

WHOLE FOODS COMMUNITY CO-OP, INC.
Minutes of February 22, 2016, Meeting of Board of Directors
As approved by Board of Directors on March 28, 2016

DATE: February 22, 2016
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, Brad Nelson, Mickey Pearson, Wayne Pulford and Jean Sramek. Also present: General Manager Sharon Murphy and Hillside 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 Board meeting to order at 5:35 PM. Jamie was appointed timekeeper. Board members were prepared, checked in and reported no conflicts of interest. Sharon reminded Board members of the February 27 Minnesota Food Co-op Boards meeting at Just Food Co-op in Northfield and of the CDS Cooperative Café session in Madison on March 5.

CONSENT AGENDA

The Board approved/accepted (MSU, Mickey, Brad) as presented:

- The amended draft Minutes of the January 25, 2016, Board meeting/open session
- Important dates, Board calendar items and assignments

REVIEW

OWNERS REPORT – The Board approved (MSU, Carol, Wayne) the following items in the February Owners Report:

- 116 Owner applications
- Four term/transfer requests (#4441, #7600, #15517 and #9761) and
- All (68) pending equity termination requests = total \$5,080.35

MANAGEMENT REPORT- ADMIN –

- ✓ Request from David Thompson on behalf of Twin Pines Cooperative Foundation to contribute a minimum of \$5,000 prior to March 28, 2016, to qualify for a matching grant from the Blooming Prairie Foundation for cooperative development; no action was recommended by management; the Board did not approve this request.
- ✓ NCG Central Corridor Development Manager Michelle Schry has accepted an invitation to speak at the March 28 board meeting on NCG's perspective on our competitive environment.
- ✓ The Owner Survey, as approved by the Executive Committee on February 1, will go live on-line via Survey Monkey on March 1 and is included in the spring Gazette mailed to Owners on March 1.
- ✓ Management requested no Board action with respect to NCG's proposed operating standards as WFC is already compliant with all applicable proposed standards; Sharon will attend NCG meetings in Chapel Hill, NC, in early April.

DENFELD –

- ✓ The Planning Commission has approved development of a staff parking area to be purchased from Johnson Wilson Constructors.
- ✓ The Denfeld site passed its February 22 inspection by the Minnesota Department of Agriculture so now we can apply for a MN Food License for that location; next

scheduled inspection is Thursday by the City of Duluth for a TCO/temporary certificate of occupancy.

- ✓ Hiring for Denfeld is nearly complete except for Deli staff.
- ✓ Board is invited to a Chamber of Commerce ribbon cutting ceremony at 3 PM on Tuesday, March 15, at Denfeld; this will be followed by the invitation-only Sneak Peek event for Owners and invited guests (3:30 – 6:30 PM); for every Sneak Peek invitation returned during that event, WFC will donate \$1.00 to the Damiano Center in honor of Executive Director Dave Benson, a former WFC Produce Manager.
- ✓ Denfeld's construction is on schedule for a March 16 opening at 7 AM.
- ✓ Owner loans and Class C equity in support of the Denfeld Project total \$1,668,500.

HILLSIDE –

- ✓ The Board reviewed the January Income Statement; average daily sales growth rate to date in February is -2.0% with a goal of 6%; management expects that February sales will end up positive as there is an extra day this month compared to February 2015, however, personnel expenses on the February Income Statement will be significant because of the hiring and training of staff for Denfeld.
- ✓ Once Denfeld opens, there will be store-specific income statements (sales and operating expenses) as well as a co-op wide income statements that consolidates sales and operating expenses from each location and includes ADMIN personnel, governance and promotion expenses.

COMPLIANCE REPORTS – Barring objections, the Board approved the following compliance reports on:

- Policy B3 Asset Protection/Sharon
- Policy B4 Ownership Rights and Responsibilities/Sharon
- Policies C and CI Governing Style/Jean and Sharon

OLD/NEW BUSINESS

On behalf of the **Search Committee** (Jean, Carol, Wayne and Mickey), Jean reported on:

- ✓ Committee progress on the time line developed with HR Manager Colleen Kelly and CDS Consultant Melanie Reid.
- ✓ The Search Committee will have a separate WFC email account for applicant communications
- ✓ The entire Board will participate in final (not pre-screen or phone interviews).
- ✓ Jean will email a Doodle Poll for August 2016 times for final interviews.
- ✓ The Committee has developed a budget (\$9,000: ads & administrative expense \$3,000 consultant's fee \$3,000 and travel expenses \$3,000) that will be split between FY 2016 and FY 2017.
- ✓ Mickey will post notes from Search Committee meetings in a Search Committee folder on the Board's wiki site.
- ✓ The Search Committee will meet monthly prior to Board meetings with reference to agenda items from Melanie's time line.

On behalf of the **General Manager Evaluation Committee/GMEC**, Jean advised of that Committee's discussion on key person life insurance.

With respect to an **Ad Hoc Food Policy Committee**, Jean and Jamie (Chair) will develop a different model/s for WFC's current Food Policies for the Board's consideration and then the Board will determine if that model will be a Board Policy. Jean and Jamie will also develop a charter for the Ad Hoc Food Policy Committee.

The Board reviewed and discussed the outline for the October 21, 2016, **Annual Owners Meeting** (included in management's report).

The Board discussed outcomes from their **February 7 retreat** and agreed that the sessions were well-structured and effective at building alignment. Jean will request a retreat report from CDS Consultant Joel Kopischke and will share the retreat report from CDS Consultant Melanie Reid.

With respect to the **2016 CCMA conference** in Amherst, June 9 – 11, Brad, Mickey, Jamie and MaryAnn are not able to attend; Wayne and Sarah Hannigan will attend; Carol and Jean are undecided. Sharon will make conference and lodging reservations as soon as feasible.

With respect to a **definition of local**, the Board reviewed follow-up from Owners and suppliers since the January Board meeting and discussed the Owner survey approved by the Executive Committee and posted by management effective March 1. Anonymous results and comments from the Owner survey will be shared with the Board and Management Team.

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

Respectfully submitted,
Sharon Murphy, General Manager