

CONTENTS

Board Meeting Packet May 22, 2019

ITEM	PAGE
AGENDA.....	2
2019 BOARD MEETING CALENDAR.....	3
BOARD OF DIRECTORS ANNUAL CALENDAR.....	4
MONTHLY CO-OP SHARE REDEMPTION REQUESTS.....	6
GM MONTHLY UPDATE.....	8
GROCERY, ECONOMIC, AND CO-OP INDUSTRY NEWS AND TRENDS.....	23
POLICY MONITORING – EL 9 – Cooperative Giving Programs.....	30
APPENDIX A – April 22, 2019, Draft Meeting Minutes.....	38
APPENDIX B – GP 8 – Cooperative Giving Program.....	44
APPENDIX C – Governance Coach Coaching Agreement.....	53
APPENDIX D – Board Budget March 2019	54
APPENDIX E – FY18 Business Plan Metrics	55

AGENDA

Board of Directors Meeting

May 22, 2019

6:00 p.m., Hanover Board Room, Hanover Store

Time	Agenda Topic
5:15	Dinner
6:00	Welcome newly elected Board Members Election of Officers – President, Vice President, Secretary and Treasurer
6:30	Consent Agenda April 24, 2019 Minutes (App A) Monthly Share Redemptions
6:40	Update & Monitoring General Manager Report EL 9 – Cooperative Giving Programs GP 8 – Cooperative Giving Programs (App B) Governance Coach report and GAP
7:00	Member Comments
7:10	New Business Governance Coach Coaching Agreement (App C) Liz Blum CCMA attendance & Board Budget (App D) Board Facilitator/Board Email Correspondence - Victoria Fullerton Correspondence Task Force Newsletter (Liz Blum) Board Letter for Terry Appleby (App E)
7:50	Committee Updates Proposed HCCF Advisory Committee Charter (Appendix F) Rosemary Fifield Proposed Governance Committee Charter (Appendix G) Kevin Birdsey
8:00	Adjournment

2019 BOARD MEETING CALENDAR

May 22	Board of Directors Meeting, 6:00 p.m., Hanover Board Room
June 26	Board of Directors Meeting, 6:00 p.m., Hanover Board Room
July 24	Board of Directors Meeting, 6:00 p.m., Hanover Board Room
August 28	Board of Directors Meeting, 6:00 p.m., Hanover Board Room
September 25	Board of Directors Meeting, 6:00 p.m., Hanover Board Room
October 23	Board of Directors Meeting, 6:00 p.m., Hanover Board Room
November 20	Board of Directors Meeting, 6:00 p.m., Hanover Board Room
December 18	Board of Directors Meeting, 6:00 p.m., Hanover Board Room

BOARD of DIRECTORS ANNUAL CALENDAR

January	Board	Annual Meeting Planning Details of Annual Meeting approved.
	Election Committee	Final call for Board candidates
	Outreach & Member Services	Call for nominees for King Award on website and social media and in stores
February	Election Committee	Finalize slate of Board Candidates Candidate statements and photos to Member Services Director for inclusion in Election Mailing and online voting website
	Board	Approve Auditor's Report at meeting Approve Patronage Refund Choose recipient of King Award Designate recipients of HCCF Funds Finalize wording of ballot materials to be mailed and posted online
	Board Administrator	Deadline for King Award Nominations (include in Board packet)
	Outreach & Member Services	Publish 30-day warning of voting, if applicable, through Election Mailing and website notice
March	Board President or designee Board Treasurer or CFO	Board Annual Review of Year (Annual Report) Treasurer's Report (Annual Report)
	Outreach & Member Services	Publish 10-day warning of voting, if applicable, through Election Mailing and website notice; Publish Annual Report in time for Annual Meeting
March -April	Board	Open voting period
April	Board	Annual Meeting within voting period
April - May	Board	Close voting period
	Election Committee	Count ballots Schedule new Board member orientation before May meeting

	Outreach & Member Services	Announce new Board members
May	Board	New Board members attend meeting Elect officers Choose Election Committee Chair, suggest committee members
	Accounting	Distribute Patronage Refund
	Outreach & Member Services	Begin drive for contribution of Patronage Refund to HCCF
June	Board / Bylaws Committee	Begin work on proposed bylaw changes (if any)
July	Election Committee	Convene Election Committee
August	Election Committee	Review & edit Board Candidate Information Packet
September	Election Committee	Solicit Board input for potential nominees; contact individuals re: interest
	Outreach & Member Services	Call for Board nominees on website and social media and on posters in stores
October	Election Committee	Invite potential candidates to attend Board meeting Choose date for Annual meeting and Voting Period
November	Board	Assign Annual Meeting Planning duties
	Election Committee	Invite potential candidates to attend Board meeting
	Outreach & Member Services	Second call for Board nominees on website and social media and on posters in stores
December	Election Committee	Invite potential candidates to attend Board meeting

GM Monthly Update:

Communication and Counsel to the Board

Submitted by: Ed Fox May 15, 2019

Co-op Board Meeting: May 22, 2019

Reporting Period: YTD April 2019

No action is required in this report.

OVERVIEW

Team,

Congratulations to our newest board members, and welcome back to our returning board members! I look forward to the year ahead and what we can do together.

As I write this, workers are putting the finishing touches on the Co-op Resource Center, an office building in White River Junction that will house our team that works, for the most part, behind the scenes. The new building will also serve as a creative hub for our employees, members, and board members, so needless to say it has great potential. At this point we are just days away from moving to the new location. I'm working on this report today in my old office, surrounded by moving boxes.

This past January I wrote about the new location, but in case you missed it, and for the benefit of our new board members, some of the key details bear repeating. Our new Resource Center is located in a professional office park on Holiday Drive, a quiet street about a mile or so from the spirited shopping and restaurant district of downtown WRJ. The building has solar power, with plenty of parking, and easy access to free public transportation on the Advance Transit Orange Line. The rent is quite reasonable, nearly \$50,000 per year less than what we pay to rent offices at Buck Road.

But these are purely pragmatic matters. The real advantage of the new space, as I see it, is its potential to bring people together to serve our Co-op and communities. I envision this space buzzing with energy and ideas. In one of my first GM Reports, I wrote about the collective genius of this organization, something I see all around me. This building is 15,000 square feet, a significant upgrade from the 10,500 square feet of our Buck Road offices, which gives us plenty of room for people to put their collective genius together. The new facility will not only house the offices of our employees who work in various support roles, but it will also feature a spacious training room and two large, multipurpose rooms—enough space for meetings, events, and anything else our members, board members, and employees might dream up. Remember, this facility belongs to all of us, so I encourage you to take advantage of all that it has to offer.

With that in mind, as you look through the functional reporting below, I encourage you to think about the sorts of projects we can work on together in the new space. If you have ideas, I'd love to hear from you. So please reach out anytime. My door is always open. In the meantime, as always, my thanks to the senior leadership team and location managers for contributing to the following reports and updates.

—ed

SALES TRENDS

Data Through April 2019		Consolidated Food Stores					Service Center	Hanover Gas	Hanover Repairs	Norwich Repairs
		Hanover	Lebanon	CCM	WRJ					
Actual Sales: % Change Current Month to 12 Months ago		7.26%	6.57%	7.61%	0.39%	8.96%	11.07%	0.01%	-41.21%	100.00%
Actual Sales: % Change YTD through Current Month to YTD 12 Months ago		5.14%	4.48%	4.90%	2.03%	7.53%	4.04%	-7.44%	-36.21%	100.00%
Actual YTD Sales		\$ 22,894,262	\$ 8,006,278	\$ 10,241,493	\$ 674,674	\$ 3,948,353	\$ 1,252,909	\$ 901,043	\$ 147,222	\$ 204,644
Actual YTD Budgeted Sales		22,065,228	7,704,587	9,928,689	684,353	3,725,999	1,406,501	964,750	121,660	320,091
Actual Variance in sales		\$829,034	\$301,691	\$312,804	(\$9,679)	\$222,354	(\$153,592)	(\$63,707)	\$25,562	(\$115,447)
Potential Margin Impact		\$271,094	\$98,653	\$103,225	(\$3,249)	\$69,152	(\$59,870)	(\$4,141)	\$15,848	(\$71,577)

Month Ending	Location	YTD Sales	YTD Budget	YTD % Variance	YTD Variance	Gross Margin Impact	2019 YTD Transactions	2018 YTD Transactions	Change prior year	% Change prior year	2019 YTD Avg Basket	2018 YTD Avg Basket	Change prior year	% Change prior year
4/27/19	Consolidated Stores	\$22,899,540	\$22,043,628	3.88%	\$855,912	\$274,939	575,098	572,502	2,596	0.45%	\$39.82	\$38.10	\$1.72	4.51%
	Hanover	\$8,015,229	\$7,704,587	4.03%	\$310,642	\$100,213	173,412	174,054	(642)	-0.37%	\$46.22	\$44.10	\$2.12	4.81%
	Lebanon	\$10,260,440	\$9,928,689	3.34%	\$331,751	\$107,819	213,683	214,900	(1,217)	-0.57%	\$47.90	\$45.45	\$2.45	5.39%
	CCM	\$674,864	\$684,353	-1.39%	(\$9,489)	(\$3,363)	57,954	58,022	(68)	-0.12%	\$11.64	\$11.42	\$0.22	1.93%
	WRJ	\$3,949,007	\$3,725,999	5.99%	\$223,008	\$70,270	130,049	125,526	4,523	3.60%	\$30.37	\$29.31	\$1.06	3.62%
Service Centers														
4/27/19	Hanover	\$1,059,689	\$1,124,130	-5.73%	(\$64,441)	(\$8,159)								
	Gas	\$910,344	\$964,750	-5.64%	(\$54,406)	(\$2,138)								
	Gallons Pumped	352,161												
	Average Price	\$2.59												
	Labor	\$74,247												
	Parts	\$75,098												
	Total repairs	\$149,345	\$159,380	-6.30%	(\$10,035)	(\$6,021)								
4/27/19	Norwich	\$196,291	\$320,099	-38.68%	(\$123,808)	(\$70,110)								
	Labor	\$90,017												
	Parts	\$106,274												
	Tires	\$6,958												
	Total repairs	\$203,249	\$320,099	-36.50%	(\$116,850)	(\$70,110)								
Stores & Service Centers		\$24,155,520	\$23,487,857	2.84%	\$667,663	\$196,670								

YTD Ending 4/27/19	Consolidated YTD Sales	YTD Budget	variance	Hanover YTD Sales	YTD Budget	variance	Lebanon YTD Sales	YTD Budget	variance	CCM YTD Sales	YTD Budget	variance	WRJ YTD Sales	YTD Budget	variance
Bakery	\$1,088,703	\$1,097,789	(\$9,086)	\$375,163.01	\$364,400	\$10,763	\$478,392	\$496,858	(\$18,466)	\$28,919	\$30,111	(\$1,192)	\$206,229	\$206,420	(\$191)
Beer	\$635,380	\$694,419	\$40,961	\$161,980.93	\$142,100	\$19,881	\$230,819	\$208,388	\$22,432	\$44,125	\$32,664	\$11,461	\$198,454	\$211,267	(\$12,813)
Beverage	\$605,183	\$549,050	\$56,133	\$185,565.06	\$170,701	\$14,864	\$243,809	\$224,265	\$19,544	\$42,666	\$41,117	\$1,449	\$133,243	\$112,967	\$20,276
Bin Bulk	\$1,153,735	\$1,153,716	\$19	\$438,040.23	\$423,500	\$14,540	\$578,282	\$603,225	(\$24,943)	\$24,521	\$22,026	\$2,495	\$112,892	\$104,965	\$7,927
Cheese	\$571,935	\$548,161	\$23,774	\$231,257.31	\$219,600	\$11,657	\$274,814	\$266,877	\$7,937	\$6,273	\$6,470	(\$197)	\$59,590	\$55,214	\$4,376
Dairy	\$2,374,525	\$2,275,316	\$99,210	\$842,957.45	\$809,414	\$33,543	\$1,002,546	\$950,693	\$51,853	\$63,596	\$69,559	(\$5,963)	\$465,426	\$445,650	\$19,776
Del	\$449,227	\$452,547	(\$3,320)	\$144,937.64	\$146,607	(\$1,669)	\$197,876	\$200,857	(\$2,981)	\$5,999	\$6,715	(\$716)	\$100,415	\$98,368	\$2,047
Floral	\$460,831	\$457,470	\$3,361	\$177,905.55	\$181,503	(\$3,597)	\$226,122	\$221,906	\$4,215	\$6,196	\$5,887	\$309	\$50,608	\$48,174	\$2,434
Frozen	\$998,262	\$940,390	\$57,873	\$323,323.89	\$301,486	\$21,838	\$425,604	\$397,299	\$28,306	\$25,979	\$28,465	(\$2,486)	\$223,355	\$213,140	\$10,215
Grocery	\$5,052,527	\$4,887,514	\$165,013	\$1,597,162.24	\$1,536,887	\$60,275	\$2,350,048	\$2,279,894	\$70,155	\$109,585	\$119,443	(\$9,858)	\$995,731	\$951,290	\$44,441
HABA	\$746,983	\$702,106	\$44,877	\$295,580.49	\$273,000	\$22,580	\$386,923	\$373,678	\$13,245	\$3,530	\$2,899	\$631	\$60,950	\$52,529	\$8,421
Kitchenware	\$92,564	\$84,667	\$7,897	\$46,493.01	\$46,530	(\$37)	\$31,349	\$28,168	\$3,180	\$4,558	\$1,288	\$3,270	\$10,164	\$8,681	\$1,483
Meat	\$1,794,914	\$1,741,620	\$53,294	\$615,996.16	\$599,940	\$16,056	\$807,885	\$787,309	\$20,576	\$16,755	\$20,021	(\$3,266)	\$354,278	\$334,500	\$19,778
PFD	\$1,574,097	\$1,569,402	\$4,695	\$447,875.18	\$459,099	(\$11,224)	\$696,998	\$696,736	\$262	\$194,235	\$199,840	(\$5,605)	\$234,989	\$213,727	\$21,262
Produce	\$3,660,697	\$3,398,673	\$262,024	\$1,504,868.07	\$1,426,172	\$78,696	\$1,605,367	\$1,488,328	\$117,038	\$47,670	\$50,314	(\$2,644)	\$502,792	\$433,859	\$68,933
Seafood	\$619,723	\$613,947	\$5,776	\$240,630.56	\$244,098	(\$3,467)	\$298,489	\$291,491	\$6,998	\$1,728	\$1,758	(\$30)	\$78,875	\$76,600	\$2,275
Sushi	\$273,339	\$283,242	(\$9,903)	\$73,495.44	\$70,300	\$3,195	\$166,216	\$176,295	(\$10,079)	\$15,159	\$14,289	\$870	\$18,469	\$22,358	(\$3,889)
Wine	\$695,464	\$693,601	\$1,862	\$295,356.86	\$289,250	\$6,107	\$229,693	\$236,424	(\$6,732)	\$32,999	\$31,487	\$1,512	\$137,415	\$136,440	\$975
TOTAL	\$22,848,091	\$22,043,628	\$804,462	\$7,998,589	\$7,704,587	\$294,002	\$10,231,233	\$9,928,689	\$302,543	\$674,394	\$684,353	(\$9,959)	\$3,943,875	\$3,725,999	\$217,876

YTD Ending 4/27/19	Consolidated YTD Sales	YTD Budget	variance	Hanover YTD Sales	YTD Budget	variance	Norwich YTD Sales	YTD Budget	variance
Gas	\$ 910,344	\$ 964,750	(\$ 54,406)	\$ 910,344	\$ 964,750	(\$ 54,406)			\$ -
Parts	\$ 181,372	\$ -	\$ 181,372	\$ 75,098	\$ -	\$ 75,098	\$ 106,274	\$ -	\$ 106,274
Tires	\$ 6,958	\$ -	\$ 6,958	\$ -	\$ -	\$ -	\$ 6,958	\$ -	\$ 6,958
Repairs	\$ 164,264	\$ 479,479	(\$ 315,215)	\$ 74,247	\$ 159,380	(\$ 85,133)	\$ 90,017	\$ 320,099	(\$ 230,082)
TOTAL	\$ 1,262,938	\$ 1,444,229	(\$ 181,291)	\$ 1,059,689	\$ 1,124,130	(\$ 64,441)	\$ 203,249	\$ 320,099	(\$ 116,850)

Food Stores

FY2019: +\$855,911 +3.88% growth in sales v. budget
+5.0% growth in sales over 2018

FY2018: +\$566,256 +2.66% growth in sales v. budget
+2.68% growth in sales over 2017

Service Center

FY2019: **-\$188,249 -14.99%** growth in sales v. budget
4.29% growth in sales over 2018

FY2018 +\$6,899 +0.58% growth in sales v. budget
+5.30% growth in sales over 2017

Projected/budgeted loss thru April FY2019: **-\$523,919**
YTD Forecasted loss thru April **-\$404,000**

Service Station Update

Actuals Verses Prior FY/YTD Reporting Period:

Gasoline Sales **-5.64%**

Gallons **-1.57%**

Price/Gallon **-5.0%**

Repair Sales +52.72%

Transaction Count and Basket Size

For April, year-to-date consolidated transaction counts for the food stores were up 2,596 versus the same period in 2018. Basket size was higher by \$1.72, for an average of \$39.82.

The Hanover store, Lebanon store, and CCM are experiencing a decline in the number of transaction, 642, 1,217, and 68 respectively. The White River Junction store is experiencing an increase in transactions, 4,523.

Basket size in each location has increased over the same period last year. Lebanon's basket size is up \$2.45, for an average basket size of \$47.90. Hanover's basket size is up \$2.12, for an average basket size of \$46.22. White River Junction's basket size is up \$1.06, for an average basket size of \$30.37. CCM's basket size is up \$0.22, for an average basket size of \$11.64.

STORE OVERVIEWS**Operational Metrics**

Revenue Growth and Co-op Kitchen metrics will be updated quarterly.

ECRS

Solidify Receiving Practices: Procedures and practices continue to be built in conjunction with our Perpetual Inventory planning. Below are updates in the priority areas that have been established.

Receiving or Receive Only: AGNE began live testing on Monday 5/06 in all locations.

Credit Memos: Focus group is meeting on 5/09 to shore up details of the draft that is in place. Testing will follow.

NOFs - Mispicks – Misorders: A revised flow chart has been created. The new version is more efficient and will address issues in a timely manner. Focus group is working on final details before launch.

Build Database Integrity for Remaining Vendors: In building database integrity for our Produce department, we are temporarily reallocating some job duties within our team to allow this project to take priority and to be completed in a timely manner. Those involved have been both flexible and team-oriented, with the Co-op's overall perpetual inventory goals in mind.

100% of Vendors on Perpetual Inventory: As of May 13th, we will have 253 of the approximately 350 vendors we currently work with on perpetual inventory. These vendors account for about half of our annual sales combined. The next major steps that await us in this process is setting up perpetual inventory for AGNE (our single largest vendor) and determining how perpetual inventory may or may not work in our Produce, Meat, Seafood, and Floral departments.

12 Vendors on Demand Fill: We have set up five vendors for Demand Fill through the Catapult system. Rolling out auto-ordering has been a collaborative effort between store department managers, our I.T. team, and our Inventory Control team. This initial batch of vendors has helped us be prepared for adding additional vendors to Demand Fill in the next several weeks.

Lebanon Store Update

In the month of May, the Lebanon Store will be focused on employee engagement, capturing additional sales, and enhancing customer service through the following processes:

We will refresh endcap merchandising to capture extra margin by cross-merchandising non-sale companion items. Example sale item: Honey graham crackers. Example non-sale item: chocolates and marshmallows for s'mores theme.

We will continue to focus on partnership with the Co-op Kitchen to push new items—e.g., grilled sandwich program.

Our small hot warmer display unit is expected to be returned this month. We intend to start our hot meal packaged program to increase impulse sales at the front end.

Total store remerchandising will mirror seasonal selling with the warmer weather.

We will continue hiring with a focus on the Front End and Meat department in order to offer exceptional service.

Store and Department Managers will continue to work with Merchandising to implement new items based on customer demand and regional trends.

We will continue cross-training within all departments to bring excitement and knowledge to the store.

We will begin a spring/summer push on Pathways to enhance employee knowledge.

We will continue Employee Appreciation Days, which began in April and will continue through the Fall.

We will dissect and learn more about the updated ECRS program to enhance efficiencies.

We will refocus our efforts on the Lebanon "CARE" model (Clean Aware Responsible Effective).

We will prepare for Memorial Day sales and promotions.

Hanover Store Update

The Hanover store has been reconfiguring the entrance to the store. We have moved the member outreach display area and will replace it with our seasonal displays.

Grocery will be preparing for a case sale in the changed space as you enter the store.

Floral had a big push for Mother's Day. Spring has been slow in coming but it has arrived in full bloom in the Floral department inside and out!

There has been a lot of additional work behind the scenes that is needed for the spring re-wax of the floors.

Catapult implementation is pushing workload but continues to move forward.

A spring sampling event is being held on May 18th. The products being sampled may be included in customers plans for Memorial Day weekend purchases.

White River Store Update

What a busy month May will be, with the Kentucky Derby and Cinco de Mayo leading it off.

COS has built a Cinco De Mayo endcap filled with nacho chips, taco shells, salsa, and avocados.

The Produce department maintained an adequate supply of fresh mint for those customers that enjoyed the Kentucky Derby with all its regalia.

Mother's Day was a big floral sales opportunity. The first deliveries of summertime flowers arrived in time for the special day. Lots of plants were on display both inside and out. Certainly, this must mean that better weather will be coming our way!

On the ECRS side of things, more vendors have been added to perpetual inventory. With many of the little ones done, we are down to some of the larger, more complicated ones, such as AGNE. We are getting more accustomed to verifying our on-hand quantities through the reporting system.

We have several job opportunities available within the store. It has proven difficult to find qualified staff to fill the vacancies in the tight Upper Valley job market. Food Service continues to be the most difficult department to fill.

We continue to make full use of the road sign. We announce such things as Flash sales, items with hot prices, upcoming events, and holiday reminders.

Community Market Update

May brings Mother's Day, Teacher Appreciation Day (or Flower Day at the Ray School), and Memorial Day. We are looking forward to increasing our floral sales and seeing more people outside on our patios.

Frozen Treat Friday has begun. We started with our first frozen treat on Friday May 3rd. And we will be continuing with a new frozen treat every Friday.

Orders are in for the Pre-Summer Sale, and we are waiting for product so we can set up our displays in the front foyer.

Merchandising is helping with a small dairy re-set this month, and we will be focusing on the Frozen and Cheese departments next.

Our kitchen/PFD area is still down one employee, but we have been seeing our steam table numbers slowly increase with our new hours of operation.

Co-op Kitchen Update

Anticipation.

Just as we've been awaiting two sunny days in a row this month, we've been excited to see the rollout of fresh new items from the Kitchen. There is so much behind-the-scenes work that goes into each new item that it seems like it can take forever. Starting with a recipe seems simple enough. Adapting that recipe, serving 6, to one serving 60 is a whole new project. Add to that, making the best decisions as to how the end product will end up in our customer's hand can be the end of the line for even the most delicious item. With the help of Samantha Estes, our Prepared Foods Program Manager, and Jamie King, our ChefTec Coordinator, we've seen progress in cutting the time it is taking to get these products on the shelves. We've each taken

responsibility for certain tasks and meet regularly to make sure we're always moving forward.

While we did not see Easter special orders similar to those at Thanksgiving, we did have some requests come in and were pleased with our menu offerings. Notes have been made for next year (Maple French Toast Casserole, anyone?), and we look forward to more orders.

The Sesame Teriyaki Asparagus from the Easter menu continues to be a hot item and we know that many of you are happy to see the return of Mexican Street Corn for Cinco de Mayo. Brightly flavored Edamame Succotash debuts next week, as well as a grain-based Farro Radish with Feta deli salad. We've added a new risotto cake, Sundried Tomato Basil, to the lineup. Also in the works are two new yogurt parfait varieties: Tropical, with mango, pineapple, and coconut, and Banana Split!

There is a fifth season here at the Co-op Kitchen. It lasts about 6 weeks and keeps everyone from our Prep Team to Driving Services very busy. This time of year our Catering Team sends out more platters for pickup in our stores than at any other point. Graduations celebrations alone account for many of them, with as many as 20 platters ordered for a single customer. Managing this takes all of us and I am very, very proud of the effort put forth.

Service Station Update

Things are in Full swing at both locations. We are working on all electronic scheduling this month at both shops. We hope to be fully staffed shortly in order to begin opening on Saturdays in Norwich starting June 1st.

Other initiatives in the works:

We're working on billable hours percentage and fine-tuning some systems.

We had our first automotive class, with a attendance of 27 people and 11 different shops. Very successful event.

The parts room in Norwich will be fully running with our partners, Advance Auto Parts

Merchandising Update

Our Merchandising and Inventory Control teams have been working very hard as we prepare for the busy summer season and the continued integration of ECRS Catapult and perpetual inventory:

We are excited about the local produce and floral growing season, which is just beginning to gear up. Some of our first crops have already arrived and we'll expect much more as the weather improves in the coming weeks.

We are in the midst of planning three significant vendor sampling events in our stores this summer, centered around seasonal entertaining and the major summer holidays. The first event will be on Saturday May 18th at the Hanover location, the weekend before Memorial Day.

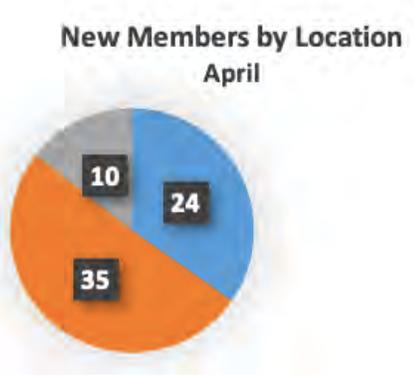
During the 10 days leading up to Memorial Day, we will be offering the “Sunny Days Sale.” This promotion will offer customers in all four of our stores competitive prices on cases of beverages, snack bars, and potato chips. If this event is a success, we hope to make it an annual occurrence.

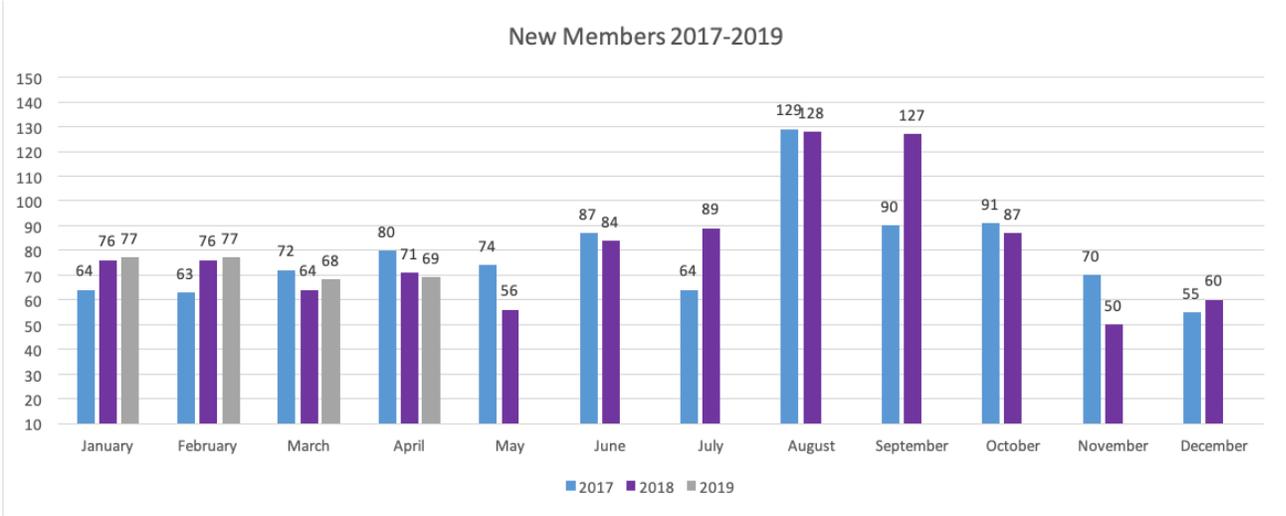
Our recent flash sale on Vermont-made Lake Champlain Chocolates chocolate bars sold over 900 bars in one day and saw some exciting activity and outreach on social media.

MEMBERSHIP

2019 January-April

	<i>New Members</i>	<i>Cancellations</i>	<i>Net Change in Memberships</i>	<i>Cancellations from clean-up</i>
January	77	15	62	
February	77	12	65	117
March	68	11	57	25
April	69	15	54	23
YTD	291	53	238	
<i>2018 YTD</i>	<i>287</i>	<i>34</i>	253	





PENNIES FOR CHANGE

Total Member Donations Since June 2016: \$708,371.22
Total Collected April 2019: \$15,190.93
Total Collected in 2019: \$66,671.84

April Food Access Recipients

Listen: \$3,038.19 Haven: \$3,038.19
Willing Hands: \$3,038.19

April Community Partners

Good Beginnings of Upper Valley: \$4,557.28
StoneLedge Stables: \$1,519.09

HUMAN RESOURCES

Compensation Plan

April saw 8 new hires, 6 promotions and 20 merit raises across all locations, with Lebanon topping the list at 13.

Business Continuity Plan

Our business continuity consultant, Arlene Silva, continues to be on site as needed to construct the many teams we will need to build, review and approve the various elements of the plan. Next steps include beginning training for our BCP Managers, and identifying and reviewing software systems that will house the plan and that will allow us to quickly and efficiently notify our employees should there be an emergency situation or a change in business operations.

Employee Experience

The Employee Experience Team has designed the format for the employee meetings. The next two meetings will be for the team to practice facilitation of the meetings. Lori Hildbrand has stepped away from the committee to ensure confidentiality among employees. Lindsay Smith, Food Educator, will lead the team until such time as the data is ready to be analyzed and the personas to be created.

Learning and Development Update

1. **St. Mary's Co-operative Programs:** Promoted program and selected candidate for September start
2. **Co-op Scholarship:** Currently promoting Co-op Scholarship open to all employees and their families
3. **Convergence:** Worked with selection team to select Co-op team of 8 to attend June event in Minneapolis
4. **Annual New Hampshire Safety and Health Conference:** Attended with members of Joint Loss Management Committee to gather training related information
5. **Hunger Mountain Co-op:** Provided on-site training in Customer Service/Customer Experience to customer service committee (late March)
6. **Programs Planned for April but not yet delivered:**
 - Tech Introduction to MS Word – currently recruiting outside instructor for class to be offered in August
 - Professional Development Planning Managers and Professional Development Planning Non-Managers: this is not being delivered in classroom format but on a one-on-one basis and on-demand
 - Presenting – postponed until June
 - Train the Trainer – this training is not being offered until June so that recruiting can occur

Recruiting

We continue to recruit using our tried and true methods but have also implemented a plan to get summer help for the Hanover Store. This includes on-site advertising as well as relaxing the rules for splitting one position into many positions for a short period of time. This will allow for four short-term positions for the summer that were not planned and the reconstitution of one full-time position at the end of the summer. Normally when a position is split into multiple positions, it stays that way until the next budget cycle.

Diversity and Inclusion

We have begun recruiting for members for our diversity committee. At this time, we have representatives from four of our locations and anticipate garnering more support after the next call for committee members in next Cooperator due to be published on May 17th.

PUBLIC RELATIONS

For this month's update, Allan is providing a primer, of sorts, on aspects of his work for the Hanover Consumer Cooperative Society. This general summary is provided to introduce new board members to some of the local, regional, and national projects and collaborations that he is involved with.

Because local policy can either influence or be impacted by actions at the state, regional and national level – and vice versa – the descriptions below will not be segmented by such boundaries. That level of distinction will mostly be obvious.

On any given day, Allan is involved with matters pertaining to, in no particular order: Affordable workforce housing, wage fairness, food security, and support for local farmers and food producers. Those four topics feature an ebb and flow action considering the range of “partners” Reetz collaborates with, partners who include:

- Housing Action NH
- Vermont's Main Street Alliance
- New Hampshire Food Alliance
- New Hampshire Businesses for Social Responsibility
- National Organic Coalition
- Real Organic Project
- Farmers Union
- Vermont Businesses for Social Responsibility
- Vital Communities and its programs on,
 - Transportation
 - Valley Food and Farm
 - Heroes and Leaders
 - Local First Alliance
- Cedar Circle Farm and Education Center
- The leadership and staff and the departments of agriculture in New Hampshire and Vermont
- The chiefs of police in Hanover, Lebanon and White River Junction
- Vermont Law School
- National Cooperative Business Association
- Cooperative Development Institute
- Cooperative Leadership Council (in formation)

- National Co+op Grocers
 - Co+efficient program
 - Advocacy and action
- Vermont State Employees Credit Union (VSECU)
- NH Coalition for a Family Friendly Economy
- [ROC USA](#)
- Hanover Co-op vendor outreach including
 - Cedar Circle Farm
 - Back Roads Granola
 - Red Hen Baking Company
 - Nearly all Co-op produce growers
- Congressional representatives and staff for
 - Leahy
 - Shaheen
 - Hassan
 - Kuster
 - Welch
 - U.S. Senate Agriculture Committee

Note regarding recent work:

As the need arises, Allan will testify before senate and house hearings in New Hampshire and Vermont. Here is a brief overview of two recent efforts. One such opportunity was on Tuesday, April 30 on NH House Bill 560. Here is unmodified text of that testimony to the Senate Finance Committee:

HB 560: A Grocery Retailer's Concern with its Odd Elements

Submitted by Allan Reetz, Hanover Co-op Food Stores
(aka, Hanover Consumer Cooperative Society)

I'm Allan Reetz of the Hanover Co-op Food Stores and Auto Service Centers

Our Co-op has encouraged bag reuse since the early 1980s. That's when we began offering reusable canvas bags to our members and customers alike.

Today, as a business that records roughly 2 million customer visits and \$74 million in sales each year, our commitment to reducing the impacts from single-use bags has never waned. In fact, last month, we publically committed to stop offering plastic bags at checkout by spring of 2020.

And yet, even though we stand behind the spirit of HB560, we are troubled by a number of aspects of this proposed legislation.

First and foremost; what is the actual intent of this specific legislation?

Section III (b) appears to give a pass to some retailers. If this is the case, excluding large sources of these bags, such as “big box” hardware stores and clothing stores creates an unequal treatment across the retail sector. If they are covered by this act, that is as it should be.

Laundry bags, uncommon in size, protect a garment in ways difficult to achieve by other common means. Such an exception seems reasonable.

What is the purpose of applying a usage fee/tax on recycled paper bags? The state-mandated fee of “no less than 10 cents,” strikes me as odd. And how does New Hampshire plan to monitor compliance?

I admit to lacking knowledge of state fees, but when I read that “**stores and food service businesses**” shall provide certain types of bags, shall charge for them, and shall retain the money collected, I can’t help but wonder, if this type of sanction common in New Hampshire policy. Is this being done successfully in other states?

I am struggling to understand to ultimate aim of this legislation. The legislation would go so far as to say our business **MUST** offer bags. We would be prevented from *not* offering one bag versus another, *or if we want to do away with single use bags all together*.

As stated above, the Hanover Co-op Food Stores stands behind what we believe is the spirit of HB 560. We commend you for important action, and sincerely seek an understanding of *where you’d like to see this act take our state in the next few years*.

A year from now, our cooperative is committed to reducing reliance on single-use plastic bags by no longer offering them at checkout. I sincerely hope the state does not require us to keep them there as a means of “restricting distribution” as stated in the analysis of this bill.

That would be odd.

Thank you. I’m happy to answer any questions that I can.

Allan Reetz

Immediately following this testimony, language was introduced to change the bill’s language surround mandatory bag use. In the days following, Allan exchanged numerous emails with Senator Judith Spang (HB 560’s lead sponsor) and the bill’s primary outside advocate, Melissa Gates (Northeast Regional Manager, surfrider.org) to discuss our perspective of the legislation and how we feel it needs additional revisions.

Vermont: Vermont House Bill 107 is the 2019 legislation aimed at improving family and medical leave coverage for Vermonters. In 2018, Allan submitted spoken and written testimony on similar legislation before the Senate Finance Committee. On May 7 of this year, Allan learned that this year’s bill suffered a substantial change while before the Senate Economic Development Committee. The modification dropped the option for Personal Medical Leave.

That means, for instance, that even through an employee can take time to care for a sick family member, the employee cannot take the same (up to) 12 week leave for their own illness. Reetz has sent emails to Windsor County's delegation emphasizing our support for personal leave component, while also seeking their support to have that element added back to the legislation once the bill goes to conference between the house and senate.

OUTREACH AND MEMBER SERVICES

This month marks an exciting moment for our engagement project. We've completed building all the components of our engagement strategy! We now have the system structure to track and measure loyalty, engage customers in our co-op's work, and deepen our relationship with members. This project has already resulted in several positive outcomes and we should continue to see more great results. The work on the engagement system will be continuous since this is a living system and will constantly evolve but the foundational work is complete. Outreach has also been busy with several other projects in our community. Here are some highlights:

- We are developing a program with Good Neighbor Clinic.
- Two marketing employees attended NCG's Marketing Matters Conference.
- Amanda and Emily are preparing for presentations at CCMA.
- The Co-op is hosting "Build a Reuse Community" in partnership with Lebanon Landfill. The work started in April and continues into May (this is a great example of a higher level engagement pyramid program).
- The survey team is building content for a fall customer survey.
- Marketing is working with Merchandising on a series of summer campaigns.
- We hosted a successful book tour day with author John Steinman. Board members should all have a free copy of *Grocery Story*.
- We participated in several events throughout the region, including UVAC member appreciation and the HOP Hanover chamber event.
- The HCCF fundraiser team is developing a fall event to engage members.
- Ed and Amanda presented to Antioch MBA students.
- Member Services is working with IT and Finance to on final details for the patronage mailing.

GENERAL MANAGER

- Participated in conference call with NCG on KEHE (product supplier) negotiations: April 2nd
- Attended/participated in Hanover store huddle: April 8th
- Presented to St Michael's College Senior Business Program students: April 10th
- Attended/participated in AGNE Board Search Committee meeting: April 11th
- Attended HCCS Board Executive Committee Lunch: April 12th
- Attended/participated in new employee's orientation lunch: April 15th
- Attended/participated in regional GM meeting, Hunger Mountain Co-op: April 18th
- Met with Norwich Select Board member re: Norwich Solar proposal: April 19th
- Attended/participated in conference call with Vital Communities/Local First: April 22nd
- Met with HCCS Board president: April: 22nd
- Attended/presented in Lebanon Community meeting on Climate Change: April 22nd
- Attended/participated in Vital Communities Housing Coalition meeting: April 24th
- Attended/participated in HCCS board of director's meeting: April 24th
- Attended/participated in Listen Board of Director's meeting: April 25th
- Presented to Antioch MBA Graduate students: April 26th
- Attended/participated new employee's orientation lunch: April 19th
- Met with Norwich Energy Committee; April 29th

Grocery, Economic, and Co-op Industry News and Trends

Multicultural Consumers Changing Grocery Shopping

Influence to rise amid shifts in U.S. population, study says

*Russell Redman
SuperMarketNews
April 12, 2019*

Over the next several decades, the U.S. grocery retail experience will increasingly be shaped by multicultural consumers, based on population growth and current shopping behaviors, new research from CPG sales and marketing firm Acosta finds.

Net U.S. population growth is estimated at 98 million from 2014 to 2060, with the Hispanic population projected to rise by 64 million in that time, according to Acosta’s first “Multicultural The Why? Behind The Buy” study, released this week. Growth is forecast at 22 million for the Asian-American population and 18 million apiece for the African-American and multi-racial segments, while the Caucasian/Non-Hispanic population is expected to decline by 16 million.

"The growing multicultural population will drastically impact the grocery industry, and we have already noticed key differences between shopper groups," noted John Clevenger, senior vice president and managing director for Acosta Strategic Advisors.

Grocery shopping across more channels



Source: Acosta

For example, more multicultural shoppers find the grocery shopping experience enjoyable. Acosta found that 72% of African-American, 65% of Hispanic and 61% of Asian-American consumers surveyed enjoy shopping for groceries, compared with 56% of Caucasian/Non-Hispanic consumers.

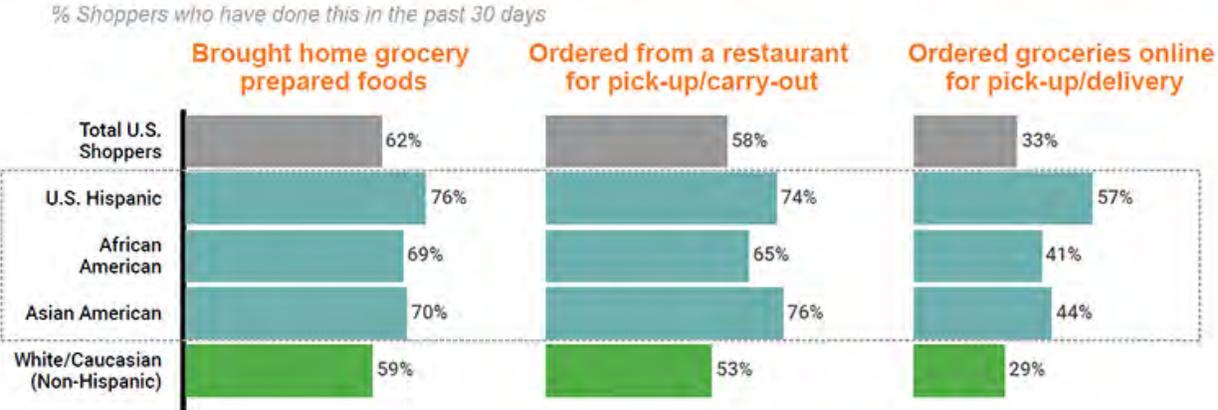
Similarly, grocery shopping tends to be more of a family affair with multicultural consumers. Seventy-two percent of Asian-American, 67% of Hispanic and 63% of African-American consumers say they shop with others during their regular grocery purchasing trips versus 55% of Caucasian/Non-Hispanic customers.

Multicultural shoppers also tend to shop for groceries across more retail channels. According to Acosta’s study, Hispanic customers purchased groceries at an average of 3.84 types of stores in the previous six months, compared with 3.53 stores for Asian-Americans, 3.33 stores for African-Americans and 3.26 stores for Caucasian/Non-Hispanic shoppers.

Among the retail channel findings, 54% of Asian-Americans shopped for groceries in a warehouse/club store (versus 38% of total U.S. shoppers), and 47% of African-Americans did grocery shopping in a dollar store (versus 39% of total U.S. shoppers). Meanwhile, 23% of Hispanic customers said they shopped in a Hispanic/ethnic grocery store during the past six months, compared with 3% of all U.S. shoppers.

More multicultural consumers, too, are embracing the latest retail grocery trends — including ready-to-eat meals and digital shopping services — than the overall U.S. population, Acosta noted.

Convenient meal solutions are important



Source: Acosta

For instance, in the previous 30 days, 76% of Hispanic, 70% of Asian-American, 69% of African-American and 59% of Caucasian/Non-Hispanic shoppers brought home prepared food from a grocery store, compared with 62% of all U.S. shoppers. Thirty-three percent of U.S. shoppers ordered groceries online for delivery or pickup in the past 30 days versus 57% for Hispanic, 44% for Asian-American, 41% for African-American and 29% for Caucasian/Non-Hispanic consumers.

Acosta's findings show that multicultural grocery shoppers are comfortable with digital interactions. Among Hispanic customers, 44% said they read a digital grocery flyer/circular (versus 35% of total U.S. shoppers), and 35% use a mobile device to locate products in-store (versus 20% of total U.S. shoppers). Of African-American consumers polled, 38% said they use a search engine to find recipes online (versus 28% of total U.S. shoppers), and 27% use a touchscreen kiosk in stores (versus 20% of total U.S. shoppers). Also, among Asian-American shoppers, 37% reported using a shopping list on their mobile device (versus 26% of total U.S. shoppers), and 36% said they use a product coupon on their smartphone at checkout (versus 27% of total U.S. shoppers).

A sizable percentage of multicultural shoppers express interest in eating healthier and exploring new kinds of meals. Forty-nine percent of Hispanic and Asian-American and 48% of African-American consumers agreed they often buy natural/organic products because they're healthier, compared with 33% of Caucasian/Non-Hispanic customers, Acosta said. And just 24% of Caucasian/Non-Hispanic shoppers said they would take cooking classes to learn how to prepare new meals/dishes versus 40% of Hispanic, 38% of African-American and 34% of Asian-American consumers.

"Multicultural shoppers recognize the link between food and their health and are significantly more likely to buy natural and organic foods even though they are more expensive," Clevenger explained. "Understanding these unique values and preferences is vital for manufacturers and retailers to win with this emerging consumer group."

Multicultural consumers' strong brand engagement also underscores the need to better comprehend their grocery shopping preferences, Acosta added. Sixty-five percent of African-American and 59% of Hispanic customers indicated they're passionate about their favorite grocery brands versus 47% of Caucasian/Non-Hispanic and 46% of Asian-American shoppers. And 49% of Hispanic, 46% of Asian-American and 41% of African-American consumers say they buy grocery brands that are authentic to their ethnic heritage, compared with 26% of Caucasian/Non-Hispanic shoppers.

ALDI Says All Packaging Will Be Reusable, Recyclable, or Compostable by 2025

*Melissa Breyer
Treehugger on-line
April 4, 2019*

Sometimes when I am in a large supermarket I do a little thought experiment that goes like this: I imagine all the food and products in the entire store removed from their packaging – what would we be left with? I then picture the two mountains; a smaller mountain of food and products that will mostly be consumed, and a much, much larger mountain of packaging trash,

much of which will end up in the landfill and oceans. It's a good exercise for me because the vision always sends me straight to the bulk bins.

In a way, the big supermarket chains are the gatekeepers for much of what the country consumes. They are the link between the manufacturers and the consumers, and as such, are able to have a large potential impact on things like plastic packaging and waste.

Which brings us to news from ALDI US, a chain with more than 1,800 U.S. stores in 35 states, and that serves more than 40 million customers each month. The company has announced new commitments to plastic packaging reduction.

According to a press [statement](#), the company is uniquely positioned to influence how its products are sourced, produced and brought to shelves because more than 90 percent of the store's range is ALDI-exclusive. The company plans to reach the following set of goals by working with its suppliers:

- By 2025, 100 percent of ALDI packaging, including plastic packaging, will have reusable, recyclable or compostable packaging;
- By 2025, packaging material of all ALDI-exclusive products to be reduced by at least 15 percent;
- By 2020, 100 percent of ALDI-exclusive consumable packaging to include How2Recycle label;
- By 2020, implement an initiative to make private-label product packaging easier for customers to reuse;
- Guide continuous improvement of product packaging by internal expertise and external evaluations.

Of the new commitment, [Greenpeace](#) Senior Oceans Campaigner David Pinsky says, "ALDI US is taking steps in the right direction by acknowledging its role in the plastic pollution crisis, and beginning to embrace reduction and reuse. The company has already taken positive steps by never offering single-use plastic grocery bags, ensuring they are kept out of landfills and our oceans."

To that point, indeed, the company explains that they have never offered single-use plastic grocery bags, estimating that this decision has helped keep around 15 billion single-use plastic bags out of landfills and oceans. (Also proving that people can and do adjust to life with these reckless conveniences.)

"ALDI has never offered single-use plastic shopping bags. And while we're pleased that we've helped keep billions of plastic grocery bags out of landfills and oceans, we want to continue to do more," says Jason Hart, CEO of ALDI U.S. "The commitments we're making to reduce plastic packaging waste are an investment in our collective future that we are proud to make."

While these are great goals, for sure, it's becoming increasingly evident that recycling is not the feel-good magic bullet to the waste problem that we've been taught to believe it is. According to Pinsky, to date, only nine percent of single-use plastics ever created have actually been recycled. (And we'd still like to see responsibility for recycling directed more to the manufacturer, rather than the consumer.)

"It's important that ALDI US and other retailers act with the greatest urgency and ambition to eliminate problematic plastics. While the company might intend to make packaging recyclable or compostable, it does not mean that packaging will actually be recycled or composted," says Pinsky. "We encourage ALDI US to accelerate efforts to reduce throwaway plastics and build systems of reuse for the sake of our planet and communities impacted by the pollution crisis."

Yet recycling woes aside, these new goals are still positive and will hopefully go far in helping to alleviate some of plastic's burden on the planet; they may also spur other large chains to do the same. And in the meantime, I can now envision a new scenario in my supermarket thought experiment: A third mountain with sustainable packaging that won't end up in the waste stream. Even though I'll still head to the bulk bins...

NCG Eastern Corridor News

April 30, 2019

Littleton Food Co-op (Littleton, NH) - Littleton will be celebrating their 10th anniversary May 11, with cake, prizes and a big party. Littleton Food Co-op has thrived in the past ten years and completed a major expansion. GM Ed King's leadership has been instrumental in the co-op's success – congratulations Ed, staff, BOD and the Littleton community, well done!



Student Assembly is Offering Students Vouchers for Bus Tickets and Food at the Hanover Co-op

By Mary Winters

The Dartmouth

May 3, 2019

Student Assembly has rolled out a voucher program to alleviate financial burdens for students at Dartmouth. The program provides students with gift cards to the Hanover Co-op food store and the Dartmouth Coach.

Launched on April 28, the first round of vouchers were available on a first-come, first-served basis via a Google Form emailed to campus.

While the vouchers did go out on a first-come, first-serve basis, the email noted that the program was intended to assist students in need. On the form to apply for vouchers, students had to acknowledge their understanding of the program's intentions.

"For very good reasons, [we] shouldn't have access to students' financial information, so there's no way for us to corroborate whether or not students are actually in need [of vouchers]," said outgoing Student Assembly president Monik Walters '19 of the pilot's first-come, first-served nature.

The first round of the pilot program filled up quickly, demonstrating the demand for such a project, according to Walters. Walters said she limited the amount of vouchers in the first round of the pilot, so as not to exhaust funds and thereby allow for further rounds of testing. In the application for its budget, SA applied for funds designated for this project.

The idea for the Co-op vouchers followed a report by SA vice president Nicole Knappe '19 about food insecurity at the College. Walters and SA senator TJ Seo '22 then worked with Co-op member education manager Emily Rogers to determine how best to implement a pilot program.

"Originally we wanted to do \$5,000 worth of vouchers, but then we ended up settling on the \$2,500 just to sort of test it out, [and] see if it even makes a reasonable enough difference for us to continue the program," Walters said of the Co-op vouchers.

The Co-op offered similar vouchers during the most recent winter break. Eighty students were given three vouchers — each worth \$35 — that were valid between Dec. 15, 2018 and Jan. 2, 2019. Events such as a store tour and cooking demonstration were held at the Co-op to educate student recipients about cooking and the Co-op, according to Walters.

Co-op director of public relations Allan Reetz said the voucher programs have been successful, and that he is optimistic for the future of such programs.

"This program has legs," Reetz said, adding that the Co-op may expand voucher programs to its other locations in the Upper Valley, making vouchers available to local residents in need.

Regarding SA's program to subsidize Dartmouth Coach bus tickets, Walters said she came up with the idea for the after experiencing the high prices of Coach tickets and limited transportation options to New York herself.

"The idea for the initiative just came from my own logic being a student here, [and] as someone who lives in New York, those Coach ticket prices can definitely add up," Walters said. "For some people, it's completely just prohibited them from being able to go home or even leave in case of an emergency or anything like that."

SA did not work with the Dartmouth Coach to provide vouchers to students. Rather, SA funds were used to purchase tickets for students who applied for vouchers, according to Walters. She added that they started the program by purchasing tickets for 100 people, which cost about \$8000 in total.

A campus-wide email reporting some results of the first round of the pilot noted changes that will be made to the Coach voucher program in the second round of the pilot.

“Tickets can now only be used for round trip to and from Boston, only to avoid the issue of missing the Coach for New York,” the email stated.

Unlike the Boston Coach, tickets for the New York Coach can only be used on the day and time designated on the ticket. If they are not used, they cannot be transferred to a different time. Additionally, the second round will be “restricted to emergency cases only,” according to Walters.

Incoming SA president Luke Cuomo '20 said he plans to expand the program next year and has included requests for funding for the program in his budget proposal.

“First thing is we have to secure funding for SA next year ... certainly both the Coach and the Co-op program are going to be a major component of our budget next year,” Cuomo said. “I’m hoping to secure increases in the Undergraduate Finance Committee allotment for SA because clearly the need and the desire among the student body for this program has been demonstrated by just how quickly its sold out.”

Cuomo said that he is also prepared to take on some of the logistical kinks that the pilot has presented, such as the issue of expiration with New York Coach tickets and the fact that “essentially giving students money counts as a gift, which then becomes taxable at a certain level.”

Monitoring Report: EL 9—Cooperative Giving Programs

Submitted by: Ed Fox

For the period: May 1, 2018 through April 30, 2019

Team,

Our giving program is based on the Co-op Principles, first adopted by the International Cooperative Alliance in 1994. These Principles were inspired by the first successful cooperative, founded in Rochdale, England, in 1844.

In particular, Principle Seven, Concern for Community, guides our philosophy:

Cooperatives work for the sustainable development of their communities through policies approved by their members.

We rely on this Principle to ensure that our organization's charitable giving remains altruistic, community-focused, and member-driven by design. Through this lens, we also recognize that giving takes on many forms, not all of them financial. Monetary donations, in-kind expertise, community service, and the sharing of time, energy, and resources are all components of our overall giving program.

A notable recent example is the work of our Co-op Service Centers. Teams there are currently working on a program to provide discounted car-repair services to the needy in our communities. To envision the impact of such a program, consider an Upper Valley resident we learned about recently, one who had to choose between fixing a car, which provides transportation to work, or paying for medical needs. To community members regularly affected by this sort of struggle, service-oriented giving is invaluable.

With this broad foundation in mind, our Co-op contributes to our community in numerous ways, briefly outlined below.

EL 9

Executive Limitation 9 states: The Co-op Giving Programs will contribute to the quality of life in the Upper Valley and promote cooperation.

Interpretation

I interpret this to mean that our Co-op will contribute resources to community organizations in the Upper Valley. These donations and resources will promote cooperation by following the spirit of the Board-stated End of *cooperative commerce for the greater good of our members and community*. More detail is stipulated in the sub-policies below.

I also interpret this to mean that resources will come from multiple sources, including staff and member time, donated services, financial contributions, and donated goods. In short, by

making our resources available to the surrounding region, we put our organization’s assets to work for community good.

Accordingly,

EL 9.1: The General Manager will not fail to administer several giving programs, in cash or in kind, in support of organizations, including cooperatives, which are neighboring, regional, national, or international.

Interpretation

I take the language here at face value. Based on this interpretation, I would suggest there is a potential flaw in the language, and portions of EL 9.1 are in conflict with EL 9.2.

EL 9.2. restricts our giving program to nonprofits that primarily benefit the local community. Cooperatives do not qualify as nonprofits, and national and international organizations do not meet the criteria for local.

Certainly, as noted in the footnote of EL 9.2, a distant organization could still primarily benefit the local community. The reference to a Grettenberger Scholarship, given to a local person for a degree in Co-operative Management Education from Saint Mary’s University in Canada, is a good example. However, portions the language within the two sub policies are still problematic and in contrast with one another. As a result, I suggest that EL 9.1 be reevaluated in order to eliminate conflicts with EL 9.2. Specifically, any references to cooperatives should be deleted, and any references to national and international organizations should either be deleted or explained in greater detail.

In the meantime, our giving programs are specific to local nonprofits and not cooperatives, meaning we cannot in good faith state that we are in compliance with section 9.1.

Compliance determination: **Not in compliance.**

EL 9.2: The General Manager will not include among recipients of the giving programs organizations that;

- are for-profit;
- discriminate on the basis of race, creed, gender, national origin, age, sexual orientation, or physical disability;
- do not primarily benefit Upper Valley¹ communities and their citizens; and
- are fund-raising for programs that are intended to advance a particular religious belief or particular political position.

1. *Note: There is no logical inconsistency between the mention of national and international organizations in EL 9.1 and the mention of Upper Valley here. An organization may be distant, but the benefit of*

associating with it must have a local benefit. Example: A Gerstenberger Scholarship to a local person for a degree in Co-operative Management Education from Saint Mary's University in Canada would benefit the Upper Valley upon that person's return.

Interpretation

I interpret this to mean that our Co-op will support organizations that adhere to an open, non-discriminatory policy. Other elements of the policy are clear and need no further interpretation.

Data

Our co-op supports the community in a wide variety of ways, thanks to the continued support of our members and shoppers. Examples include small donations, time, expertise, space, and community-service projects. Additionally, we have strict guidelines for all of our programs, covered in detail in Standard Operating Procedures (SOPs). These SOPs are written to ensure that our giving programs will not include recipients that violate the criteria listed in the sub-policy.

Below is a list of selected local and regional organizations—or organizations with local chapters—that our co-op supported over the past year. All are 501(c)(3) organizations.

Willing Hands
Vital Communities
Habitat for Humanity
The Haven
Headrest
United Way
American Legion
Upper Valley Alzheimer's Organization
Listen Community Services
Claremont Soup Kitchen
Glad Rags
Woodstock Food Shelf
Ottawaquechee Health Foundation
Thompson Senior Center
VNA and Hospice of VT and NH
Community Restorative Justice Center
Lucy MacKenzie Humane Society
Grafton County Senior Citizens Council Inc.
Shoes that FIT
Friends of Norris Cotton Cancer Center/The Prouty
Green Up Vermont
St Michael's College

Vermont Law School
 Antioch College
 ECHO, Leahy Center for Lake Champlain
 Vermont Foodbank
 Global Food Bank Network
 Point-to-Point Run
 Bike and Walk to Fight Hunter

EL 9.3: The General Manager shall not fail to administer;

- **The Hanover Co-operative Community Fund (HCCF)**, which will provide the Co-op with a long-term charitable giving endowment fund; its purpose is to provide funding for the Gerstenberger Scholarship Fund and Community Project Grants.

The HCCF is managed in cooperation with the Twin Pines Cooperative Foundation (TPCF), a California-based tax-exempt 501(c) (3) corporation (see the Appendix for the contract). The Board guides the fund through the GM and the HCCF Advisory Committee.

Interpretation

I interpret this to mean that our Co-op will ensure that the appropriate resources are allocated to support the HCCF. These include, but are not limited to: the conveying of the selection committee, the promotion of the programs, the development and publishing of guiding decisions, the annual reporting to the board, and the oversight of the process. I also interpret this to mean that all HCCF work will be accomplished according to the guidelines and policies established by the HCCF Advisory Committee.

Data

In December, 2000, our Board of Directors established the HCCF, investing an initial \$5,000 with Twin Pines Cooperative Foundation in California. Twin Pines matched the \$5,000, and the HCCF's endowment was born. Since then, Co-op members have donated their patronage refund checks, given money at the registers, and supported fundraisers established by the board and management. Enthusiastic Co-op employees have raised money via walk-a-thons, dedicated product sales, and volunteering at the annual golf tournament.

As a result, the HCCF's endowment in June, 2018, was worth just under \$450,000.

Twin Pines uses these funds from Hanover and 40 other food co-ops to develop cooperatives throughout the U.S. and pays the HCCF interest each year. The HCCF then distributes that interest through our Community Project Grants and the Gerstenberger Scholarship for Cooperative Education. This year, the HCCF has \$12,700 to share with our community.

The following four local non-profits were the 2018 Community Project Grant winners:

West Central Behavioral Health's inShape Program (\$2,250), provides mentored food and exercise services to the mentally ill to improve their quality of life and long-term health.

Growing Peace Project's multi-faceted program (\$2,250) encourages youth activism via a teaching garden, donated harvest, and shared meals with food insecure community members.

Clara Martin Center's Holiday Basket Project (\$2,000), ensures December holiday food celebrations for families of limited means.

Twin Pines Housing Co-op's Crockpot Cooking Program (\$1,200), offers residents cooking classes, recipes, and the use of the program's crockpots to make the most of seasonal produce from Willing Hands.

Gerstenberger Scholarships

The Gerstenberger Scholarship for Cooperative Education offers scholarships to members and employees of cooperatives in the Upper Valley who seek to further the cooperative movement through education, training, and/or business development. The scholarship is named in honor of the Co-op's long-serving General Managers, Harry and Arthur Gerstenberger, and first Education Director, Sally Gerstenberger.

Two Gerstenberger Scholarships were awarded in 2018:

The 2017 award was granted for two years, giving \$2,500 each year to the NH Community Loan Fund and NH-Resident Owned Communities for training that connects manufactured housing co-ops to other area cooperatives and to the cooperative movement.

The 2018 scholarship was awarded to Melissa K. Scanlan of Norwich, Vermont, for her upcoming study of the environmental impact of well-established worker cooperatives in Spain and Italy and how to best harness the power of cooperatives to meet sustainability goals, particularly those involving climate.

Compliance determination: I report compliance.

EL 9.4 The General Manager will not fail to administer a voluntary round-up payment program at the cashier stands (that may be called "Pennies for Change") to provide revenues in support of organizations, as described in GP 8.

Interpretation

I interpret this to mean that a voluntary round-up program will be available to shoppers at the checkouts in all of our stores. Through this program, shoppers will have the option to round-up their purchase to the nearest dollar, and our Co-op will donate the different to local nonprofits.

Data

Pennies for Change is an innovative program for collecting donations at the registers from Co-op shoppers. Through Pennies for Change, shoppers check out at the registers, and then have the option to round up their grocery bill to the next dollar. The Co-op will then donate the difference to community nonprofits.

Of the funds collected, 60 percent goes to our food access partners, LISTEN Community Services, Upper Valley Haven, and Willing Hands. The remaining 40 percent is split between two other community partners, which change on a monthly basis. All are 501(c)(3) organizations as identified in our published criteria.

Community partners are assigned as a 30-percent or 10-percent partner based upon: the impact on the community, the area of operation (number of people impacted, depth of impact, areas served), efficiency of the organization (annual revenue, number of programs/employees, and long-term viability), and an understanding of how the funds will be used to help support the mission of the applicant.

2018 PENNIES FOR CHANGE DONATIONS

Month	Donation Total
January	\$16,339.44
February	\$17,268.45
March	\$22,673.93
April	\$17,543.14
May	\$18,163.49
June	\$22,044.89
July	\$17,708.01
August	\$17,122.18
September	\$21,388.66
October	\$17,713.91
November	\$17,305.85
December	\$22,235.19
Total	\$227,507.14

2018 COMMUNITY PARTNERS

Month	30% Organization	Total donated	10% Organization	Total donated
January	WISE	\$4,901.85	Ottaquechee Health	\$1,633.94
February	Child & Family Services NH	\$5,180.53	Public Health of UV	\$1,726.84
March	The Family Place	\$6,802.18	VT Ctr for Eco Studies	\$2,267.39
April	West Central Behavioral	\$5,262.94	UV Humane Society	\$1,754.31
May	Love Your Brain Foundation	\$5,449.05	Upper Valley Land Trust	\$1,816.35
June	SPARK!	\$6,613.47	Granite United Way	\$2,204.49
July	COVER	\$5,312.50	Southeastern Vermont Community Action	\$1,770.80
August	Grafton County Senior Citizens Council	\$3,424.44	Easterseals of VT/Veterans Court	\$1,712.22
September	Friends of Mascoma	\$6,416.60	Positive Tracks	\$2,138.88
October	Headrest	\$5,314.17	HIV/HCV Resource Ctr	\$1,771.40
November	Twin Pines Housing Trust	\$5,191.75	Second Growth, Inc.	\$1,730.59
December	Children's Center of the UV	\$6,670.56	TLC Resource Ctr	\$2,223.52

Total donations to 30% partners: \$66,540.04.

Total donations to 10% partners: \$22,750.73.

Community Impact

Below is an unedited, unabridged selection of thank-you notes from some of our Community Partners:

Thank you so much for supporting local agencies through the Pennies for Change program. The donations, while seeming small at the time, make a huge impact in organizations like ours. This

generous gift allows us to support women and their families in many ways. Gifts like this help us provide birth classes, breast pumps, and diapers to women and their families regardless of insurance coverage or ability to pay. They help us provide car seats and installation to families that are struggling to transport their children safely. They help us offer programming to families who are grieving the loss of their baby. They help us respond to families in crisis. They allow us to empower women to be strong family advocates, something that benefits our entire community. Thank you for your commitment to the Upper Valley through the Pennies for Change program. We look forward to working with you again in the future.

P.S. And just so you know, our family always rounds up at the register. :)

—Women’s Health Resource Center

•••

I write on behalf of the whole team at Positive Tracks to thank you for your generous gift of \$2,138.88. We’re not going to tell you why we’re worthy of your gift, or even worthy of your time it takes to read this letter. We won’t tell you about the global award we won on the top floor of the World Trade Center on Sept 12; or about how we dropped the crystal trophy on the marble floor ten minutes later.

All you really need to know is that when you give your time and money to Positive Tracks, you are standing behind real young people addressing real issues – on behalf of all our shared future.

—Positive Tracks

Compliance determination: I report compliance.

EL 9.5 The General Manager will not fail to organize fundraising activities on at least an annual basis in order to continue to grow the HCCF.

Interpretation

I take the language here at face value. The sub-policy is clear and needs no further interpretation.

Data

The annual HCCF Golf Tournament was held in June, 2018. This tournament is a large annual fundraiser to raise money to support and grow the Fund. Net proceeds from the 2018 tournament: \$11,431.40.

APPENDIX A

DRAFT MEETING MINUTES, April 24, 2019

Present: Kevin Birdsey, Liz Blum, Rosemary Fifield, Victoria Fullerton, Jessica Giordani, Dana Cook Grossman, Ed Howes, and Jessica Saturley-Hall

Tom Battles, Benoit Roisin, Ann Shriver Sargent

Absent:

Staff: Ed Fox (General Manager), April Harkness (Board Administrator), Lori Hildbrand (Director of Human Resources), Mark Langlois (Director of Finance)

Members: Emmanuel Ajavon (2019 Board Candidate), Terry Appleby, Nelson Kasfir, Carrie Kocik (2019 Board Candidate), Peggy O'Neil (2019 Board Candidate), Allene Swienckowski (2019 Board Candidate)

(This meeting was audio-recorded).

Liz Blum called the meeting to order at 6:00 p.m. in the Board Room at the Hanover, NH, store.

Liz welcomed the seven 2019 board candidates, all in attendance at the meeting, and reminded them that new board member orientation is scheduled for May 7 from 4-5 p.m. at the Co-op's Buck Road administrative offices. All elected candidates and current board members were encouraged to attend.

Liz and Victoria provided a summary of their attendance at an Upper Valley Food Co-op board meeting.

Liz informed the board of an upcoming showing of *Forgotten Farms*, during the Cows, Land & Labor Conference, at 9:30 a.m. on Saturday, April 27, in Filene Auditorium at Dartmouth College.

A letter was read from the Town of Enfield, thanking the HCCS Board of Directors for the recent \$500 donation that was directed to the Mascoma Lakeside Park by the 2019 Allen and Nan King Award winner, Meredith Smith.

Liz also reminded the board of the upcoming Ends Workshop on May 11 and the request from our Governance Coach consultant, Richard Stringham, to submit input for a STEEP (Social, Technological, Economic, Environmental, and Political) Scan to him via email by Thursday, May 2.

Consent Agenda: March 27, 2019, Meeting Minutes; April 11, 2019, Special Meeting Minutes (Appendix A), and March 2019 Share Redemption Requests

MOTION: Kevin Birdsey moved to accept the March 27, 2019, Meeting Minutes; the April 11, 2019, Special Meeting Minutes; and the March 2019 Share Redemption Requests.

Dana Cook Grossman seconded the motion.

VOTED: 8 in favor, 0 opposed. The motion passed.

General Manager Report

Ed Fox thanked the board for a successful 2019 Annual Meeting.

He said that sales, basket size, and transactions are up and continue to trend ahead of projections. He pointed out the quarterly metrics updates in the board packet as part of his reporting for the 2019 Business Plan. He also mentioned the establishment of a General Manager Succession Plan (Appendix C), with Human Resources Director Lori Hildbrand currently assigned to assume the GM responsibilities in Ed's absence.

Ed said that he's been receiving considerable member feedback on the solar project that has been proposed for the Co-op's Norwich land, in response to a letter to the editor he wrote to the *Valley News* and a post he wrote for the Co-op blog. People told him that they are happy to have more light shed on the status of the proposed solar projects on Co-op property.

Strategic Planning with the management team is on schedule, with the next meeting set for the week after next, gearing up for the board's Strategic Planning session in June.

The Co-op is working on its biennial customer survey, and Ed is asking for input from Richard Stringham on how to best incorporate information or questions on the Co-op’s Ends statements.

The move of the Co-op’s administrative resources from Buck Road to the Gilman Office Park in White River Junction is scheduled for May 22.

Ed mentioned that voting in the board election is still below the minimum threshold required by the Co-op’s bylaws to validate the results, so he encouraged all board members to urge their friends and neighbors to vote before April 30.

Finally, he thanked the members of the executive committee for meeting with him to deliver the results of his annual review.

Victoria thanked the General Manager for the Co-op’s strong financial position and thanked the Human Resource Director for her role in creating committees in support of board committees, such as Employee Experience and Diversity and Inclusion. The GM and the board thanked Finance Director Mark Langlois for attending the meeting during his vacation week.

Policy Monitoring

Monitoring Report: EL 2 - Financial Condition and Performance

MOTION: Rosemary Fifield moved that the board assessed the monitoring report for EL 2 – *Financial Condition and Performance* as providing evidence of compliance.

Dana Cook Grossman seconded the motion.

VOTED: 8 in favor, 0 opposed. The motion passed.

Monitoring Report GP 7 - Monitoring Board Performance

MOTION: Dana Cook Grossman moved to accept the report on GP 7 - *Monitoring Board Performance* as indicating compliance, with acknowledgement of noncompliance on subpolicy GP 7.2.

Rosemary Fifield seconded the motion.

DISCUSSION: GP 7.2 states that monitoring with respect to board process and the board-general

manager relationship will be allocated among all board members, and that has not been the practice of the board. The board will consider moving to this monitoring method and will change the subpolicy if it decides not to do so. Currently, all board members are polled via a survey, and the report summarizing the results of the survey are presented by the Governance Committee; however, some policies are monitored simply by direct report of the appropriate body. For example, GP 6 – *Board Process for Recruitment and Continuity* is monitored annually in June by a report prepared by the Election Committee Chair or a designated committee member.

VOTED: 7 in favor, 0 opposed, 1 abstention (Victoria Fullerton). The motion passed.

Member Comments

Terry Appleby thanked outgoing board member Dana Cook Grossman for her grace and calm demeanor during a time when it was much appreciated by the board and the organization.

The board offered congratulations, again, on Terry's induction into the 2019 Cooperative Hall of Fame next month.

New Business

Governance Coach

MOTION: Rosemary Fifield moved to have the Governance Committee appoint someone from within the committee to be the contact person between the board and Governance Coach consultant Richard Stringham.

Jessica Saturley-Hall seconded the motion.

VOTED: 8 in favor, 0 opposed. The motion passed.

In addition, Rosemary referred to Appendix G of the board packet and led a discussion regarding the draft Governance Action Plan emailed to the board earlier in the week. The tasks listed on the plan were divided up among the members of the board (see Appendix A).

MOTION: Jessica Saturley-Hall moved to have the Governance Committee adopt the Governance Action Plan as filled out by Rosemary.

Jessica Giordani seconded the motion.

VOTED: 8 in favor, 0 opposed. The motion passed.

CCMA attendance

The board had voted earlier in the year to send three board members to the annual Consumer Cooperative Management Association conference in Durham, NC, on June 6-8. Because one board member scheduled to attend has resigned, there is one open registration spot. The board decided to wait until after the election results are available on May 1 and, based on newly elected board members' ability to attend, will make a determination then regarding whether to send a third board member or to request a refund of the registration fee. May 23 is the deadline to request a refund, less a nonrefundable \$100.

Board Facilitator/Board Email Correspondence

Victoria referred to Appendix H of the board packet, wherein she had suggested some guidelines for board email correspondence and a recommendation to consider an outside facilitator for board meetings. Prior to Bill Craig's resignation as board president, he had met with a potential facilitator, but the outcome of that meeting was not yet known to anyone else on the board. A suggestion was made that board members attend meetings facilitated by facilitators who are under consideration to get a better understanding of the potential benefits.

Victoria had also proposed some criteria for board email correspondence, with the suggestion that they either be included in the Board Handbook or be added to the existing policy on Board Code of Conduct. She offered to bring a draft policy back for consideration at a future board meeting.

MOTION: Victoria Fullerton moved to research, on behalf of the board, potential costs and benefits of a facilitator and report back to the board at the June board meeting.

Ed Howes seconded the motion.

VOTED: 6 in favor, 1 opposed (Kevin Birdsey), 1 abstention (Dana Cook Grossman). The motion passed.

Committee Updates

HCCF Advisory Committee

Rosemary Fifield, chair of the HCCF Advisory Committee, reported that she is continuing to work on revisions to the HCCF Advisory Committee charter, based on feedback from the Governance Coach. She will report back to the board at its May meeting.

Governance Committee

Kevin Birdsey, chair of the Governance Committee, reported he also is continuing to work on revisions to the Governance Committee charter, based on feedback from the Governance Coach. He, too, will report back to the board at its May meeting. There was brief discussion about the likelihood that responsibility for orienting newly elected board members will be returned from the Governance Committee, where it had recently migrated, to the Election Committee, where the responsibility has historically resided.

The board also discussed the possibility of allocating a specific sum, from the board budget, for the work of certain committees so that they may, for example, seek legal advice without needing to wait until the next board meeting to get authorization for the expenditure.

Adjournment

MOTION: Ed Howes moved to adjourn at 7:45 p.m.

Victoria Fullerton seconded the motion.

VOTED: 8 in favor, 0 opposed. The motion passed.

Respectfully submitted,

April Harkness
Grossman

Board Administrator

Dana Cook

Board Secretary

APPENDIX B

Monitoring Report: GP 8—Cooperative Giving Programs

Submitted by: Rosemary Fifield (HCCF Advisory Committee Chair) and April Harkness (Pennies for Change Selection Committee)

May 22, 2019

For the period: May 1, 2018 through April 30, 2019

GP 8 – Cooperative Giving Programs

In furtherance of its Ends, the Hanover Consumer Cooperative Society (Co-op) engages in multiple giving efforts comprised of, but not limited to, programs called *Pennies for Change* and the *Hanover Cooperative Community Fund (HCCF)* as well as product discounts to non-profit organizations and food donations to *Willing Hands*. Together, these programs advance the Co-op's goals of providing value to the local community, regional agriculture, and the broader cooperative economy.

GP 8.1: General Principles

The Co-op's several giving programs are organized under the following four themes:

- Food assistance,
- Community building (including support of regional agriculture),
- Promotion of cooperative principles and activities, and
- Environment, energy and sustainability.

The pursuit of any additional themes is a decision reserved to the Board of Directors.

The Co-op may provide assistance both in-cash and in-kind.

As will be shown below, the cash donations made through the Pennies for Change program and HCCF supported all four giving themes and only those themes.

I report compliance.

GP 8.2: Pennies for Change

This is a voluntary program inviting shoppers to round the payment for their purchase to the next higher dollar value. While the Co-op collects the monies at its cashier stands, the accumulated money is not the Co-op's, and the Co-op only acts as a collection and distribution agent. The accounting is separate from the Co-op's operations.

In order to preserve the non-taxable nature of the revenues, proceeds may only be directed toward 501(c) (3) organizations.

In 2018, Co-op shoppers rounded up at the register totaling \$227,507.14. Please see the table 1 and table 2 below for the breakdown of distribution of funds. All recipients provided proof of 501(c)(3) status:

GP 8.2.1: Distribution

The proceeds will be added and distributed on a monthly basis to five (5) separate organizations, three (3) of which will each receive 20% of the amount of the month and will remain the same for the entire calendar year. The remaining two (2) organizations will change monthly according to a pre-established schedule and share the remaining 40%. (See GP 8.2.2 below. Altering this arrangement is a prerogative of the Board of Directors).

Table 1.

2018 PENNIES FOR CHANGE DONATIONS

Month	Donation Total
January	\$16,339.44
February	\$17,268.45
March	\$22,673.93
April	\$17,543.14
May	\$18,163.49
June	\$22,044.89
July	\$17,708.01
August	\$17,122.18
September	\$21,388.66
October	\$17,713.91
November	\$17,305.85
December	\$22,235.19
Total	\$227,507.14

Table 2.

2018 COMMUNITY PARTNERS

Month	30% Organization	Total donated	10% Organization	Total donated
January	WISE	\$4,901.85	Ottaquechee Health	\$1,633.94
February	Child & Family Services NH	\$5,180.53	Public Health of UV	\$1,726.84
March	The Family Place	\$6,802.18	VT Ctr for Eco Studies	\$2,267.39
April	West Central Behavioral	\$5,262.94	UV Humane Society	\$1,754.31
May	Love Your Brain Foundation	\$5,449.05	Upper Valley Land Trust	\$1,816.35
June	SPARK!	\$6,613.47	Granite United Way	\$2,204.49
July	COVER	\$5,312.50	Southeastern Vermont Community Action	\$1,770.80
August	Grafton County Senior Citizens Council	\$3,424.44	Easterseals of VT/Veterans Court	\$1,712.22
September	Friends of Mascoma	\$6,416.60	Positive Tracks	\$2,138.88
October	Headrest	\$5,314.17	HIV/HCV Resource Ctr	\$1,771.40
November	Twin Pines Housing Trust	\$5,191.75	Second Growth, Inc.	\$1,730.59
December	Children's Center of the UV	\$6,670.56	TLC Resource Ctr	\$2,223.52

The three 20% partners that remain the same every year are: Willing Hands, LISTEN Community Services, and Willing Hands.

Total donations to each 20% partner: \$45,501.43

Total donations to 30% partners: \$66,540.04.

Total donations to 10% partners: \$22,750.73.

GP 8.2.2: Supervision

The supervision of the program and selection of recipients will be facilitated by a *Pennies for Change Selection Committee* including a member of Outreach and Member Services, the Treasurer *ex officio*, and at least two other members appointed annually by the General Manager.

The Committee will convene at least quarterly and at the call of the Chair.

The Committee will consider requests for donations and set the schedule of recipients for the next 12 months on a rolling basis.

The Pennies for Change Selection Committee included members Amanda Charland (Director of Member Services and Outreach), April Harkness (Board Administrator), Tom Battles (Board of Directors), Leslie Gannon (Co-op Employee), and Jolleen Shepard (Co-op Employee). The Committee met January 17th and 31st, February 14th, March 7th, May 18th and 25th, June 21st, September 21st, October 28th and November 28th 2018. The Pennies for Change Standard Operating Procedures was also updated June 2018.

The selection committee schedule is set to receive applications on a 12 month rolling basis with 2 deadlines throughout the year (April 1 and December 1). Decisions are made twice yearly. The committee has created an updated online application and webpage with detailed information on the Board of Director's established themes for charitable giving, important deadlines and a link to this policy.

GP 8.2.3: Financial Reporting

The Pennies for Change Selection Committee will be responsible for the preparation of a brief annual report to the Society at its Annual Meeting.

While an annual report was not presented at the 2018 Annual Meeting, the members and shoppers are continually updated on the program with a placard placed at each register with information on the current month's recipients, donation totals for the previous month and total amount donated since the program's inception. This information is also posted monthly on the Co-op's website.

I report compliance.**GP 8.3: Hanover Cooperative Community Fund (HCCF)**

As a permanently endowed fund, managed by the Twin Pines Cooperative Foundation a tax-exempt 501(c) (3) corporation, HCCF is intended to grow over time and a portion of its annual return will be available to fund:

- The Gerstenberger Scholarship Fund, and

- HCCF Community Project Grants.

The Board of Directors guides the fund through the HCCF Advisory Committee.

GP 8.3.1: Supervision

The supervision of the program, including communications with TPCF and recommendations for disbursements, will be facilitated by a member of the HCCF Advisory Committee.

Each year, the Board of Directors shall elect one of the current Directors as a member of the HCCF Advisory Committee. The Board will also designate a Chair of the Committee who will serve in such capacity for a term of one year or until a successor is duly elected and qualified. The Chair of the Committee will select the remaining members, subject to the approval of the Board of Directors.

The Committee will have a minimum of four members.

Board members Rosemary Fifield and Liz Blum served as co-chairs of the committee. Members of the Advisory Committee included Amanda Charland, Harrison Drinkwater, Ed Fox, April Harkness and Benoit Roisin. Co-op employees David Beane, Audra Bonds, and Sally Brash served as additional members for the screening and recommendation of grant and scholarship recipients. Communication with Twin Pines Cooperative Foundation was facilitated by Rosemary Fifield and April Harkness.

GP 8.3.2: Contract with the Twin Pines Cooperative Foundation (TPCF)

The HCCF Advisory Committee will follow the most recent contract made with TPCF and will also ensure that the most recent contract is available in the Board of Directors files.

To the best of my knowledge, the most recent contract is available in the Board of Directors files.

GP 8.3.3: Fundraising

Fundraising activities are to take place on at least an annual basis in order to continue to grow the Fund administered by TPCF.

The nature of these activities and the target amount to be raised each year are left to Management.

Fundraising for the HCCF has been left to Management.

GP 8.3.4: Distribution

The HCCF Advisory Committee will recommend to the Board annual disbursements from TPCF interest in accordance with EL 9 guidelines and the TPCF contract.

The committee recommended funding the following community projects. The giving theme(s) met by the project are included in the short description. The percent of total represented by each donation is included in parentheses after the amount given.

Crockpot Cooking Program (Twin Pines Housing Co-op) *provides residents with means to learn about and use Willing Hands seasonal produce (food access, co-ops)* \$1,200 (9%)

inShape (West Central Behavioral Health) *mentored services for mentally ill clients meant to improve quality of life and long-term health (community service)* \$2,250 (18%)

Holiday Basket Project (Clara Martin Center) *December holiday food basket for a family meal for Vt/NH residents of limited means (food access)* \$2,000 (16%)

Growing Peace Project (Growing Peace Project) *multicultural youth interaction around racism, bullying, food insecurity, and poverty; teaching garden with donated harvest and shared meals for the food insecure (food access, environment, community service)* \$2,250 (18%)

The committee recommended funding the following scholarship applications:

New Hampshire Resident-Owned Communities
(*cooperative education for residents*) \$2,500 (20%)

Melissa Scanlon, *Vermont Law School professor studying the environmental impact of worker-owned co-ops in Spain and Italy (co-ops)* \$2,500 (20%)
\$12,700

Unfunded community project applications were received from:

- Real Organic Project Farm Label (Real Organic Project)
- House weatherization (VerShare)
- Residential Healthy Eating Program (Headrest)
- Ramps and Roofs Campaign (COVER)
- Capacity Building (Vermont Healthy Soils Coalition)
- Building Resilient Communities (Building a Local Economy)
- Brookmead Community Food Pantry Garden (Upper Valley Land Trust)
- Cooking Class (Spark! Community Center)

GP 8.3.5: Financial Reporting

The HCCF Advisory Committee will be responsible for an annual report to the Board of Directors, which will include:

- Disbursement recommendations, including: (a) name and nature of each recipient organization or individual, (b) respective amounts, (c) percentages of the total donation going to each organization, (d) mention of which Co-op giving theme(s) each donation meets, and (e) a list of organizations that have applied.
- Cash flow statements
- Contributions and investments performance.

The HCCF Advisory Committee will also be responsible for the preparation of a brief annual report to the Society at its Annual Meeting.

Interest accrued in 2017 and available for disbursement in 2018 was \$12,362.73. An additional \$406.91 remaining from previous years brought the grand total to \$12,769.64. The total amount awarded through the HCCF was \$12,700, with a remainder of \$69.64 to be held by TPCF.

Cash flow statements and investment performance information as provided by TPCF are attached.

Rosemary Fifield presented an annual report for the year 2018 to the Society at its Annual Meeting on April 6, 2019.

I report compliance.**GP 8.4: The Allen and Nan King Award for Service to the Community**

At its Annual Meeting, the Co-op will recognize the achievements of one or several Co-op members who have demonstrated concern for the community by bestowing on them the *Allen and Nan King Award for Service to Community*.

The Award is normally given to a single individual, but several people, such as a couple, may be recognized if their work was collaborative.

The administration of this award is the sole responsibility of the Board of Directors, who will set the standards, call for nominations, make the selection, and set the amount of the award.

The Co-op's Board of Directors selected Michael Whitman as the Allen and Nan King Award recipient. He chose to donate the \$500 award to local community organization Second Growth, providing counseling, groups, recovery services, and prevention education for youths and families. This award was presented at the 2018 Annual Meeting.

I report compliance.

GP 8.5: Other In-cash Programs

At the discretion of Management, the Co-op may engage in additional financial support, such as a small donation program in response to requests.

Donations and payments made for the Co-op's self-promotion are considered as marketing expenses and do not fall under this policy.

In 2018, the Co-op's small donations program contributed over \$5,000 to over 125 upper valley non-profit community organizations and educational institutions.

GP 8.6: In-kind Programs

Food that is no longer of store quality but remains edible shall not be wasted.

Perishables that no longer meet store standards but are still deemed fit for human consumption will be given to local food assistance programs such as *Willing Hands*.

Food waste suitable for animal feed will be given to farms.

Employees may provide in-kind community services as part of their employment, at the discretion of Management.

Food that no longer meets quality standards for sale but remains perfectly edible is donated to Willing Hands, an Upper Valley nonprofit that provides food for our neighbors in need. 2018 Willing Hands donations: 163,902 lbs.

In 2018, Co-op employees contributed over 240 community service hours to local organizations.

GP 8.7: Administration

Excepted for the specific rights and duties of the committees assigned to supervise Pennies for Change and the HCCF, in accordance with GP 8.2 & 8.3 above, and for the Allen and Nan King Award as described in GP 8.4, the administration of the Co-op's giving programs is the responsibility of Management. These responsibilities include:

- The promotion of the programs,
- The development and publishing of policies guiding decisions,

- The collection logistics of the goods (in-cash & in-kind),
- The distribution of the collected goods to their intended recipients,
- Publication of the names of the recipients (for organizations and individuals who receive \$500 or more).
- Annual reporting to the Board of Directors.

This policy will be monitored annually in May by direct report of the Pennies for Change Selection Committee and HCCF Advisory Committee.

(Please see following documentation.)

5:25 PM

Twin Pines Cooperative Foundation General Ledger

04/05/19

Accrual Basis

Type	Date	Num	Name	Memo	Amount	Balance	
301.1 · Cooperative Community Funds						460,334.13	
324 · Hanover Co-op CCF						460,334.13	
324.a · Hanover CCF Endowment						448,927.22	
Total 324.a · Hanover CCF Endowment						448,927.22	
324.b · Hanover CCF int./exp.						11,406.91	
General Journal	01/01/2018			2017 Interest - Admin exp.	12,362.73	23,769.64	
Check	01/03/2018	2492	new Hampshire Co...	Hanover Co-op CCF Donation	2,500.00-	21,269.64	
Check	01/03/2018	2493	D Acres of New Ha...	Hanover Coop CCF Donation	1,500.00-	19,769.64	
Check	01/03/2018	2494	Upper Valley Haven	Hanover Coop CCF Donation	1,000.00-	18,769.64	
Check	01/03/2018	2495	Green Mountain Chil...	Hanover Coop CCF Donation	1,200.00-	17,569.64	
Check	01/03/2018	2497	COVER Home Repair	Hanover CCF Donation	1,500.00-	16,069.64	
Check	01/03/2018	2498	Upper Valley Wood ...	Hanover CCF Donation	1,500.00-	14,569.64	
Check	01/03/2018	2499	Hartford Community...	Hanover CCF Donation	1,800.00-	12,769.64	
Check	06/29/2018	2559	NH Community Loa...	Hanover Co-op CCF Donation	2,500.00-	10,269.64	
Check	10/11/2018	2589	Vermont Law School	Hanover Co-op CCF Donation	2,500.00-	7,769.64	
Check	10/11/2018	2590	Twin Pines Housing ...	Hanover Co-op CCF Donation	1,200.00-	6,569.64	
Check	10/11/2018	2591	West Central Behavi...	Hanover Co-op CCF Donation	2,250.00-	4,319.64	
Check	10/11/2018	2592	Clara Martin Center	Hanover Co-op CCF Donation	2,000.00-	2,319.64	
Check	10/11/2018	2593	Growing Peace Proj...	Hanover Co-op CCF Donation	2,250.00-	69.64	
General Journal	01/01/2019			2018 Interest earned - admin fee	13,711.54	13,781.18	
Total 324.b · Hanover CCF int./exp.						2,374.27	13,781.18
Total 324 · Hanover Co-op CCF						2,374.27	462,708.40
Total 301.1 · Cooperative Community Funds						2,374.27	462,708.40
TOTAL					2,374.27	462,708.40	