

DRAFT MINUTES Annual Meeting April 1, 2017

Board of Directors Present: Kevin Birdsey, Elizabeth Blum, Sarah Blum, William Craig, Harrison Drinkwater, Victoria Fullerton, Dana Grossman, Ed Howes, Benoit Roisin, Anthony Roisman

Director Absent: Michael Bettmann

Candidates for the Board: Ann Shriver Sargent, Thomas Battles, Don Kreis

Members: Approximately 53 members present (including some of the Directors, staff, and guests listed here)

Staff: Ed Fox, Paul Guidone, Amanda Charland, Bruce Follett, Lori Hildbrand, Paul Lambe, Mark Langlois, Steve Miller, Cathy Moloney, Allan Reetz, Emily Rogers, April Harkness, Matt Protas, Julie Thibodeau, Jimmy Kidder, Leon Valia, Doren Hall, Joanne Bouchard, Stan Steacie, Linda Hodgdon, Joi Purrell, Doug Tufts, Randy Gage, Jon Dubuque, Holly Heath, Samantha Estes, Greg Marsh, Ken Weldon, Jacob Vincent, Dot Benham, John Bellavance, Todd Loskutoff, John Holmes, Matt Szczesiul, Dave Phillips

Guests: Steve Austin (Gallagher, Flynn & Company, LLP)

Welcome and Introductory Remarks

Tony Roisman called the 81st Annual Meeting to order at 11:10 a.m. in the main dining and meeting room of the LISTEN Community Center in White River Junction, VT. He outlined the meeting agenda and thanked members for attending despite the April 1st snowstorm.

Nominating Committee

William Craig, Committee Chair, thanked the committee for its work and welcomed each of the five candidates to speak briefly about themselves and why they were running for the Board. He also encouraged members to run for the board next year and visit <https://www.mycoopvote.com/> to cast their votes. Candidates Thomas Battles, Elizabeth Blum, Don Kreis, Benoit Roisin, and Ann Shriver Sargent offered remarks.

Allen and Nan King Award for Community Service

Kevin Birdsey described the accomplishments of the 2017 King Award winners, Carolyn and Milt Frye. As parents, educators, energetic volunteers, and Co-op members since 1971, the Frye's have distinguished themselves as coordinators and gleaners for Willing Hands, whose mission is to recover food to reduce waste, improve health, and provide reliable access to nutritious food for those in need. Every Sunday morning in recent summers, the Frye's have been hard at work arranging for and helping to pick local fresh fruits and vegetables. This year alone, the Frye's and other Willing Hands volunteers participated in 88 gleanings that yielded 78,000 pounds of produce delivered to local agencies. The Frye's thanked Co-op members and dedicated their \$500 prize, fittingly enough, to Willing Hands.

Seat-at-the-Table Discussion

Members were asked to circulate among tables, each with a distinct Co-op topic, including topics such as Merchandising and Pricing, the Commissary, Prepared Foods, Floral, Produce, Board of Directors, Cheeses, Meat and Seafood, the Service Station, Store Managers, and Beverages, to ask questions of staff and managers, trade ideas, and enjoy delicious food.

Keynote Speaker: Vermont Lt. Governor Dave Zuckerman

“Co-ops: Healthy Food, Healthy Economy”

Liz Blum introduced Vermont Lieutenant Governor David Zuckerman, a 1995 graduate of University of Vermont, who was first elected to the Vermont House in 1997 and then to the Vermont Senate in 2012. Zuckerman and his wife, Rachel Nevitt, are co-owners of Full Moon Farm in Hinesburg, VT, which sells organic meat and produce to vendors as close by as the Norwich Farmers Market. Zuckerman spoke briefly about farm legislation and answered questions about health care, immigrant farm workers, water quality, milk prices, and our shared work in “the other great cooperative we have – our democracy.”

Business Meeting:

Approval of April 2, 2016, Annual Meeting Minutes

MOTION: Harrison Drinkwater moved to approve the April 2, 2016 Annual Meeting minutes as presented.

Betsy Neslin seconded the motion.

VOTED: the motion passed unanimously by voice vote.

2016 Management Highlights

General Manager Ed Fox introduced new members of the management teams and thanked former GM Terry Appleby. Ed acknowledge that 2016 had been a challenging year, which ended in a slight operating loss, but the Co-op continues provided a market for hundreds of local producers and small family farms, raised more than \$100,000 for charity, and contributed to a thriving local economy. “It’s hard to call that a bad year,” he concluded.

Bylaw Amendments: Board member terms, elections, and capital (B shares)

Co-op President Antony Roisman reviewed each of the proposed amendments and encouraged members to vote their approval and to “help set a record” for voting turnout.

Co-op Finances: Presentation and Scorecard

Benoit Roisin, Treasurer, said that while the Co-op Commissary and the Community Market “cook many things, we *never* cook the books.” The end-of-year loss mention by Ed Fox was in part caused by the slower than expected pick-up in sales after the Hanover store remodel (the “J-curve” phenomenon). To put our \$124,302 deficit in perspective, that dollar amount corresponds to a little more than half a day of Co-op sales. Paul Guidone, Director of Finance, said the key to our rebound in 2017 depends on continued control of expenses, working to win back shoppers, and to increase “basket size” purchases. Guidone acknowledged that, while no refund will be paid this year, members have already received \$450,000 in member discounts offered on the 14th and 15th of each month.

Member Questions and Answers

Q. Given that the Co-op spends over \$1 million in charge card fees, what is the best way to pay for groceries?

A. Debit cards. Even cash has administrative costs for handling and security.

Q. Does the emphasis on monthly member discounts mean that we are moving away from year-end patronage refunds, which seem a fairer way to reward members?

A. No. The refund and its contribution to capital needs are still very important, but many members enjoy the “immediate rewards” of a discount and there is a helpful uptick in store sales on the 14th and 15th.

Q. Will the Co-op pay employees a livable wage, starting at \$15/hour?

A. Moving immediately to \$15/hour would increase our costs by 15%-20% or approximately \$2 million to \$2.5 million. If we tried to do this in one year, it would require an additional \$7 million in sales the Co-op to pay for additional wages. The Co-op has the desire to pay more but it has to be carefully planned. Currently our starting wage is \$13/hour with a generous benefits plan.

Q. Wouldn't recruiting more members result in more needed sales?

A. Yes, new members are always needed, but the real concern now is to have existing members increase their “basket size” (more products sold per visit per member).

Q. Does the Co-op have other “giving programs” besides Pennies for Change? Who decides what non-profits are eligible to receive contributions?

A. The Co-op also administers the Hanover Cooperative Community Fund, now looking at co-op education and other projects, in light of Pennies for Change success. Anthony Roisman said that, as President, he will request a new Charitable Giving Committee to review Co-op giving policies.

Q. Shouldn't the Co-op concentrate on owning properties rather than leasing commercial space for its businesses?

A. Given our cash flow and balance sheet, leasing is still the most expedient way to operate.

Pennies for Change: Beneficiaries and Their Stories

Co-op member Mary-Ella Zietz introduced spokespeople for the three food-access agencies that receive monthly grants from Pennies for Change:

- Gabe Zoerheide reported that the Co-op's grant has helped **Willing Hands** stabilize their funding and allowed them to buy a new truck.
- Kyle Fisher said that Pennies for Change and the Co-op “have sealed the deal” for providing nutritious foods for the **LISTEN** Community Center's popular community dinners and take-home suppers.
- Laura Gillespie stated that the **Upper Valley Haven** has been bolstered by funds from Pennies for Change, which has helped them stock food shelves and provide nutritious food for expectant moms at Dartmouth-Hitchcock's Perinatal Addiction Treatment Program

Thanks and Farewell

Dana Grossman offered the Board's thanks to retiring directors, Michael Bettmann and Sarah Blum. In addition to their regular Board duties, Michael chaired the General Manager Search Committee and Sarah chaired the first Communications Committee. Dana gave each a Co-op inspired gift basket, underlining the point that 18% of Co-op sales go to local products.

Tony Roisman thanked all in attendance and asked for a motion to adjourn.

MOTION: Liz Blum moved to adjourn the meeting at 2:20 p.m.

John Schumacher seconded the motion.

VOTED: the motion passed unanimously by voice vote

Respectfully submitted,

April Harkness
Board Administrator

Harrison Drinkwater
Secretary