

WHOLE FOODS COMMUNITY CO-OP, INC.
Minutes of July 27, 2015, Meeting of Board of Directors
Approved by the Board of Directors on August 24, 2015

DATE: July 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, Mickey Pearson, Wayne Pulford and Jean Sramek. Jamie Harvie absent. 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 5:32 PM. Mickey served as timekeeper. Board members were prepared, checked in and reviewed Owner linkage.

Jean advised that she will attend the MN Food Co-op Boards/MFCB meeting on Saturday, August 1, 2015, at the Wedge Table in Minneapolis.

CONSENT AGENDA

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

- Important Dates/Board Calendar/Board Assignments
- Minutes of the June 22, 2015, Board Meeting/open session
- Owners Report for July 2015
 - 86 Owner applications
 - One request (Owner #14606) for a term/transfer

REVIEW

MANAGEMENT REPORT

DENFELD PROJECT – Sharon reported that as of July 27, 2015, WFC has received \$1,472,500 in Owner loans and \$116,000 in Class C equity investments for the Denfeld Project. Construction is proceeding on schedule. Sharon shared her notes from a meeting with LHB regarding additional fees related to the increase in the construction budget, MN Dept. of Agriculture changes required for the classroom kitchen, etc.

HILLSIDE – At management's request, the Board approved a storewide performance bonus for eligible staff in the amount of \$21,768 for the April-June 2015 quarter. Average daily sales growth to date in July is 1% with a goal of 5%; delivery challenges with opening of new UNFI warehouse in Prescott, WI; road construction challenges in all directions around Hillside; abundant and early LOCAL growing season has farmers markets and CSAs booming.

At management's request, the Board approved (MSU, Mickey, MaryAnn) implementing the abandoned equity process with respect to the oldest \$3,000 of abandoned equity; further, the Board approved (MSU, Wayne, Carol) a list of potential abandoned equity recipients for the unclaimed 2015 balance – this list will appear on the 2015 Board election ballot:

CHUM Human Services Agency of Duluth
Duluth Community Garden Program
Lake Superior Sustainable Farming Association
One Roof Community Housing
Seeds of Success/Community Action Duluth

Other: _____ (option for Owners to recommend future potential recipients)

At management's request, the Board approved (MSU, Mickey, Chris) allocation of a four percent (4%) dividend on Class C investments in Fiscal Year 2015 (July 1, 2014 – June 30, 2015).

Following discussion, the Board directed choice of entrees for the October 23 Annual Owners Meeting (steak or vegan with option of vegetarian spaghetti for children) and indicated agreement with a co-op café process related to the anniversary celebration during business meeting.

The Board scheduled a General Manager Evaluation Committee meeting for 4:30 on Monday, September 28, 2015 (prior to the Board meeting) to discuss General Manager succession planning with Human Resources Manager Colleen Kelly.

The Board Recruitment Committee reported on their interviews with four Owners interested in running for the Board in 2015. Mickey coordinated the interviews and the interviews were conducted by Wayne, MaryAnn and Jamie. The same questions were asked of each candidate. All candidates interviewed met the qualifications for Board service. The Board reviewed its expectations for meeting attendance as well as the requirements of the Bylaws with respect to meeting attendance.

Sharon distributed copies of the Management Team's Strategic Report for the Growth of WFC 2015-2018; this report will be the topic of the joint meeting of Management Team and Board on Monday, August 24, at 5 PM.

COMPLIANCE REPORTS – Barring objections, the Board approved the following Compliance

Reports:

- Policy A/Ends Statement – Sharon
- Policy B1 Financial Condition including draft financials for FY 2015 – Sharon

The Compliance Report on Policy C8 Board Governance Investment – Chris and the proposed charter for the Finance Committee – Chris will be carried over to the agenda for the August Board meeting.

NEW BUSINESS

Following discussion, the Board approved (MSU, Mickey, Carol) the following *amendment* to Policy C8 Governance Investment incorporating text from the former Board Compensation Policy (items 2.5 thru 2.5.4) and one new section (2.6).

POLICY TYPE: BOARD PROCESS
POLICY TITLE: C8 – GOVERNANCE INVESTMENT
LAST REVISED: CBLD Template: November 15, 2014

The Board will invest in the Board's governance capacity.

1. The Board will ensure that Board skills, methods and supports are sufficient to allow us to govern with excellence.
2. The Board will incur governance costs prudently, though not at the expense of endangering the development and maintenance of superior capability.
 - 2.1. The Board will use training and retraining liberally to orient new directors and board candidates, as well as to maintain and increase existing directors' skills and understanding.
 - 2.2. The Board will arrange outside monitoring assistance as necessary so that the Board can exercise confident control over organizational performance.
 - 2.3. The Board will use outreach mechanisms as needed to ensure our ability to listen to owner viewpoints and values.
 - 2.4. The Board will use professional and administrative support.
 - 2.5. *The Board will authorize the General Manager to:*
 - 2.5.1. *Compensate each director \$200.00 per month, not contingent upon attending the regular meeting, payable quarterly by March 31, June 30, September 30 and December 31;*
 - 2.5.2. *Compensate the Board President an additional \$100.00 per month, not contingent upon attending the regular meeting, payable quarterly by March 31, June 30, September 30 and December 31;*
 - 2.5.3. *If a director is also an employee of this cooperative, board compensation to that director will be included with his/her cooperative wages/salary and subject to employment taxes; and*
 - 2.5.4. *Compensation for directors not employed at this cooperative may be tendered on WFC gift cards*
 - 2.6. *The Board will, at least annually by April, review Board meeting attendance and assess Board member participation and/or overall Board performance with respect to the appropriateness of individual and overall Board compensation for the coming fiscal year.*
3. The Board will develop the Board's annual budget in a timely way so as to not interfere with the development of the Cooperative's annual budget.
 - 3.1. In no case will the Board complete this work later than April.

Following a written evaluation on process, Jean adjourned this meeting at 7:40 PM.

Respectfully submitted,
Sharon Murphy, General Manager