

WHOLE FOODS COMMUNITY CO-OP, INC.
Minutes of December 19, 2016 Meeting of Board of Directors
As approved by the Board of Directors on January 23, 2017

DATE: December 19, 2016
TIME: 5:30 PM
LOCATION: Whole Foods Co-op, 4426 Grand Avenue, Duluth, MN

Attended by Board members: Carol Andrews, MaryAnn Bernard, Jamie Harvie, Mickey Pearson, Wayne Pulford and Jean Sramek. Brad Nelson was absent. Also present: General 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

Board President Jean Sramek facilitated the meeting. MaryAnn Bernard served as timekeeper. Jean called the meeting to order at approximately 5:35 PM.

Open Listening Sessions:

With no guests in attendance, the Board closed the Open Listening Session (MSC, Jamie, Wayne) at approximately 5:36 PM.

Board members and management introduced themselves. All were prepared and reported no conflicts of interest. For informational purposes, Jamie Harvie indicated that he is working with a group of community members to phase out the use of single use plastic bags and Styrofoam to-go containers in Duluth. He made it clear that he is not working on this project as a WFC Board member.

Agenda review:

No modifications were made to the agenda.

Consent Agenda:

The Board approved/accepted (MSU, Wayne, Carol) the Consent Agenda as presented:

- Minutes of the November 28, 2016 Board meeting (open session and closed session were approved)
- Owners Report
 - 74 Owner Applications in November 2016
- Important dates, Board calendar items and assignments
 - Jean and Sarah to complete Compliance Reports D, D1-4 for January

Review:

Cooperative Board Leadership Development (CBLD) 101 and Leadership Training, January 7, 2017:

- No Board members to attend this session; Michael Karsh, Operations Manager to attend CBLD101.

Compliance Reports:

- There were no compliance reports scheduled for December.

Management Report:

- Owner Linkage:
 - Eligible Owners received a check for the cash portion of their FY2016 Patronage mid-November. An incentive of \$25 off a \$150 shop was given to Owners who cashed their patronage checks at WFC. This incentive is meant to increase baskets (total purchased on a shopping trip).
 - January Owner Drive: all new Owners in the month of January will receive a free WFC canvas totebag.

- January Owner Appreciation mailing: To increase shopping frequency, the Owner Appreciation mailing will contain incentives to shop every two weeks during the quarter (instead of providing a discount on one shopping trip per quarter).
- Admin:
 - On December 1st the management team was restructured to align staffing needs with current and projected sales. The restructure resulted in the lay-off of two managers and negated the need to hire a Hillside Store Manager. As a result, the management team was reduced from 15 to 12 members, and personnel costs were decreased significantly. All WFC staff were notified via email and again in face-to-face meetings over the following four days. 14+ face-to-face meetings were held, with 96% of staff attending a meeting to learn about the reasons for the changes to management.
 - Holiday gifts of a Staff-only WFC branded T-shirts and a \$10 Duluth Grill gift certificate to be distributed to all staff this week.
 - Recent and upcoming press: Fox21 interview focused on Denfeld's increased ownership, steady sales and positive impact on community. The Woman Today interview forthcoming in February edition.
- Denfeld:
 - HVAC modifications are underway to ensure consistent and adequate heating of classroom, office and backstock areas. WFC and LHB reached agreement regarding installation of secondary boiler, to be installed in late December. The system will likely qualify for energy rebates.
 - Seeking warranty repair work of carpet tile installed in customer vestibule area.
 - Organic Certification inspection postponed until mid-January.
- Hillside:
 - Organic re-certification inspection postponed until mid-January.

Old/New Business:

401k Trustee:

- Management requested Board to approve a resolution to amend WFC's 401k Plan and Trust to reflect new General Manager, removing Sharon Murphy as trustee and adding Sarah Hannigan as trustee (MSU, Mickey, Jamie).

Courageous Leadership video discussion:

- Board reviewed and discussed the following video which outlines current challenges faced by natural food cooperatives in today's market: <http://library.cdsconsulting.coop/courageous-leadership-today-stronger-co-ops-tomorrow-fall-2016/>

Recruitment Committee update:

- Mickey updated the Board on recruitment activity including four potential candidates and strategies for broadening the recruitment to candidates who are representative of new owners and the West Duluth area.

CLOSED SESSION

Jean directed the Board and General Manager to closed session from approximately 7:16 PM to 7:50 PM to hear a report from the General Manager on monthly financial reports and a report from Jean and Wayne on the Minnesota Food Co-op Board meeting they attended on December 3, 2016.

Respectfully submitted,

Sarah Hannigan, General Manager