

WHOLE FOODS COMMUNITY CO-OP, INC.
Minutes of June 27, 2016, Meeting of Board of Directors
As approved by the Board of Directors on July 25, 2016

DATE: June 27, 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, Hillside Store Manager Sarah Hannigan, Denfeld Store Manager Peter Krieger and Owner Sue Boorsma.

Motion, seconded and carried is abbreviated as MSC, followed by the names of the maker, second and vote tally. U = unanimous vote.

OPEN SESSION

Secretary Mickey Pearson facilitated and called the meeting to order at 5:36 PM. MaryAnn was timekeeper. Board members were prepared and reported no conflicts of interest.

CONSENT AGENDA

The Board approved/accepted (MSU, Wayne, Jean) as presented:

- Minutes of the May 23, 2016, Board meeting (open session)
- The June 2016 Owners Report
 - 137 Owner applications
 - Two term/transfer requests (#15624 and #7493)
- Important dates, Board calendar items and assignments
 - Gazette submissions are due by Friday, July 22 to awade@wholefoods.coop
 - Mickey/Board Report
 - Wayne/Membership Matters
 - Annual Report submission is due by Friday, July 22 to awade@wholefoods.coop
 - Jean/Board Report
 - Search Committee will meet on:
 - Wednesday, July 13, 2016, at 5:30 PM, Hillside conference room
 - Monday, July 25, 2016, at 4:30 PM, Hillside conference room
 - Wednesday, August 10, 2016, at 5:30 PM, Hillside conference room
 - Board Compliance Report on C8 Governance Investment/Wayne

REVIEW

MANAGEMENT REPORT- ADMIN

- ❖ June 2016 sales to date/consolidated = 11% growth
 - Hillside = 73% of consolidated sales; 19% decline over same period in 2015
 - Denfeld = 27% of consolidated sales
- ❖ Reviewed coupon results from Denfeld Grand Opening and trend in Owner Appreciation discounts (October 2015 – May 2016).
- ❖ Pursuant to management's request, the Board approved (MSU, Brad, Wayne) approval for Board Secretary Mickey Pearson to sign a resolution authorizing the General Manager to sign the purchase agreement for the Denfeld staff parking lot.
 - The remainder of funds due for the purchase of the Denfeld staff parking lot (\$326,937) will be deposited in escrow with Consolidated title & Abstract pending completion of the construction of the parking lot by the seller.
 - WFC has contracted with Braun Intertec to conduct a Phase I environmental assessment of the parking lot site and to develop the RAP/CCP plans required by the MN Pollution Control Agency for development of a registered brownfield.
- ❖ WFC's Brand Department is coordinating filming of a new television commercial with segments at Yker Acres, Food Farm and Northern Harvest Farm.
- ❖ Pursuant to management's request, the Board authorized (MSU, Wayne, Brad) President Jean Sramek to sign the FY 2016 audit Engagement Letter.

- ❖ Pursuant to management's request and as recommended by Finance Committee Chair Wayne Pulford, the Board accepted (MSU, Carol, Jean) management's operating and capital budgets for FY 2017 (begins July 1, 2017).

DENFELD

- ❖ Contractors are resolving the drainage issue with the larger storm water retention pond at Denfeld.
- ❖ The Denfeld back-up generator was needed again on June 25.
- ❖ Sun shades have been installed on the west facing windows above the Produce Department.
- ❖ Solar panel installation on the west wall began today.
- ❖ Consumers now have the option to recycle clean plastic bags here.

HILLSIDE

- ❖ Remodeling of the downstairs restrooms has been completed; the downstairs painting projects are about 75% done.
- ❖ Warrantied repairs to the sales floor will start July 5.
- ❖ Construction on 4th Street between 6th Avenue East and 10th Avenue East may begin as soon as mid-July; parking lot access will not be limited until the construction is active on our block; completion of the phase of the 4th Street project that will impact our lot could take up to ten (10) weeks

COMPLIANCE REPORTS

- ❖ Barring objections, the Board accepted Sharon's Compliance Report on Policy B2 Planning and Budgeting.
 - Policy C4 Board Meetings/Brad will be carried over to the July agenda.

CLOSED SESSION

Before the break, the Board adjourned to closed session at 6:15 PM to hear a report from the Search Committee. The Board returned to open session at approximately 6:40 PM.

NEW/OLD BUSINESS

- ❖ Jean reported on the Minnesota Food Co-op Board meeting held earlier this month at the Seward Creamery in Minneapolis.
- ❖ Wayne and Sarah reported on their experiences at the June 2016 Consumer Cooperative Management Association Conference in Amherst, MA.
- ❖ Following discussion, the Board accepted (Carol, Brad, U) management's Product Purchasing Guidelines as amended at this meeting
 - Management's Product Purchasing Guidelines replace the Food Policies originally developed in 1996
 - Management's Product Purchasing Guidelines define LOCAL as produced within the State of Minnesota or within the State of Wisconsin and management will continue to give purchasing priority and promotion priority to producers from this bioregion.
 - Management will report to the Board of Directors annually (beginning in July 2017) on these guidelines with reference to the following metrics:
 - Total bioregion purchases directly from vendors/total number of vendors and total dollars
 - Total bioregion promotional activity/number of vendors promoted and type of promotion
 - Total Minnesota and Wisconsin purchases direct from vendors/total number of vendors and total dollars
- ❖ The Board agreed to carry over Wayne's proposal to amend subsections of the ENDS Statement to the July agenda.

Following a written evaluation on process, Mickey adjourned this meeting at 7:30 PM.

Respectfully submitted,

Sharon Murphy, General Manager