Evaluation Committee/GMEC. Chris will draft a charter for the Finance Committee.

INTERIM INTERVIEWS OF RECENTLY ELECTED BOARD MEMBERS – Mickey advised that he would conduct the interviews of Board members elected in September 2014.

OLD BUSINESS

BOARD STUDY – The Board continued their discussion of sustainability and sustainability monitoring issues including reference to the Outpost Co-op’s Sustainability Report and the

Co+Efficiency reporting system developed by the National Cooperative Grocers Association. The Board agreed to retain this topic as well as discussion on advocacy issues on its agenda.

Following a written evaluation on process, Jean adjourned this meeting at 7:31 PM.

Respectfully submitted,
Sharon Murphy, General Manager