

WHOLE FOODS COMMUNITY CO-OP, INC.
Minutes of June 25, 2018 Meeting of the Board of Directors
as approved at the July 23, 2018 meeting of the Board of Directors

DATE: June 25, 2018
TIME: 5:30 PM
LOCATION: Whole Foods Co-op, 4426 Grand Avenue, Duluth, MN

Attended by Board members Jamie Harvie, Ryan Jones-Casey, Brad Nelson, Mickey Pearson and Jean Sramek. Carol Andrews and Dale Peacock were absent. Also present: General Manager Sarah Hannigan. Owners in attendance: Brandon Smith, Heather Strasser, Maria Isley.

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 Mickey Pearson facilitated the meeting. Ryan Jones-Casey served as timekeeper. Mickey called the meeting to order at approximately 5:30 PM.

Introductions:

Board members and management introduced themselves. Board members and management were prepared and reported no conflicts of interest.

Open Listening Sessions:

Owner and Staff Member, Brandon Smith, reported that Union stewards have been selected for both WFC locations to provide a link between management, UFCW and bargaining unit staff. He also reported that initial contract implementation is underway with everyone working to better understand the nuance of the contract language.

With no other Owners in attendance seeking to speak to the Board, Mickey closed the Open Listening Session at 5:33 PM.

Agenda review:

Board approved modification of the meeting agenda (MSU, Jean, Jamie) so that the Management Report followed New/Old Business.

Consent Agenda:

The Board approved items (MSU, Jamie, Brad) as follows:

- Minutes of the May 21, 2018 Meeting of the Board of Directors
- Owners Report: 49 New Owner Applications; 6 Fran Skinner Matching Fund Allocations in May 2018

Old/New Business:

Committee Reports:

- The Board heard Committee updates and reports as follows:
 - Bylaws Committee: Jean presented the Bylaws Committee report.
 - The Board accepted the Draft Revised Bylaws to be presented to on the 2018 ballot with a Board recommendation for Owner approval (MSU, Jamie, Brad).
 - The Board adopted the following Board Resolution (MSU, Jamie, Brad) to transition from seven to nine directors should the Draft Revised Bylaws be approved by the Owners: *Upon the approval by Owners of the revised bylaws that include changing the number of directors from seven to nine, new the candidates will be determined as follows: Three candidates will be elected in 2018 to serve 3-year terms, and 3 candidates will be elected in 2018 to serve 1-year terms. At the conclusion of the 2018*

elections the top 3 candidates by number of votes received will each serve 3-year terms, and the next 3 candidates by number of votes received will each serve 1-year terms.

- The Board adopted the following Board Resolution (MSU, Jean, Ryan) to outline that Owner equity requirement will not be changed should the Draft Revised Bylaws be approved by the Owners: *Upon the approval by Owners of the revised bylaws that include outlining that the Board of Directors will set equity investment requirements for ownership, equity investment requirements will not be changed from those set in 1990: Any eligible person shall purchase four (4) shares at \$5.00 each (total of \$20.00) of Class A stock in the cooperative, and sixteen (16) shares at \$5.00 each (total \$80.00) of Class B stock. The Board shall adopt and implement a method or methods, including but not limited to such mechanisms as scholarships, sponsorships, and matching funds, to encourage the participation of persons of limited income as Owners of the cooperative to the greatest extent possible.*
- Recruitment Committee: Committee Chair, Jaime, shared that the committee believes that WFC is on target for a contested Board election.

FY19 Budget:

- Sarah presented the FY19 Budget and Capital Expenditures to the Board for consideration. The FY19 Budget was approved as presented (MSU, Jean, Ryan).

Board Calendar:

- Updates to the 2018 Board Calendar were accepted, including the cancelation of the October 22nd Board meeting and the addition of the December 17th meeting. A Board retreat will be held on November 10th.

ENDS Review:

- The Board reviewed Owner engagement opportunities for July and August for Owners to review and comment on draft updates to WFC's Global ENDS Policy. An explanation of the process, invitation to Owner engagement events and a draft of the ENDS was published in the July Garbanzo Gazette.

Compliance Reports

- Board reviewed and accepted as written policy compliance reports as follows:
 - Board Process Policy Compliance Report C3 – Agenda Planning
 - Executive Limitation Policy Compliance Report B2 – Planning and Budgeting

Review:

Management Report:

- Board received reports on community engagement, ENDS activity and the GIVE round-up program.
- Board received a report on the development and finalization of the FY19 Strategic Plan of Action which was developed by management through a many-month-long integrated process. The initiative and activities outlined in the plan support and are supported by the FY19 Budget.
- FY19 health insurance renewal is underway with ten plan design options to meet the diverse needs of employees; four plans include a Health Savings Account option.
- WFC's Deli Manager was selected to participate in a national Prepared Foods Summit in which co-op industry leaders will work together over the course of a year to share ideas and define best practices and tools required to run a successful prepared foods department.
- A peer audit was completed at both stores June 19-21. The audit team included GMs from three co-ops, retail specialists focusing on meat and produce and co-op generalists. The peer report will be received in late July, and will outline areas for management to consider to improve operations and customer experience. The audit was voluntary and was performed at no cost to WFC; the management team will assess the outcomes and use the information to continue to steer WFC toward sustained success.
- Board received management's notes from the Consumer Cooperative Management Association's 2018 May 31- June 2 in Portland, OR.

Open session adjourned at approximately 6:52 pm; Owners Maria Isley, Brandon Smith and Heather Strasser left the meeting.

The Board took a break and re-convened in closed session at 7:00 pm.

CLOSED SESSION

Financial Conditions:

- Board reviewed May 2018 financial reports.
- Board reviewed a June 14, 2018 letter from National Co-op Grocers indicating that WFC has been removed from monthly financial monitoring requirements that were put in place following the opening of the Denfeld store, and were kept in place through WFC's general manager transition. This action is an indication of WFC's increasingly solid financial position following organizational change over the past three years.

Closed session adjourned at approximately 7:45pm.

Respectfully submitted,

Sarah Hannigan, General Manager