

WHOLE FOODS COMMUNITY CO-OP, INC.
Minutes of June 22, 2015, Meeting of Board of Directors
Approved by Board of Directors on July 28, 2015

DATE: June 22, 2015
TIME: 5:30 PM
LOCATION: Whole Foods Co-op, 610 East 4th Street, Duluth, MN

Attended by Board members: Carol Andrews, Jamie Harvie, Mickey Pearson, Wayne Pulford and Jean Sramek. MaryAnn Bernard and Chris Edwardson were absent. Also present: General Manager Sharon Murphy, Store Manager Sarah Hannigan and Owners: Jon Loss, Brian Fredrickson, Cheryl Passe, Brad Nelson and Tom Maas.

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. Mickey served as timekeeper. Board members were prepared, checked in and reviewed Owner linkage.

Jean welcomed Owners present, all of whom expressed interest in being Board candidates in the 2015 election.

CONSENT AGENDA

The Board approved (MSC, Mickey, Carol, Jamie abstained with respect to the May Minutes) the following items on the June 2015 Consent Agenda:

- Important Dates/Board Calendar/Board Assignments: July Compliance Report on Policy C8 Board Governance/Chris
- Minutes of the May 18, 2015, Board Meeting/open session
- May Income Statement
- Owners Report for June 2015
 - 66 Owner applications
 - One Matching Fund request (#10874)

REVIEW

MANAGEMENT REPORT

DENFELD PROJECT – Sharon reported that as of May 21, 2015, WFC has received \$1,262,500 in Owner loans and \$116,000 in Class C equity investments for the Denfeld Project. Site development began on June 9 thanks to early start coverage – the insurance for which was provided by Members Cooperative Credit Union/MCCU. Closing on conventional financing with MCCU occurred on June 19, 2015. Sharon shared the updated Denfeld construction schedule, closing settlement statement and a construction site picture.

HILLSIDE – Sharon advised that sales growth to date in June is at 5% with a goal of 5%. Through May 31, WFC is about 1% ahead on the revised sales goal, right on for margin and profitability goals and ahead on the Owner equity goal but we will not achieve the new Owner goal of 1,000 that was set when we thought Denfeld would be open in early 2015. Construction on 10th Avenue East has reached 4th Street and that intersection is closed to thru traffic – probably through August. Investigations into best options for resolution of Hillside’s roof issues continue.

At management’s request, the Board accepted (MSU, Carol, Wayne) the proposed capital and operating budgets for FY 2016 as recommended by the Finance Committee.

At management’s request, the Board approved (MSU, Wayne, Jamie) eliminating the delay in allocating Matching Fund implementation so that Owners who qualify for the Access Discount will receive the Matching Fund equity transfer when the full equity payment is due rather than at the Board meeting following the date when the full equity payment is due.

Jean will write the Board report for the 2015 Annual Report to Owners. Jean/Board Report and Mickey/Membership Matters will write fall 2015 Gazette articles.

WFC is a co-sponsor of the Hillside Youth Theater production on July 23 and 24 at East High School – an original musical “Total Eclipse of the Art” – written by Jean Sramek.
WFC will be open from 9 AM to 3 PM on Saturday, July 4, 2015.

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

- Policy C4 Board Meetings/Wayne
- Policy B8 Board Logistical Support/Sharon

OLD BUSINESS

BOARD STUDY

Jamie introduced information on how to define health/healthy community with respect to WFC's ENDS. He talked about eco labels that allow us to track and measure what WFC does and how better to tell that story to our community and to our Owners who are investing their money through their purchases. He included information on the Core Metrics Project of the National Cooperative Grocers/NCG that collates data from all NCG food co-ops in the US on product responsibility and, from co-ops who choose to submit data, on healthy products and society, in order to compare cooperative practices to our competition. Jamie proposes updating WFC's Food Policies and tracking purchase data, not sales, to meet the intention of the NCG metrics. Next steps in this Board study discussion:

- Board members to review Jamie's handouts
- Add discussion of this proposal to Board's July agenda
- Management to assess the feasibility of implementing monitoring and impact on competitiveness

NEW BUSINESS

REPORTS FROM 2015 CONSUMER COOPERATIVE MANAGEMENT ASSOCIATION/CCMA CONFERENCE

Sharon's notes and combined notes from Jean, Mickey and Wayne are included in the combined meeting docs file in the June 2015 meeting packet. Following brief comments from each of the CCMA attendees, Jean asked for any questions our Owner guests and thanked them for attending tonight's meeting.

After Jon, Brian, Brad, Tom and Cheryl left the meeting, the Board discussed the results of the 2015 Consumer Survey.

Following a written evaluation on process, Jean adjourned this meeting at 7:55 PM.

Respectfully submitted,
Sharon Murphy, General Manager