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February 22, 2017

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AGENDA

Board of Directors Meeting
February 22, 2017
6:00 p.m., Culinary Learning Center, Lebanon Store

Time	Agenda Topic
5:15	Dinner
6:00	Consent Agenda Jan. 25, 2017 Minutes (Appendix A) Monthly Share Redemptions
6:10	Update & Monitoring General Manager (Ed Fox) EL 2 – Financial Condition & Performance (Appendix B)
6:20	Member Comments
6:30	Committee Updates Annual Meeting update (Liz) (Appendix C) Nominating Committee – announce candidates & candidate forum/outreach (Bill) (Appendix D) Retreat Committee – recap & next steps (Harrison) (Appendix E) Treasurer's Annual Report (Benoit)(Appendix F)
	New Business, Action Items
6:55	Establish History Committee
7:00	Establish Member Engagement/Staff Employment Committee HCCF Committee selection (Harrison) (Appendix G)
7:05 7:10	Annual Audit Presentation (Steve Austin, Garth Allen)
8:00	Executive Session Annual Audit (confidential)

	Allen & Nan King Award selection (confidential)(Appendix H)
8:25	Vote on Annual Audit
8:30	Adjournment

2017 BOARD MEETING CALENDAR

March 22	Board Meeting, Open Session 6:00 p.m., Lebanon Co-op Culinary Learning Center
April 1	Annual Meeting, 11:00 a.m., White River Junction Listen Center
April 26	Board Meeting, Open Session 6:00 p.m., Lebanon Co-op Culinary Learning Center

BOARD / MEMBER SERVICES ANNUAL CALENDAR

January	Board	Annual Meeting Planning Details of Annual Meeting approved.
	Nominating Committee	Final call for Board candidates
	Outreach & Member Services	Call for nominees for King Award on website and social media and in stores
February	Nominating 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
	Nominating 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 Nominating 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	Nominating Committee	Convene Nominating Committee
August	Nominating Committee	Review & edit Board Candidate Information Packet
September	Nominating 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	Nominating Committee	Invite potential candidates to attend Board meeting
		Choose date for Annual meeting and Voting Period
November	Board	Assign Annual Meeting Planning duties
	Nominating 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	Board Retreat	Sunday, December 4th, 8:30 a.m. to 4:00 p.m., Windsor Mansion Inn
	Nominating Committee	Invite potential candidates to attend Board meeting

SHARE REDEMPTION REQUESTS
February, 2017

For the period ending February 8, 2017, 13 members have requested redemption of shares. This includes 355 shares held directly by the members and $23.78 in share extra held by the Co-op on account. The total cost of redemption is $1,798.78. The reasons for member redemptions are reflect on the attached list.

Redemption of these shares will not adversely affect the cash position or cash flow of the Co-op at this time.

Respectfully,

Paul C. Guidone, CFA
Director of Finance
Hanover Consumer Cooperative Society, Inc.

MONTHLY CO-OP SHARE REDEMPTION REQUEST

February 22, 2017

February 2017 Share Redemption Requests

	Date	Town	State	Zip Code	Joined	Shares Tendered	Amount	Share Extra	Check Total	Full /Partial	Reason Why
1	1/12/2017	Earlysville	VA	22936	1989	64	$320.00	$4.19	$324.19	F	Deceased
2	1/12/2017	Canaan	NH	03741	1991	50	$250.00	$0.00	$250.00	P	
3	1/16/2017	Montpelier	VT	05602	2008	17	$85.00	$0.00	$85.00	F	Moved
5	1/25/2017	Hanover	NH	03755	2005	72	$360.00	$3.34	$363.34	P	Wants The Cash
6	1/25/2017	Hanover	NH	03755	2000	21	$105.00	$1.57	$106.57	F	Deceased
7	1/27/2017	Lebanon	NH	03766	2016	10	$50.00	$0.00	$50.00	F	Moving
8	1/31/2017	Fayetteville	AR	72701	2016	10	$50.00	$0.00	$50.00	F	Moving
9	1/29/2017	Chester	VT	05143	2014	10	$50.00	$0.00	$50.00	F	
10	1/30/2017	Burlington	VT	05408	2016	10	$50.00	$0.00	$50.00	F	Moving
11	2/2/2017	Bradenton	FL	34209	1989	54	$270.00	$4.68	$274.68	F	Moved
12	2/7/2017	Beverly	MA	01915	2001	5	$25.00	$4.12	$29.12	F	Moved
13	2/8/2017	Hollis	NH	03049	2009	6	$30.00	$2.03	$32.03	F	Moved
	Totals					**355**	**$1,775.00**	**$23.78**	**$1,798.78**		

Reasons for redemption

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD	%
Moving	6	3											9	39%
Moved-Clean Up	1	4											5	22%
Deceased-Clean Up	1	2											3	13%
Tired Of Coop B/S	1	0											1	4%
Clean-Up	1	0											1	4%
None Provided	0	3												
Wants the cash	0	1												
Total	10	13	0	0	0	0	0	0	0	0	0	0	23	100%

GM Monthly Update: Communication and Counsel to the Board

Submitted by: Edward Fox February 22, 2017
Reporting Period: January 2017

No action is required on this report.

2016 Pro Forma Profit/(Loss):

Consolidated Income Statement	Actual Thru Dec YTD	YTD	Dec Pro Forma	YTD Pro Forma	YTD	2016 Budget	Pro Forma - 2016 Budget
Sales	**$71,555,884**	**100.00%**	**$7,439,997**	**$71,555,884**	**100.00%**	**$73,705,009**	**($2,149,125)**
Total Cost of Sales	$48,117,611	67.24%	$4,998,011	$48,117,611	67.24%	$49,453,270	$1,335,659
Gross Margin	***$23,438,273***	**32.76%**	**$2,441,986**	**$23,438,273**	**32.76%**	***$24,251,739***	**($813,466)**
Cost and Expenses							
Store Wages & Benefits	$12,018,499	16.80%	$1,232,940	$12,018,499	16.80%	$12,271,217	$252,718
Contribution	***$11,419,774***	**15.96%**	**$1,209,046**	**$11,419,774**	**15.96%**	***$11,980,522***	**($560,748)**
Total Overhead	*$6,133,389*	8.57%	$532,872	$6,133,389	8.57%	$5,960,126	($173,263)
Total G&A Expense	*$5,178,738*	7.24%	$501,193	$5,178,738	7.24%	$5,281,377	$102,639
Earnings From Operations	**$107,647**	**0.15%**	**$174,980**	**$107,647**	**0.15%**	**$739,019**	**($631,372)**
Total Other (Income) and Expenses	$90,315	0.13%	$7,841	$90,315	0.13%	$188,271	$97,956
Total Other Expense	$143,259	0.20%	$16,102	$143,259	0.20%	$188,531	$45,272
Savings Before Taxes	***($125,927)***	**-0.18%**	**$151,038**	**($125,927)**	**-0.18%**	***$362,217***	**($488,144)**
Provision for Taxes							
NH Business Profits	$80,400	0.11%	$6,700	$80,400	0.11%	$80,400	$0
Federal Income Tax	($78,200)	-0.11%	$0	($78,200)	-0.11%	$108,665	($186,865)
Total Income Tax Exp	$2,200	0.00%	$6,700	$2,200	0.00%	$189,065	($186,865)
Net Savings	**($128,127)**	**-0.18%**	**$144,338**	**($128,127)**	**-0.18%**	**$189,065**	**($317,192)**

Contributors to SBT vs Budget				Pro Forma -
Negative		**Positive**		**2016 Budget**
Sales	($2,149,125)	COS	$1,335,659	
Total Overhead	($173,263)	Store Wages	$252,718	
Total Other Expense	$45,272	G&A Expense	$102,639	
		Other Income	$97,956	
Total	**($2,277,115)**	**Total**	**$1,788,971**	**($488,144)**

Sales Trends & Store Updates

Data Through January 2017	Consolidated Food Stores	Hanover	Lebanon	CCM	WRJ	Service Center	Gas	Repairs
Actual Sales: % Change Current Month to 12 Months ago	-3.61%	1.90%	-7.78%	-2.22%	-3.17%	22.41%	19.40%	36.64%
Actual Sales: % Change YTD through Current Month to YTD 12 Months ago	-3.61%	1.90%	-7.78%	-2.22%	-3.17%	22.41%	19.40%	36.64%
Actual YTD Sales	$4,905,061	$1,767,088	$2,235,332	$141,289	$761,352	$300,946	$242,276	$58,670
Actual YTD Budgeted Sales	$5,155,971	$1,760,132	$2,450,281	$154,369	$791,189	$281,500	$227,000	$54,500
Actual Variance in sales	($250,910)	$6,956	($214,949)	($13,080)	($29,837)	$19,446	$15,276	$4,170
Potential Margin Impact	($81,652)	$2,244	($69,858)	($4,636)	($9,402)	$3,102	$600	$2,502

FY2017 Updated per Quarter

Consolidated Food Stores	2013	2014	2015	2016
SALES	**$68,930,302**	**$69,559,035**	**$66,609,371**	**$67,938,975**
change from prior year		*$628,733*	*($2,949,665)*	*$1,329,604*
CUSTOMER COUNT	**1,844,832**	**1,847,526**	**1,799,058**	**1,855,651**
change from prior year		*2,694*	*(48,468)*	*56,593*
TOTAL ITEMS IN BASKET	**18,388,485**	**17,994,476**	**16,603,330**	**17,467,080**
change from prior year		*(394,009)*	*(1,391,146)*	*863,750*
BASKET SIZE	$ 37.36	$ 37.65	$ 37.02	$ 36.61
AVG ITEMS PER TRANSACTION	9.97	9.74	9.23	9.41
AVG COST PER ITEM	$ 3.75	$ 3.87	$ 4.01	$ 3.89

Notes:

1. Basket Size = Sales /Customer Count
2. Avg Items per Transaction = Items/Customer Count
3. Avg Cost per Item = Sales/Items

FY2017 Updated per Quarter

Hanover	2013	2014	2015	2016
SALES	**$25,902,622**	**$25,750,309**	**$20,018,423**	**$23,059,220**
change from prior year		*($152,313)*	*($5,731,886)*	*$3,040,797*
CUSTOMER COUNT	**575,588**	**562,726**	**479,855**	**545,215**
change from prior year		*(12,862)*	*(82,871)*	*65,360*
TOTAL ITEMS IN BASKET	**6,899,487**	**6,677,391**	**4,978,131**	**5,803,428**
change from prior year		*(222,096)*	*(1,699,260)*	*825,297*
BASKET SIZE	$ 45.00	$ 45.76	$ 41.72	$ 42.29
AVG ITEMS PER TRANSACTION	11.99	11.87	10.37	10.64
AVG COST PER ITEM	$ 3.75	$ 3.86	$ 4.02	$ 3.97

Lebanon	2013	2014	2015	2016
SALES	**$31,601,776**	**$32,029,624**	**$34,377,217**	**$32,396,410**
change from prior year		*$427,849*	*$2,347,592*	*($1,980,807)*
CUSTOMER COUNT	**717,729**	**727,149**	**757,367**	**726,294**
change from prior year		*9,420*	*30,218*	*(31,073)*
TOTAL ITEMS IN BASKET	**7,981,154**	**7,827,633**	**8,083,355**	**7,924,328**
change from prior year		*(153,521)*	*255,722*	*(159,027)*
BASKET SIZE	$ 44.03	$ 44.05	$ 45.39	$ 44.61
AVG ITEMS PER TRANSACTION	11.12	10.76	10.67	10.91
AVG COST PER ITEM	$ 3.96	$ 4.09	$ 4.25	$ 4.09

CCM	2013	2014	2015	2016
SALES	**$1,985,164**	**$2,051,492**	**$2,063,631**	**$2,075,339**
change from prior year		*$66,328*	*$12,139*	*$11,709*
CUSTOMER COUNT	**190,047**	**195,398**	**193,209**	**197,552**
change from prior year		*5,351*	*(2,189)*	*4,343*
TOTAL ITEMS IN BASKET	**652,248**	**617,493**	**599,418**	**674,906**
change from prior year		*(34,755)*	*(18,075)*	*75,488*
BASKET SIZE	$ 10.45	$ 10.50	$ 10.68	$ 10.51
AVG ITEMS PER TRANSACTION	3.43	3.16	3.10	3.42
AVG COST PER ITEM	$ 3.04	$ 3.32	$ 3.44	$ 3.08

WRJ	2013	2014	2015	2016
SALES	**$9,440,741**	**$9,727,611**	**$10,150,100**	**$10,408,005**
change from prior year		*$286,870*	*$422,490*	*$257,905*
CUSTOMER COUNT	**361,468**	**362,253**	**368,627**	**386,590**
change from prior year		*785*	*6,374*	*17,963*
TOTAL ITEMS IN BASKET	**2,855,596**	**2,871,959**	**2,942,426**	**3,064,418**
change from prior year		*16,363*	*70,467*	*121,992*
BASKET SIZE	$ 26.12	$ 26.85	$ 27.53	$ 26.92
AVG ITEMS PER TRANSACTION	7.90	7.93	7.98	7.93
AVG COST PER ITEM	$ 3.31	$ 3.39	$ 3.45	$ 3.40

Basket Size	2013	2014	2015	2016
Consolidated Food Stores	**$ 37.36**	**$ 37.65**	**$ 37.02**	**$ 36.61**
Hanover	$ 45.00	$ 45.76	$ 41.72	$ 42.29
Lebanon	$ 44.03	$ 44.05	$ 45.39	$ 44.61
CCM	$ 10.45	$ 10.50	$ 10.68	$ 10.51
White River	$ 26.12	$ 26.85	$ 27.53	$ 26.92

Items per Transaction	2013	2014	2015	2016
Consolidated Food Stores	**9.97**	**9.74**	**9.23**	**9.41**
Hanover	11.99	11.87	10.37	10.64
Lebanon	11.12	10.76	10.67	10.91
CCM	3.43	3.16	3.10	3.42
White River	7.90	7.93	7.98	7.93

Cost per Item	2013	2014	2015	2016
Consolidated Food Stores	**$ 3.75**	**$ 3.87**	**$ 4.01**	**$ 3.89**
Hanover	$ 3.75	$ 3.86	$ 4.02	$ 3.97
Lebanon	$ 3.96	$ 4.09	$ 4.25	$ 4.09
CCM	$ 3.04	$ 3.32	$ 3.44	$ 3.08
White River	$ 3.31	$ 3.39	$ 3.45	$ 3.40

Notes:
1. Basket Size = Sales /Customer Count
2.Avg Items per Transaction = Items/Customer Count
3. Avg Cost per Item = Sales/Items

- Lebanon Store Update
  - Keeping featured displays full with better change over plans
  - Increased volume of product samplings with better tie ins to featured products
  - Focus on staffing (Meat and Produce in particular) and scheduling to meet needs of the customers during peak volume periods.

- Hanover Store Update
  - Plans to have broad offering of products for Big Football Game weekend.
    - Extra beer and beverage displays
    - Big offering from prepared foods: including Smokehouse products, self-serve, hot case ready- to- eat wings, and smoked products
    - Cross merchandized hot sauces, dips, and glazes in several locations in the store.
    - Meat Dept. prepackaged- wings for quick pick-up in self-serve cases
  - Plans for Dartmouth Winter Carnival week-end, Dartmouth Hockey games 10th, 11th
  - Plans for big Floral sales for Valentine's Day, cross-merchandized areas in several locations in the store

- White River Store Update
  - Focus on product samplings to promote new and/or on sale items.

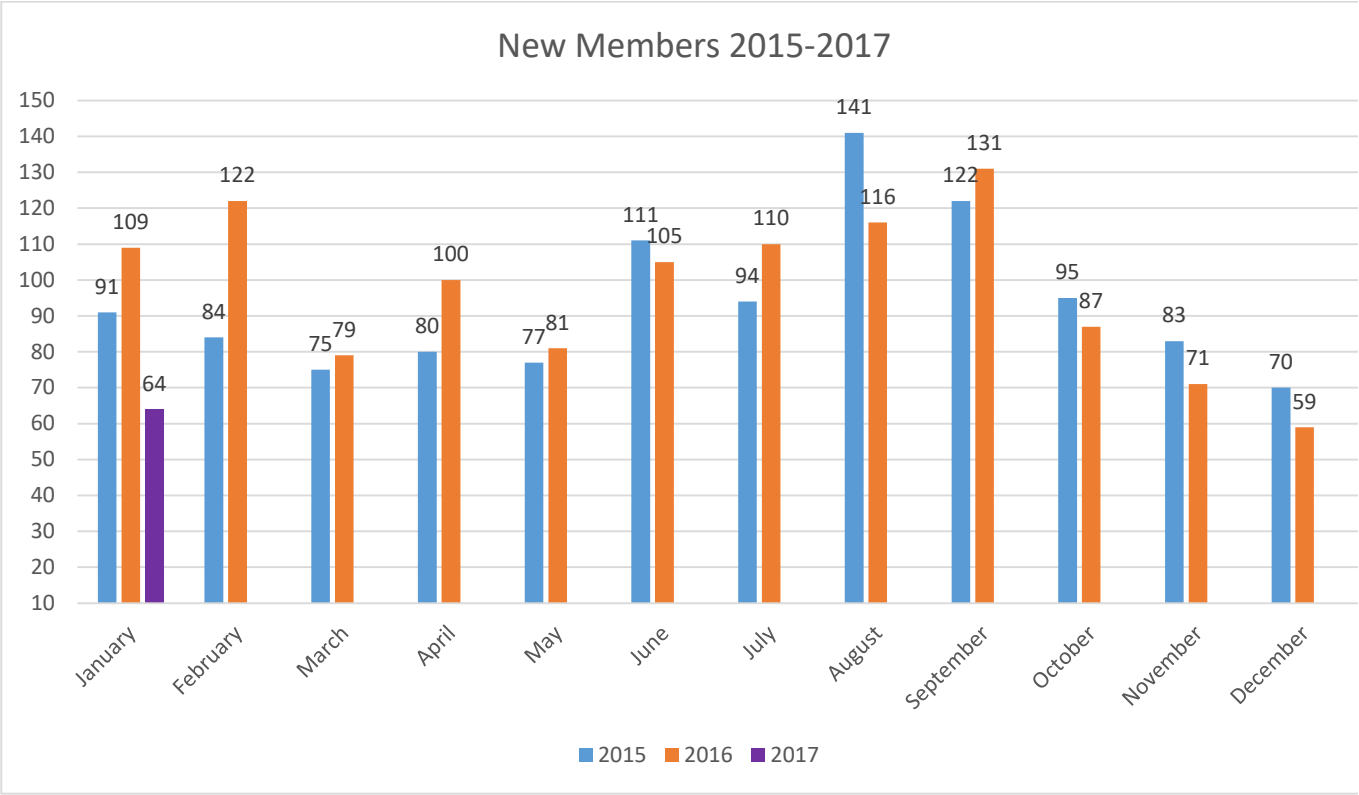
- Commissary Kitchen Update
  - Focus on production by task, evaluating labor and equipment needs.

- Community Market Update
  - Begin evaluation of dinner program
  - Begin offering soft serve frozen yogurt program

- Service Station
  - We are looking into an online scheduling system for car repair – Open spots and how do we fill them when we have a cancelation or open appointment
  - Monitoring our budget on weekly basis with huddles on Fridays at 11:30 (recapping what happened for the week and where we are at) – setting up quick wins (ex- air filter sales, wiper blade sales) How do we continue to stay ahead of budget
  - Tracking Technician efficiency in detail
  - Woman's restroom will be getting an update with new fixtures
  - Actuals Verses Prior FY/YTD Reporting Period:
    - Sales: Gasoline 21.52%
    - Gallons 5.03%
    - Price/Gallon: 15.70%
    - Sales: Repair 24.17%

  - Membership

2017 January			
	New Members	Cancellations	Net Change in Memberships
January	64	10	54
YTD	64	10	54
2016 YTD	*109*	*8*	101


New Members 2015-2017
150
140
130
120
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84
122
75
79
80
100
77
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111
105
94
110
141
116
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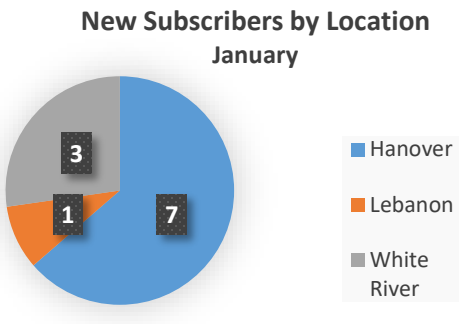
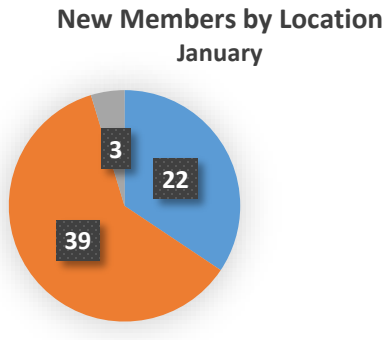
January
February
March
April
May
June
July
August
September
October
November
December
2015
2016
2017


New Subscribers by Location
January
3
1
7
Hanover
Lebanon
White River


New Members by Location
January
3
22
39

- Staff Community Service:

Total # Hrs of Community Service in 2016	Total # of Staff Participated in Community Service	Store		# of Staff Participated in Community Service by store	2017 Community Service Hrs	2017 Staff Participation by Location	Hours Goal (2 hrs per staff member)
Goal - 800 hours	Goal - Participation from 100% of Staff	Commissary		2	3.5		800 hrs
		Lyme Road		0	0		
Total Cumulative Hours Volunteered:	Total %* of Staff Participation in Community Service	Buck Road		7	20.5		
		Hanover		0	0		
64.25	4.25%	Lebanon		4	17.25		
		Park Street		0	0		
Hours Surpassing our Goal:		WRJ		4	23		
	* % is based on an estimated staff level of 400 employees						
-735.75		Totals:		17	64.25		

Total % of Hours Completed	8.03%

Co-op Driven Community Service:	Non-Co-op Driven Community Service:
50.75	13.5

- Pennies for Change

Total Collected in January 2017: $18,862.86 Total Member Donations Since June 2016: $156,455.40

January Food Access Recipients	Total Donated to Food Access Recipients
Listen - $3,772.57	Listen - $ 31,290.87
Haven - $3,772.57	Haven - $ 31,290.87
Willing Hands -$ 3,772.57	Willing Hands - $ 31,290387

January Community Partners
Good Beginnings of the UV: $5,658.86
Project Vet Care: $1,886.29* (on hold, organization no longer active)

- Finance:
  - ECRS training for 4 Co-op employees took place in Boone, NC the week of January 23rd.
  - ECRS began setting up the lab onsite training for registers and screens the week of January 30th.
  - Auditors were on site the week of January 30th.
  - ECRS White boarding (process improvement) sessions have been scheduled for early February.
  - Co-op checking accounts have switched over to Ledyard Bank.

- HR:
  - Gallagher/Flynn has presented 5 qualified candidates for our review for the Lebanon Store Manager position. Interviews are being scheduled for the week beginning February 6th.
  - New Payroll System implementation has begun with Lisa Tucker, Payroll and Benefits Manager, overseeing the implementation process
  - HR has published its first employee newsletter. Publication will continue on a bi-weekly basis. Other new methods of communicating with staff are being developed.
  - Paul Lambe, Employee Learning and Development Manager, travelled to Boone, NC, to learn about the new Catapult system (ECRS) to be implemented over the next year across all our retail locations and Buck Road. Paul will be coordinating with IT and Inventory Control staff with regard to the training needed for employees to be able to take advantage of all the system has to offer

- Communications & Public Relation:
  - Full Moon Fiesta on January 14 at Storrs Hill. This annual fund-raising event is held by the Lebanon office of Parks and Recreation. It is held outdoors at the Storrs Hill ski hill on the outskirts of downtown Lebanon. For a small fee, families and folks of all ages sample food, ski, snowshoe, watch ski jumping. The Co-op donated ten gallons of our

Angus steak chili and assisted with a snafu/mistake of another contributor. Attendance at the event was 150.

- **LEF Farms** store tour (new produce vendor), January 16, Lebanon and Hanover stores. Store tour for Don Grandmaison (sales and marketing manager). Discussion of local products, our cooperative and relations with local and regional vendors. Tour also attended by freelance feature writer Pamela Riemenshneider of Produce Retailer Magazine, The Packer Newspaper and Farm Journal Media covering LEF farms of Loudon, NH. http://www.lef-farms.com/
- **The Local Motive,** launch event, January 19, Burlington, VT. As one of the marquee sponsors, we were part of the launch of this six-part series that will air on Vermont Public Television. http://www.vpt.org/localmotive

- GM:

  - Meet and Greets with members: Lebanon Store 01/05 & 01/28, Hanover Store 01/07 & White River Junction 01/19
  - Store Tour and "Leadership" project with students from: The Rockefeller Center @ Dartmouth College
  - Attended Vital Communities Corporate Council meeting
  - Met with Crosspoint Associates (owners of the Centera site) with Paul Guidone to open discussions on lease opportunities (01/17)
  - Attended Lebanon Chamber of Commerce new president/CEO luncheon (01/18)
  - Met with group from CATC at the Norwich Inn (01/18)
  - Met with Rob Schultz, United Way (01/20)
  - Met with attorneys from McLain Middleton (Manchester NH), Jeff Zellers and Paul Guidone to discuss B-Share legislation options and informal planning

- Member Services:

  - Beginning the first phase of improving customer experience through membership services.
  - Fedco seed orders are closed. We had about 300 participants. Looking at the possibility of online orders for 2018.
  - Check out the education spaces in the stores to see thank you from community partners and highlights from 2017 Co-op in the Community (1,217 meals made and served by Co-op Staff/134 community events supported by the Co-op/ Over 800 hours of staff volunteer hours in the community/and more!).
  - Hannah Brilling (Co-op Nutritionist) is back full time and launching a series of in store programs for members and shoppers to answer nutrition questions and demo healthy foods.
  - CLC sold out Kids Camps in record time this year (4 days). Due to the success of these programs we will be hiring new camp assistants for the summer (looking for high school students). Also, had good exposure through non-profit donations of CLC space to Vital Communities and Norris Cotton Cancer Center recently.
  - Marketing/Education 2017 strategic planning meeting is mid-February.
  - New membership brochure, application, and welcome packet being designed.

Grocery & COOP Industry News and Trends

Bellingham, Washington:
Community Food Co-op Delivers Quality and on a Budget

By Jennifer Dodge

The Community Food Co-op is committed to providing high quality, local items at the most affordable prices. These great deals are available every day to everyone in the community along with the ability to redeem any manufacturers' coupons.

Here is a sample of products that one can find at everyday low prices at Community Food Co-op. Photo courtesy: Community Food Co-op.

Co+op Basics, the items that make up the necessary foundation for healthy day-to-day living, includes more than 100 essential grocery and household items used every day. Just look for the purple Co+op Basics signs on items such as pasta, beans, butter, cleaning supplies, baby formula, flour, milk, eggs, and many more pantry and household staples.

In addition to great prices on Co+op Basics, the Community Food Co-op has partnered with United Way of Whatcom County and Whatcom Community College-Community Education to offer the "Good and Cheap: Eat Well on $4 a Day" cooking class. The class is designed to demonstrate that you can have it all—meals that are nutritious, inexpensive, delicious, and easy to prepare at home.

Additional savings are always available on a large selection of products and food items at the Community Food Co-op through the Co+op Deals flyers. These flyers feature a wide range of new sale items every two weeks. Customers can find even more savings in Co+op Deals coupons available in stores.

Double savings can be found at Community Food Co-op on more than 100 essential grocery and household items used every day. Photo courtesy: Community Food Co-op.

Additionally, fresh department sales from the meat, deli, bakery, and produce departments feature sales on select items making it even more affordable to eat healthy, local foods.
For Co-op member-owners, exclusive opportunities are available through members-only coupons published in the "In Season" magazine, not to mention discounts of up to 25% on special orders.
Making it even more affordable for anyone to create a healthy lifestyle is what the Community Co-op strives to do!

Austin, Texas

Why Austin's Wheatsville Food Co-op is raising wages, despite delay in federal overtime law

By Dan Gillotte

Right before Thanksgiving, as the overtime exemption for salaried wages was about to increase to a minimum annual threshold of $47,476, a federal judge in Texas blocked the changes to the Department of Labor's Fair Labor Standards Act, or FLSA.

This move preserved the FLSA's current rules and rates until there could be more discussion. However, many businesses decided to move forward with the new regulations.

At Wheatsville Food Co-op, we made the commitment to honor the FLSA changes and increase salaries and overtime pay across the board. Here are five reasons why doing the same might be the right move for your business.

• **Livable wages and benefits:** This past year, before the FLSA changes, Wheatsville made significant increases across the wage scale due to a huge jump in the overall cost of living in our city. If paying livable wages is not a problem for your business yet, it will be. Take a hard look at your total compensation package. When was the last time it was changed? Does it index to local and national scales? Do you have a hard time finding good employees? For some businesses, the new salary threshold may seem like a huge jump, but that's because many of us have not kept up with today's true cost of living.

• **People matter most:** Businesses rely on mid-level staff to work hard and jump in when there's a sick call, and hold them responsible for increasing sales while keeping other employees happy. It's not an easy job, but companies benefit when the job is done well. Mid-level staff are a key part of success for many businesses. When your staff is happy, they are willing to do what it takes to do a great job.

• **Loyalty:** Every time companies need to hire someone new it costs money. At Wheatsville, the average cost for on-boarding a new staff member is about $1,500. Additionally, that person needs time to learn the job, and needs even more time to know the job well enough

to help the team move efficiently. When businesses increase employee retention, they save money, operations run smoother, and staff can grow their wages and skill set.

• **Opportunity:** Most business owners will tell you their best employees are the ones who are homegrown. A staff member that moves up within the company comes fully loaded with culture, history and a proven track record of success. Raising the salaries for mid-level staff means front-line staff have room to grow and a reason to stick around.

• **Good help:** Consider Wheatsville as a test project. We raised wages for 80 percent of our staff midway through a fiscal year. What happened? Everyone pulled together to find every dollar of waste in our organization, we streamlined our systems and saw less turnover. Good help is not hard to find — they already work for you. Make your staff part of the solution. Let them help you figure out how to increase wages.

At Wheatsville we believe consideration for staff must move out of the theoretical and into "business as usual." If efficient operations, employee retention and streamlined processes are important to your business' success, then paying your staff what they are worth and giving them the tools needed to do a good job could be the right move for you.

Dan Gillotte is general manager of Wheatsville Food Co-Op, which pulls in about $35 million in annual revenue from two Austin stores. He started at Wheatsville in 1998 and worked his way up to the top position.

Whole Foods introducing 'Real Food' campaign

CEO: 'Always on' message replacing sporadic bursts

Jon Springer | Jan 05, 2017

Whole Foods Market is sending the first messages from what appears to be a new national advertising campaign officials say will be "always on" in 2017.

A television ad debuting the "We Believe in Real Food" tagline has premiered on the retailer's website and Youtube channel this week. The campaign highlights why Whole Foods' offerings — described as "food that's naturally beautiful, nourishing and delicious" — are different than that of competitors, and easy to shop for at Whole Foods.

CEO John Mackey late last year said Whole Foods would boost its marketing spend in 2017 with an eye on abandoning the "on-again, off-again" flirtation with a national ad presence the company has taken until now. Whole Foods last ran national advertising with its "Values

Matter" campaign in 2014 but ran no national advertising last year, when Mackey said the company made a "conscious decision" that its funds were better spent elsewhere.
Whole Foods in September named Sonya Gafsi Oblisk as its new global VP of marketing. Oblisk spent more than eight years at Wal-Mart Stores including the last three as VP of its Sam's Club division.
Bill Kirk, an analyst for RBC Capital Markets, said the launch of a new ad campaign speaks to the company's confidence in its progress to stabilize sales and set the foundation for growth.
He also noted the "Values Matter" launch coincided with an acceleration in sequential and stacked same-store sales figures in 2014, though current forecasts, he cautioned, call for no such boost.
"While a television ad, by no means, assures acceleration, we consider it more likely to improve trends than cause them to slow," Kirk said. "We believe this is a positive development that suggests Whole Foods' 2016 pursued strategies have reached a point where it's time to communicate the company's progress."

FYI: For reference concerning our donated food. The Federal Bill Emerson Good Samaritan Food Donation Act

On October 1, 1996, President Clinton signed this act to encourage donation of food and grocery products to non-profit organizations for distribution to individuals in need. This law:

- Protects you from liability when you donate to a non-profit organization;
- Protects you from civil and criminal liability should the product donated in good faith later cause harm to the recipient;
- Standardizes donor liability exposure. You or your legal counsel do not need to investigate liability laws in 50 states; and
- Sets a floor of "gross negligence" or intentional misconduct for persons who donate grocery products. According to the new law, gross negligence is defined as "voluntary and conscious conduct by a person with knowledge (at the time of conduct) that the conduct is likely to be harmful to the health or well-being of another person."

The text of the bill itself follows:

The Bill Emerson Food Donation Act

One Hundred Fourth Congress of the United States of America

At the Second Session

Begun and held at the City of Washington on Wednesday, the third day of January, one thousand nine hundred and ninety-six.

An Act: To encourage the donation of food and grocery products to nonprofit organizations for distribution to needy individuals by giving the Model Good Samaritan Food Donation Act the full force and effect of law.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. CONVERSION TO PERMANENT LAW OD MODEL GOOD SAMARITAN FOOD DONATION ACT AND TRANSFER OF THAT ACT TO CHILD NUTRITION ACT OF 1966.

(a) Conversion to Permanent Law. -- Title IV of the National and Community Service Act of 1990 is amended --

1. by striking the title heading and sections 401 and 403 (42 U.S.C. 12671 and 12673); and
2. in section 402 (42 U.S.C. 12672) --

(A) in the section heading, by striking "model" and inserting "bill Emerson"

(B) in subsection (a), by striking "Good Samaritan" and inserting "Bill Emerson Good Samaritan:"

(C) in subsection (b)(7), to read as follows:

"(7) GROSS NEGLIGENCE. -- The term 'gross negligence' means voluntary and conscious conduct (including a failure to act) by a person who, at the time of the conduct, knew that the conduct was likely to be harmful to the health or well-being of another person.";

(D) by striking subsection (c) and inserting the following:

"(c) LIABILITY FOR DAMAGES FROM DONATED FOOD AND GROCERY PRODUCTS.

"(1) LIABILITY OF PERSON OR GLEANER. -- A person or gleaner shall not be subject to civil or criminal liability arising from the nature, age, packaging, or condition of apparently wholesome food or an apparently fit grocery product that the person or gleaner donates in good faith to a nonprofit organization for ultimate distribution to needy individuals.

"(2) LIABILITY OF NONPROFIT ORGANIZATION. -- A nonprofit organization shall not be subject to civil or criminal liability arising from the nature, age, packaging, or condition of apparently wholesome food or an apparently fit grocery product that the nonprofit organization received as a donation in good faith from a person or gleaner for ultimate distribution to needy individuals.

"(3) EXCEPTION. -- Paragraphs (1) and (2) shall not apply to an injury to or death of an ultimate user or recipient of the food or grocery product that results from an act or omission of the person, gleaner or nonprofit organization, as applicable, constituting gross negligence or intentional misconduct."; and

(E) in subsection (f), by adding at the end the following: "Nothing in this section shall be construed to supersede State or local health regulations.".

(b) TRANSFER TO CHILD NUTRITION ACT OF 1966. -- Section 402 of the National and Community Service Act of 1990 (42 U.S.C. 12762) (as amended by subsection (a))

1. is transferred from the National and Community Service Act of 1990 to the Child Nutrition Act of 1966;

2. is redesignated as section 22 of the Child Nutrition Act of 1966; and

3. is added at the end of such Act.

(c) CONFORMING AMENDMENT. -- The table of contents for the National and Community Service Act of 1990 is amended by striking the items relating to title IV.

Newt Gingrich
Speaker of the House of Representatives

Strom Thurmond
President of the Senate Pro Tempore

Approved 10/01/96

William J. Clinton
President of the United States
P.L. 104-210

MONITORING REPORT EL 2 – Financial Condition and Performance

Submitted by Edward Fox as an accurate representation of Financial Condition, Year Ended 31 December, 2016 (December 2016). Audited preliminary draft data included in this report, See separate reports.

Executive Limitation 2 states:

With respect to the actual ongoing activities of the Co-op, the General Manager may not jeopardize the current and long-term financial health or allow material deviation from board priorities as stated in the Ends Policies.

Operational Definition / Interpretation:

The Co-op is financially viable in the short and long term. Short-term viability is based on present conditions. Long-term viability is linked to financial readiness as called for in the Annual Business Plan and the Long Term Strategic Plan.

Measuring for financial viability will occur on two levels:

A. Avoiding fiscal jeopardy

B. Financial readiness for Board Ends accomplishment.

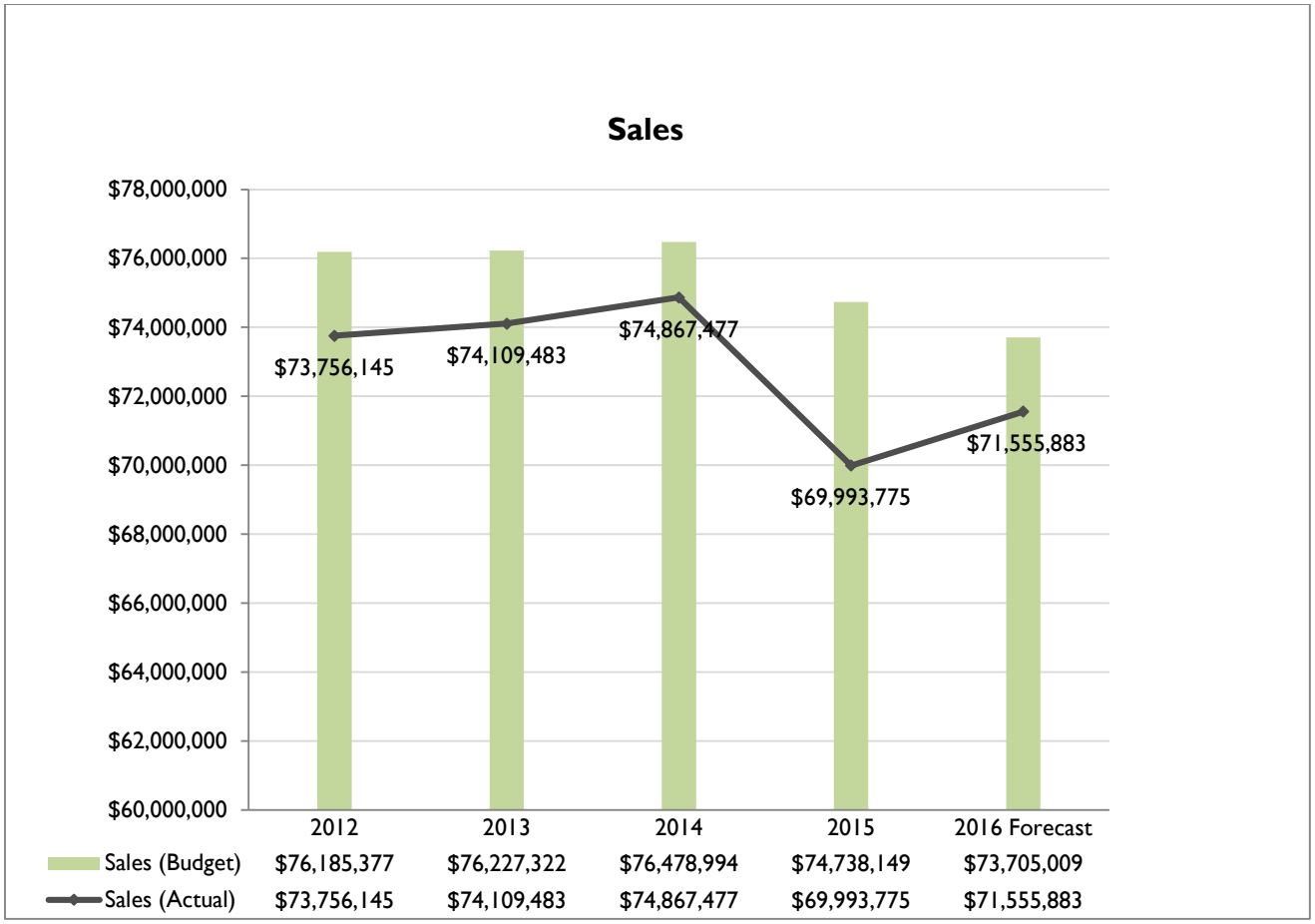
Avoiding jeopardy means avoiding financial conditions that:

Violate loan covenants, major contract agreements,
Require discussion of filing for bankruptcy
Show significant negative variances from annual budgeted financial benchmarks, or
Lead to significant, long-term deterioration of financial condition as measured by financial statements (Income Statement, Balance Sheet and Cash Flow) or typical financial measures such as liquidity, solvency, profitability or returns.

Financial readiness means:

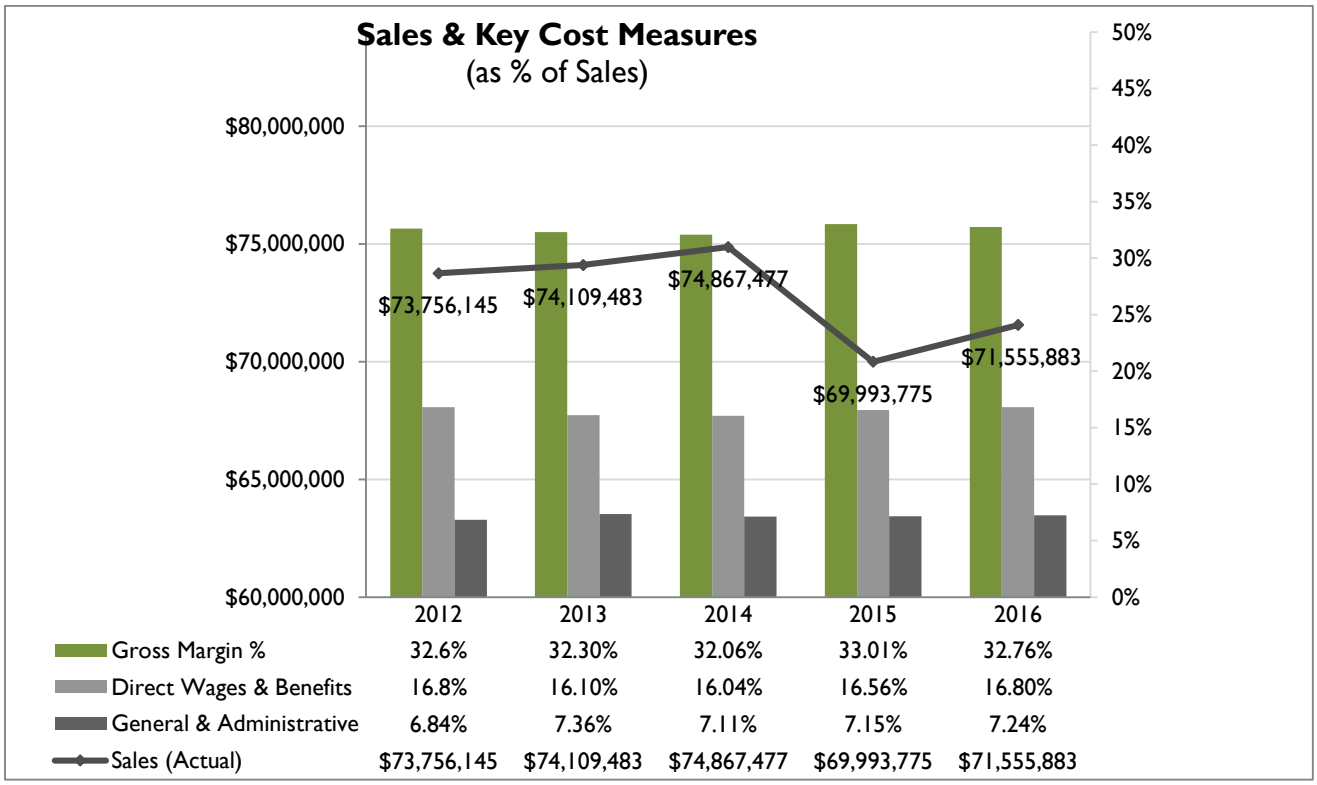
Planned achievement as projected in the current Annual Business Plan and Long Term Strategic Plan. The benchmarks of sales, profitability, liquidity and solvency will also be used for financial readiness. The Board has further specified in sub-policies EL 2.1-2.7 controls in the areas of debt, loan and financial obligations and other controls, but not sales or solvency. These two items will be accounted for below, with all other operational definitions to determine compliance contained in the data relating to the sub-policies.

Figure 1. Sales



Consolidated sales YTD ended December 31, 2016 totaled $71.555 million, or approximately $2.15 million (-2.92%) under budget for the period. Consolidated food store sales for the year were under budget by $2.1 million (-3.03%). For the same period, Service Center sales were under budget by approximately $29 thousand (-0.79%), all of which came from a decrease in Sales from the repair side of the business compared to budget. The average price per gallon is down from last year by approximately 10%, but gallons sold are up by approximately 236,000 gallons. Billable hours in the service bay have been below budget due to staffing issues that occurred earlier in the year.

Figure 2. Cost Control.



Costs as a % of sales is a good indicator of whether an organization is able to control costs with fluctuating sales. Generally, key cost indicators should, at a minimum, be steady as a % of sales to indicate control. Key costs groupings used by the Co-op are: Cost of sales (or Gross Margin as the sum), Wages & Benefits and General and Administrative expenses.

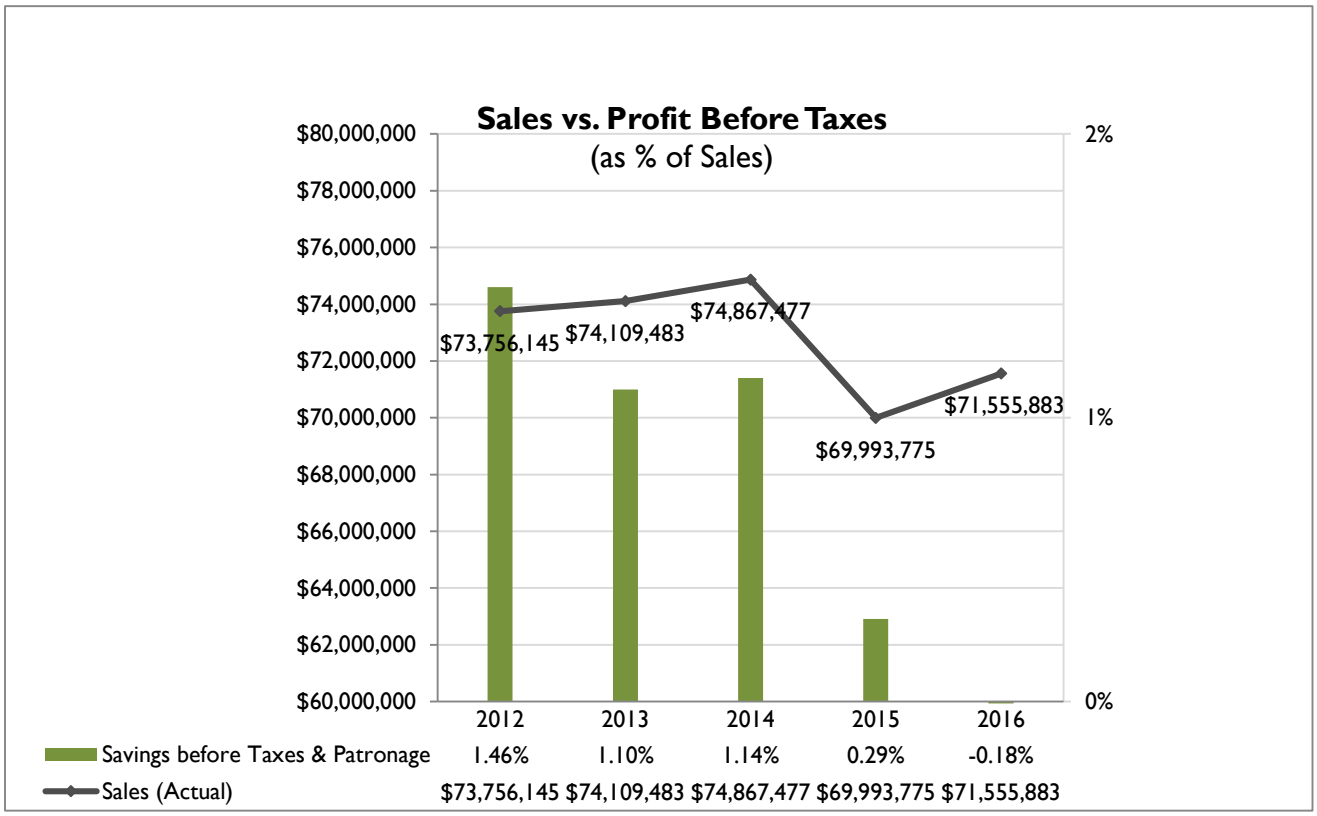
YTD highlights thru December 31, 2016 include:

Consolidated Gross Margin % was slightly under budgeted levels thru the year ended December 31, 2016 (32.76% actual versus a budgeted gross margin of 32.9%).

Direct (Store) Wages & Benefits were under budgeted levels thru the year ended December 31, 2016 (16.80% vs. 17.2%), This reflects the Stores ability to manage their labor expenses relative to sales prospects.

G&A expenses were level against budgeted levels on a % of sales basis (7.2% actual versus 7.2% budget) but under budget on a $ basis (by $144,398). These numbers reflect the somewhat fixed nature of most administrative related expenses.

Figure 3. Profitability



Another measure of the health of an organization is profitability, or "Savings" in the terminology of the Co-op – not just absolute savings but savings measured as a % of sales. A desired trend is steadily increasing savings as a % of sales. Savings before taxes and patronage thru the year ended December 31, 2016 was a loss totaling $125,943 compared to a budgeted gain of $362,217.

Sales were down by over $2.1 million thru the end of the year from budgeted levels while contribution margin (Gross Margin less Labor) was $156,000 under budgeted levels.

Solvency

The solvency ratio, or debt to equity ratio, is a measure of how aggressively a company has chosen to finance itself with debt – the higher the debt/equity ratio, the more aggressive a company has been about growth/financing through debt. High debt to equity ratios by themselves do not indicate a troubled organization – other factors such as sales growth and profitability, or lack thereof, must be figured in to make that determination. Many successful organizations have debt/equity ratios that would currently be considered unacceptable by our Co-op.

Cooperative	2012	2013	2014	2015	2016
Coop 1	0.32	0.18	0.25	0.20	0.18
Coop 2	0.58	0.50	0.54	0.47	0.37
Coop 3	0.54	0.83	0.93	0.88	0.80
Coop 4	0.40	0.95	0.84	0.82	0.85
Coop 5	1.37	1.10	1.05	1.07	0.97
Hanover	**1.20**	**0.83**	**0.70**	**1.23**	**1.15**
Coop 7	0.90	1.17	1.46	1.29	1.20
Coop 8	4.47	3.32	2.54	1.22	1.57
Coop 9	3.94	2.03	2.92	4.33	3.94
Coop10	0.75	1.68	2.76	3.75	5.61
Coop 11	4.52	5.83	6.5	7.20	7.00

Note: *It is a policy of National Cooperative Grocers for members utilizing information from their database to present the data in such a way that specific Co-ops are not identifiable. To be in compliance with this requirement we have changed the way the Co-ops are identified.*

The Hanover Co-op has chosen to take a relatively conservative position and desires to keep its solvency ratio under 2:1. The ratio at January 2, 2016, which includes 100% of the funds borrowed to complete the Hanover store renovation project, is significantly under this level. The table above shows the Hanover Co-op solvency ratio along with the debt/equity ratios of several other food Co-ops of interest, both regionally and nationally, as a reference.

Further, without limiting the scope of the foregoing by this enumeration, the GM may not cause or ***allow:***

EL 2.1: Indebtedness of a type and level that jeopardizes the ability of the cooperative to repay its current and long-term debts in a timely and efficient fashion.

Operational Definition / Interpretation:

Management may not incur indebtedness that the Co-op is unable to repay, either in terms of the current portion of long-term debt or in the current portion of capital leases.

Compliance will be achieved on long-term debt if all covenants on long-term debt (if any) are in compliance. Compliance will be achieved regarding the ability to repay current debt on capital leases by an absence of late payments on lease terms.

Data:

Debt

The Co-op had two covenants on a loan with NCB related to the Community Market remodel in 2008. With the payoff of the 2008 loan on the Community Market, these loan covenants are no longer in force.

The Co-op has one additional covenant on the loan with NCB related to the Hanover Store remodel in 2015 (Debt Service Coverage Ratio).

Presented below is the status of the covenant under the loan for the Hanover Store for the year ending December 31, 2016 (the reporting period for covenant compliance) and for the previous two year-ends (where applicable) are as follows:

	Covenant	1.3.2015	1.2.2016	12.31.2016
Debt Service Coverage Ratio	>=1.25:1			2.21:1
Fixed Charge Coverage Ratio	>= 1.25:1	1.64:1	1.53:1	Loan Paid
Minimum Tangible Net Worth	>= $3,500,000	$11,390,540	$11,738,420	Loan Paid
Capital Expenditures (annual)	<=$1,200,000	$1,704,797	Covenant Dropped	Covenant Dropped

Compliance Determination: In Compliance.

EL 2.2: Liquidity, or the ability to meet cash needs in a timely and efficient fashion to be insufficient.

Operational Definition / Interpretation:

The Co-op has sufficient liquidity to meet cash needs on time. Efficient generation of cash allows a current ratio of below a 1:1 benchmark. Historical evidence of efficient operations and cash flow indicates a benchmark for fiscal jeopardy for the Current Ratio can be as low as 0.6:1.

Compliance will be achieved if the current ratio is above the benchmark for fiscal jeopardy (0.6:1) and benchmarks of highly efficient operations (inventory turns, sales per square feet of retail space) are above industry averages and the Co-op has readily available cash on hand.

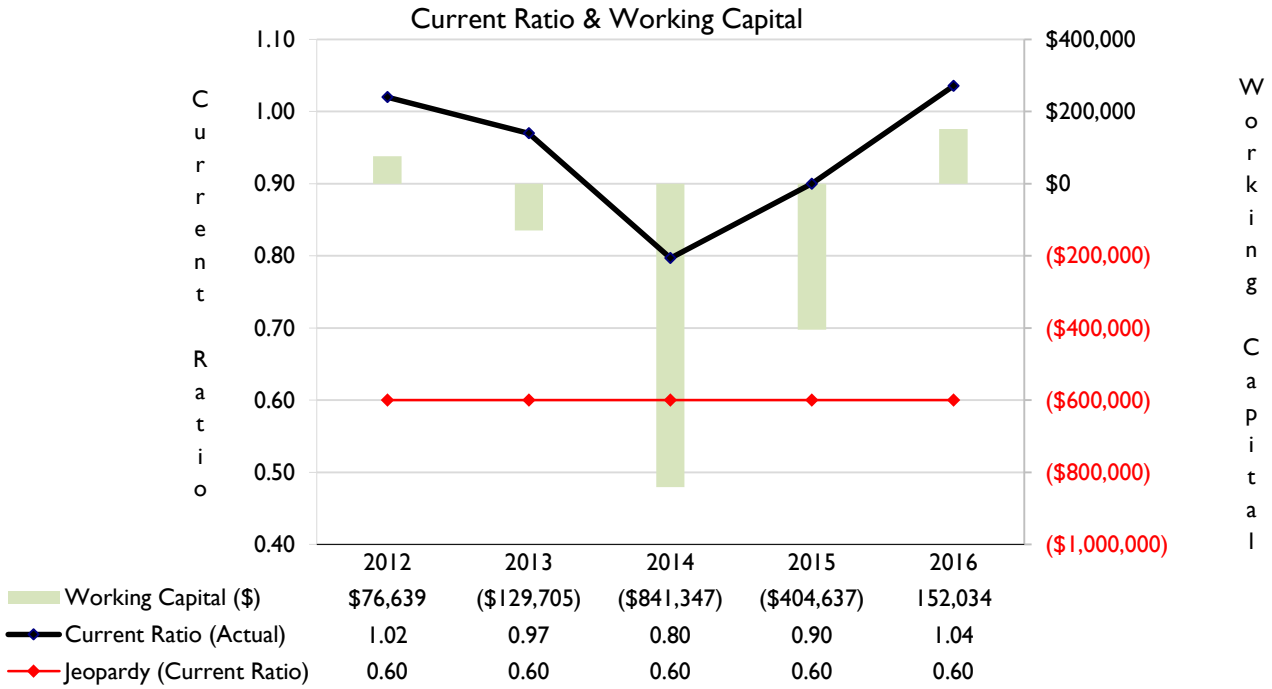
Data:

Benchmark for fiscal jeopardy of the current ratio is set at 0.6:1, which the Co-op has historically been able to operate near and satisfy obligations, pay patronage refunds and maintain profitability.

The current ratio for the year ended December 31, 2016 stood at 1.07:1 which, along with working capital is also shown on the following chart. Working capital is simply the current ratio in actual dollar values. Both the current ratio and working capital represent significant improvements over the prior year end as well as the quarterly levels reported during the year. This improvement is the result of the completion of the Hanover store renovation project and continued discipline in managing ongoing capital expenditures.

Figure 4. Current Ratio and Working Capital

Liquidity is frequently represented by the current ratio, but the ability to meet cash needs is also a function of how quickly the operation brings in cash and how long it has to pay its bills. The Co-op Food Stores remain efficient in turning over inventory and generating cash. According to the data in the next chart the Co-op store turned its inventory at 15.56 times for the year ended December 31, 2016



Comparisons to other Co-ops of interest are included below. Comparative inventory data for 2012-2015 is presented as Days Inventory, rather than inventory turns, as that is what our data source (CoCoFist) reports during that time frame. Comparative inventory data for 2016 is presented as inventory turnover, due to a change in the CoCoFist data source.

cooperative	2012	2013	2014	2015	2016
Coop 2	10.85	9.33	9.78	10.36	10.42
Coop 9	10.55	8.86	9.03	10.27	14.19
Hanover	**17.83**	**16.82**	**16.53**	**16.10**	**15.56**
Coop 5	17.18	16.58	16.82	16.46	16.46
Coop 1	17.74	16.43	16.29	18.22	17.74
Coop10	19.69	21.73	21.51	23.29	17.76
Coop 7	15.81	17.55	18.69	16.34	18.23
Coop 11	21.26	18.34	19.11	19.77	19.35
Coop 8	24.20	23.52	23.10	22.69	21.44
Coop 3	20.07	19.48	19.85	22.54	23.95
Coop 4	33.95	35.51	35.54	36.94	36.94

EL 2.3: Any requirements of contracts, payroll, loans, or other financial obligations to be unmet or overdue.

Operational Definitions / Interpretations:
All of the Co-op's financial obligations are paid in a timely manner.

1. "Payroll" is payments to employees, income tax withholding, and all payments related to employee benefits. "In a timely manner" regarding payroll means that the Co-op's payroll obligations are met on the schedule outlined in the Hanover Co-op Employee Handbook and that related payments are made on or by the deadlines required by payees to avoid penalty.

"Contracts, loans and other obligations" means all obligations other than payroll and taxes, including vendor payments and payments on loans.

a. "In a timely manner" regarding payments to vendors to mean within the payment terms identified by the creditor or entity owed. I also interpret "in a timely manner" to include the understanding that there will be problems with invoicing from time to time and we will remit payment upon notice from the vendor and verification of the purchase. As a point of reference, our Finance department processes and pays an average of 7,500 invoices each

month. A number of invoices are in question at any time and are being researched for payment.

b. "In a timely manner" regarding loan obligations means payment is made on or before the deadline required to be in compliance with the loan agreement.

The following methods are included below to measure and determine compliance.

1. Payroll and related obligations.

The Employee Handbook calls for payroll payments to be made to employees weekly.

Payroll was paid according to the terms specified in the Employee Handbook.

Data:

Compliance with Bi-weekly payments according to handbook.

2016	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Payroll paid according to Employee Handbook for all pay periods in the quarter?	YES	YES	YES	YES

Compliance Determination: In compliance.

2. Payments to Vendors.

Data:

I have asked the Co-op's controller to verify to me that vendor payments are made in a timely manner, within the operating definition above, which he has done.

Compliance Determination: In Compliance.

Loans and major lease payments are current through the end of the reporting period.

Data:

Loan and lease agreements all current

2016	Quarter 1	Quarter 2	Quarter 3	Quarter 4
All loan obligations are "current"? Compliance requires "Yes"	YES	YES	YES	YES

Compliance Determination: In Compliance.

2016	Quarter 1	Quarter 2	Quarter 3	Quarter 4
All lease obligations are "current"? Compliance requires "Yes"	YES	YES	YES	YES

Compliance Determination: **In Compliance.**

EL 2.4: Tax payments or other government-ordered payments or filing to be overdue or inaccurately filed.

Operational Definition / Interpretation:

All tax payments and other government-ordered payments or filings will be filed accurately and on or before the date required to avoid financial penalty.

Filings and payments are made to government entities on time.

These charts will be reviewed for accuracy and compliance as part of the annual external audit. No findings of non-compliance were reported during the last audit.

Data:

Taxes (all due in applicable quarter filed)

2016	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Payroll Tax Withholding	YES	YES	YES	YES
NH Business Enterprise Tax	YES	YES	YES	YES
Sales Tax (VT & NH)	YES	YES	YES	YES
Federal Income Tax	YES	YES	YES	YES
Property Tax	YES	YES	YES	YES

Compliance Determination: **In Compliance.**

Government Filings (all due in applicable quarter filed)

2016	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Tax Returns	YES	YES	YES	YES
Licenses and Registrations	YES	YES	YES	YES
Sales Tax (VT & NH)	YES	YES	YES	YES
VT & NH Annual Reports	YES	YES	YES	YES

Compliance Determination: **In Compliance.**

EL 2.5: Consolidated operations to generate inadequate net income.

Operational Definition:

1. That net income before taxes WILL NOT be negative
2. That actual and forecasted net income before taxes will not negatively affect the Co-op's ability to execute its annual plan, including planned capital expenditures and wage adjustments.
3. That actual and forecasted net income will not result in the Co-op defaulting on any bank covenants in place to support borrowings

Note: I am reporting on net income before taxes *and patronage* as that is the way we report to the members through the Annual Report and the way the Co-op's CFO reports earnings to the Board.

Data:

Net Savings before taxes and patronage for the year ended December 31, 2016 was a loss of ($125,943).

Compliance Determination: **Not In Compliance.**

EL 2.6: Financial record-keeping systems to be inadequate or out of conformity with generally accepted accounting practices (GAAP).

Operational Definition:

The Co-op's financial record keeping system will comply with Generally Accepted Accounting Principles (GAAP).

A qualified third party from outside the organization will audit the Co-op's accounting system on an annual basis to a level of depth necessary to provide an opinion regarding compliance with GAAP. The external auditor hired by the Board to perform the annual audit qualifies as this party.

Compliance will be achieved if the auditor provides a "clean" or unqualified letter regarding conforming to GAAP.

Data:

Financial record-keeping systems

Auditors from the firm of Gallagher, Flynn and Company gave a report at the Board's February, 2017, meeting for fiscal year 2016. The Co-op anticipates receiving an unqualified audit report for 2016.

Compliance Determination: **In Compliance.**

EL 2.7: A failure to provide the Board, on at least a quarterly basis, with an accurate balance sheet, statement of cash flows, net income statement, and such additional indices and reports as the General Manager deems useful to the Board in the discharge of its fiduciary responsibilities.

Operational Definition:

The Board will receive financial statements following the months in which the four quarterly inventories are taken. These statements will include a balance sheet, statement of cash flow and a net income statement, as well as commentary and additional data as necessary to present an accurate picture of the Co-op's financial condition.

Data:

Financial Reports

I assert that the current Board packet contains a balance sheet, statement of cash flows and net income statements thru the year ended December 31, 2016. A physical inventory was performed at quarter end and the results are fully incorporated into the results presented here.

Compliance Determination: In Compliance.

APPENDIX A

DRAFT MINUTES, January 25, 2017

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

Absent: Michael Bettmann

Staff: Ed Fox, General Manager, Paul Guidone, Director of Finance; April Harkness, Board Administrator

Members: Thomas Battles, Ann Shriver Sargent

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

Tony discussed the signing of the Vermont Liquor License Renewal forms and asked the Board members if they had been convicted or pled guilty to any criminal or motor vehicle offenses in any court of law in the last year and/or if they held any elective or appointive state, county, city, village or town office in Vermont. Liz Blum stated that she's a Lister for the town of Norwich with a term from 2014-2017. Directors were asked to email Tony and April with details if they met any of these criteria before he signs the renewal forms.

Tony also noted that there will only be 7 Board members available at the April Board meeting, due to the timing of elections. He encouraged all 7 Board members to attend that meeting, as well as suggested the option of moving April agenda items to February or March, to have a fuller Board available to make decisions.

Consent Agenda: December 21, 2016 Meeting Minutes, and January 2017 Share Redemption Request

DISCUSSION:

Dana made the motion to amend the minutes as written to include the acknowledgement that employee Board members were invited to participate in the Executive Session part of the Board meeting. The motion was amended.

MOTION: Liz Blum moved to accept the December 21, 2016 meeting minutes as amended.

Kevin Birdsey seconded the motion.

VOTED: 11 in favor, 0 opposed, 0 abstained, 1 absent. The motion passed.

DISCUSSION:

It was noted that the "clean-up" numbers on the share redemption charts didn't match and Paul G. stated that it was because of the timing of the December meeting (falling on an earlier day in the month due to the holiday) that there were additional clean up numbers for this period. Ed Fox then suggested that the "reasons why" a member redeems their shares should not be attached to their name, in order to protect the privacy of communications. Paul G. offered to show the "reasons why" in a separate chart, below the listed members, for privacy and also to better reflect the reasons why redemptions occur

over time. The Board agreed to this approach and the change will be reflected in the February meeting materials.

MOTION: Bill Craig moved to approve the January 2017 Share Redemption Request.
Dana Grossman seconded the motion.

VOTED: 11 in favor, 0 opposed, 0 abstained, 1 absent. The motion passed.

Policy Monitoring (click here for link to the Co-op's Policies below)

EL 11 – Tobacco

MOTION: Dana Grossman moved to accept the EL 11 Tobacco monitoring report as in compliance.

Bill Craig seconded the motion.

VOTED: 11 in favor, 0 opposed, 0 abstained, 1 absent. The motion passed.

Member Comments

Member and Board candidate, Tom Battles, stated that he appreciates the customer service at the Co-op and said the staff are very helpful in locating specific items at his request. Member and Board candidate, Ann Shriver Sargent, stated that she appreciates the responses from the Co-op to the suggestions that she leaves in the suggestion box. However, she's still wondering why the Co-op doesn't provide a bread slicer in all the stores, despite the cost. She also said that she's hoping to meet with individual Board members to talk about the role of the Board and learn more about committee work.

Committee Updates

Budget Committee

Benoit reviewed the revised HCCS Board of Directors Budget for Fiscal Year 2017 (Appendix B). There was considerable conversation about the proposed guidelines included in the packet as Addendum to Appendix B, regarding Board travel and participation in conferences, workshops, and trainings and the costs associated. Most Board members feel strongly that Director's should be able to participate in these events, but in light of the Co-op's budget deficit in FY16, the Board also feels strongly about staying within their budget cap. Discussion ensued about prioritizing new Board members and requiring full participation and a report upon return. In addition, bullet item #2 will reflect that no more than 6 Directors will attend the CCMA event, bullet item #7 will state that the final decision of the attendees will be decided by the Executive Committee. Benoit will edit the guidelines to include these items and present the revisions to the Board at the February meeting.

The Board also discussed the CDS consulting fees, which are a considerable portion of the annual Board budget, and the best use of the consultants. Ed Howes suggested some of these funds continue to be allocated to post-election new Board member training. Kevin, Dana and Liz all agree that this training is helpful, particularly with a young Board.

Nominating Committee

Bill Craig encouraged the Board candidates to begin looking at the variety of committees to decide which committees may be a good fit for them. Bill and April will assemble a list of current committees and circulate to the candidates.

Tony interjected to clarify the on-going discussion around Board email correspondence. Despite the concerns of the Co-op's IT Department and others, the majority of the Board members would like to remain using their preferred email accounts for Board and Co-op correspondence. Tony suggested two items;

1. All Board members set up an Auto-forward on their email platform, to automatically forward Co-op correspondence from their board.coopfoodstore.com accounts to their preferred email accounts.
2. All Board members set up a separate mailbox (if they would like) to flag Co-op board communication, separately from their other incoming mail.

Tony asked IT to send precise instructions and a list of correspondence that the Co-op currently disseminates (the Cooperator, email news blasts, product news, etc.).

Bill continued that the Co-op website is an ongoing project that needs a lot of work. He would also like to continue to improve the long-term effort of creating a database of those interested in Board candidacy as well as other members simply seeking Co-op involvement and opportunities to serve, such as through committee work.

The Nominating Committee is also working on revising the process of review, the scheduling and nominations process, and the shortening of the election period through bylaw changes in the coming years.

Retreat Committee

Harrison reminded the Board of the February 5th Retreat. Beth Saunders is asking the Board to think about "why we exist", and what is our vision of the Co-op. Ed Howes also suggests the Board think about how we can educate our members, how do we share our story and draw people back into our stores. Ed Fox encourages the Board to determine the message and allow the staff to create the tactics. Harrison agreed that the second part of the Retreat should include, not only "what do we need to know about our members", but "what do we need our members to know about the Co-op".

New Business:

Bylaw Amendments

DISCUSSION:

The Nominating Committee recommends the following amendments to correct two problems in bylaws concerning Board terms and elections.

1. Board Member Terms

At present, **Bylaw V, Section 1** says that Board members' terms expire at the Annual Meeting. That is typically the first weekend in April. However, the election continues for a month, and newly elected Board members can't be seated until the end of the following month. (The election ends after the April Board meeting, and new Board members must undergo background checks by the state liquor agencies.) This means that four or more Board seats are empty for two months every year. Given the

year-round agenda of committee work and the possibility of a crisis requiring immediate action, the Co-op should not be without a full Board for two months.
The proposed amendment will make Board terms expire at the start of the first regular Board meeting following the election.

PROPOSED AMENDMENT (language to be replaced or removed in ~~strikeout~~, new language highlighted.)

V, SECTION 1

Composition of the Board. The governance of the Cooperative shall be vested in a Board of Directors, which shall consist of twelve (12) Members of the Cooperative, each of whom shall be at least 18 years of age. Directors shall be elected by the Membership during the voting held in connection with the Annual Meeting of the Cooperative. Directors shall serve three-year staggered terms so that~~, at each Annual Meeting,~~ the regular terms of four Directors expire at the start of the first regular Board meeting following each election.

PROPOSED AMENDMENTS (language to be replaced or removed in ~~strikeout~~, new language highlighted.)

IV, SECTION 6

Board Candidacy. Any Member may seek to be a candidate for the Board of Directors by submitting ~~his or her name and~~ a statement of interests and qualifications to the ~~Nominating Committee~~ Election Committee pursuant to the schedule established by that Committee. ~~In addition, a Member may be nominated by petition signed by at least 50 Members of the Cooperative submitted to the Nominating Committee pursuant to the schedule established by that Committee.~~

VI, SECTION 7

~~Nominating Committee~~ Election Committee. There shall be ~~a Nominating Committee~~ an Election Committee, which shall ~~present a slate of candidates~~ recruit and encourage candidates to fill vacancies on the Board of Directors. ~~The slate shall include (1) those Members of the Cooperative deemed to be suitably qualified to serve on the Board, and (2) those Members of the Cooperative, not otherwise chosen by the Nominating Committee, who have submitted a petition signed by at least 50 Members of the Cooperative. The Nominating Committee shall identify as petition candidates in applicable election materials.~~ The Election Committee will educate candidates about the responsibilities of Board service, and educate membership about candidates' qualifications. The Election Committee will not choose or prefer candidates. The ~~Nominating Committee~~ Election Committee shall establish the schedule for ~~nominations~~ elections in a manner that provides a reasonable opportunity for eligible Members to seek election. The Board of Directors shall annually elect the Chair of the ~~Nominating Committee~~ Election Committee from among the Directors serving non-expiring terms and shall appoint additional persons to the Committee from among the Members of the Cooperative so that the Committee shall consist of at least two Board members (including the Chair) and at least two non-Board members ~~from among the Members of the Cooperative (at least one of whom shall not also be a Director), provided that the Committee shall consist of at least three individuals~~.

MOTION: Bill Craig moved to approve the Bylaw amendments as stated in the revisions above.

Dana Grossman seconded the motion.

VOTED: 11 in favor, 0 opposed, 0 abstained, 1 absent. The motion passed.

MOTION: Liz Blum moved to include the revised Bylaw amendments on the ballot for the April 1st voting period ending April 30th, 2017.

Dana Grossman seconded the motion.

VOTED: 11 in favor, 0 opposed, 0 abstained, 1 absent. The motion passed.

GM Successor

Ed Fox suggested that the Co-op have a designated replacement for General Manager in his absence. He will provide a list of recommendations to the Board on his successors, shall it become a need. This will become a report under EL 1.6, where the subject is already addressed.

Ledyard Loan Authorization

DISCUSSION:

Paul Guidone asked the Board, after reading the Ledyard Loan documents and approving the loan for the new ECRS perpetual inventory system at the December Board meeting, to authorize Ed Fox to sign the loan documents on behalf of the Co-op.

MOTION: Benoit Roisin moved to approve the authorization of the GM signature on the Ledyard Loan dated January 26, 2017.

Harrison Drinkwater seconded the motion.

VOTED: 11 in favor, 0 opposed, 0 abstained, 1 absent. The motion passed.

CBL 101 Report

Ed Howes provided the Board with a report on the Cooperative Board Leadership (CBL) 101 workshop in Keene, NH. The Board agreed that this report is a great example of the kind of report they would like to see following the attendance of conferences.

Annual Meeting Committee

Liz Blum reported that the Annual Meeting will be April 1st, 2017 at the Listen Center in White River Junction and that as a recipient of the Co-op's Pennies for Change program, they are a great example of community partnership. The Committee will circulate a draft Agenda to the Board for their feedback.

Liz also informed the Board as representative to the Upper Valley Food Cooperative that they are considering a joint Board of Directors dinner sometime in the near future. She'll let the Board know the details.

Allen and Nan King Award

Kevin Birdsey reminded the Board that the King Award nomination forms are available and the deadline for submission is February 13th, 2017.

Update

Tony informed the Board that the legal matter that was discussed during the December Executive Session is being addressed. The Co-op has retained council and has delivered a letter to the Vermont Attorney General's office. He will keep the Board advised of any outcomes.

ADJOURNMENT:

Sarah Blum moved to adjourn at 8:20 p.m.

Liz Blum seconded the motion.

VOTED: 11 in favor, 0 opposed, 0 abstained, 1 absent. The motion passed.

Respectfully submitted,

April Harkness
Board Administrator

Harrison Drinkwater
Board Secretary

APPENDIX B

HANOVER CONSUMER COOPERATIVE SOCIETY
Summary of All Units
For the Twelve Months Ending Saturday, December 31, 2016
UNAUDITED

UNAUDITED	2016 Actual	%	2016 Budget	%	Variance	% Change	2015 Actual	%
Sales	$71,555,884	100.00%	$73,705,009	100.00%	($2,149,124)	(2.92%)	$69,993,772	100.00%
Total Cost of Sales	48,117,611	67.24%	49,453,269	67.10%	1,335,659	2.70%	46,891,162	66.99%
Gross Margin	***23,438,274***	***32.76%***	***24,251,739***	***32.90%***	***(813,465)***	***(3.35%)***	***23,102,610***	***33.01%***
Cost and Expenses								
Store Wages & Benefits	12,018,497	16.80%	12,675,836	17.20%	657,339	5.19%	11,591,090	16.56%
Contribution	***11,419,777***	***15.96%***	***11,575,903***	***15.71%***	***(156,126)***	***(1.35%)***	***11,511,520***	***16.45%***
Facilities Cost	3,132,712	4.38%	3,122,094	4.24%	(10,618)	(0.34%)	3,149,305	4.50%
Equipment Costs	936,634	1.31%	770,278	1.05%	(166,356)	(21.60%)	849,380	1.21%
Credit Card Expense	1,009,727	1.41%	1,057,180	1.43%	47,453	4.49%	1,019,117	1.46%
Selling & Other Costs	1,054,316	1.47%	986,689	1.34%	(67,627)	(6.85%)	1,076,407	1.54%
Total Overhead	***6,133,388***	***8.57%***	***5,936,241***	***8.05%***	***(197,148)***	***(3.32%)***	***6,094,208***	***8.71%***
Member Services	501,390	0.70%	416,231	0.56%	(85,159)	(20.46%)	468,333	0.67%
Administrative Expenses	921,115	1.29%	966,350	1.31%	45,235	4.68%	854,501	1.22%
Human Resources	529,432	0.74%	522,208	0.71%	(7,224)	(1.38%)	510,917	0.73%
Finance	642,354	0.90%	605,362	0.82%	(36,992)	(6.11%)	587,654	0.84%
Merchandising Expense	834,590	1.17%	868,800	1.18%	34,210	3.94%	817,341	1.17%
Communication Expenses	345,270	0.48%	481,210	0.65%	135,940	28.25%	495,421	0.71%
MIS	932,058	1.30%	1,004,210	1.36%	72,152	7.18%	901,751	1.29%
Maintenance	472,526	0.66%	458,932	0.62%	(13,594)	(2.96%)	352,476	0.50%
Total G&A Expense	***5,178,735***	***7.24%***	***5,323,303***	***7.22%***	***144,568***	***2.72%***	***4,988,395***	***7.13%***
Earnings From Operations	***107,654***	***0.15%***	***316,360***	***0.43%***	***(208,706)***	***(65.97%)***	***428,917***	***0.61%***
Other (Income) and Expenses								
Governance	128,052	0.18%	189,676	0.26%	61,624	32.49%	113,303	0.16%
Interest Income	(13,302)	(0.02%)	(11,480)	(0.02%)	1,822	(15.87%)	(17,644)	(0.03%)
Miscellaneous Income	(14,389)	(0.02%)	(18,004)	(0.02%)	(3,615)	20.08%	(16,014)	(0.02%)
Miscellaneous Expense	(10,020)	(0.01%)	28,776	0.04%	38,796	134.82%	14,308	0.02%
Total Other (Income) and Expenses	***90,340***	***0.13%***	***188,968***	***0.26%***	***98,628***	***52.19%***	***93,952***	***0.13%***
Hazen Land Expense	(1,516)	0.00%	4,916	0.01%	6,432	130.85%	3,839	0.01%
Interest Expense	186,952	0.26%	183,612	0.25%	(3,340)	(1.82%)	86,622	0.12%
Amortization Expense	6,315	0.01%	6,299	0.01%	(17)	(0.27%)	16,239	0.02%
Total Other Expense	**191,751**	**0.27%**	**194,827**	**0.26%**	**3,075**	**1.58%**	**106,700**	**0.15%**
Other (Income)/Expense **(Not available for Patronage Refund)**								
Gain or Loss on Sale	(48,495)	(0.07%)		0.00%	48,495	0.00%	24,549	0.04%
Total Other (Income/Expense)	**(48,495)**	**(0.07%)**		**0.00%**	**(48,495)**	**0.00%**	**24,549**	**0.04%**
Savings Before Taxes	***(125,943)***	***(0.18%)***	***(67,435)***	***(0.09%)***	***(58,508)***	***86.76%***	***203,715***	***0.29%***
Provision for Taxes								
NH Business Profits	74,609	0.10%	80,400	0.11%	5,791	7.20%	73,304	0.10%
Federal Income Tax	(80,661)	(0.11%)	84,545	0.11%	165,206	195.41%	49,381	0.07%
Total Income Tax Exp	***(6,052)***	***(0.01%)***	***164,945***	***0.22%***	***(170,997)***	***(103.67%)***	***122,685***	***0.18%***
Net Savings	***(119,891)***	***(0.17%)***	***(232,380)***	***(0.32%)***	***112,489***	***(48.41%)***	***81,030***	***0.12%***

HANOVER CONSUMER COOPERATIVE SOCIETY
Consolidated Food Stores
For the Twelve Months Ending Saturday, December 31, 2016
UNAUDITED

UNAUDITED	2016 Actual	%	2016 Budget	%	Variance	% Change	2015 Actual	%
Sales	$67,976,561	100.00%	$70,097,009	100.00%	($2,120,447)	(3.03%)	$66,704,534	100.00%
Total Cost of Sales	46,279,036	68.08%	47,646,546	67.97%	1,367,510	2.87%	45,298,513	67.91%
Gross Margin	***21,697,525***	***31.92%***	***22,450,462***	***32.03%***	***(752,937)***	***(3.35%)***	***21,406,021***	***32.09%***
Cost and Expenses								
Store Wages & Benefits	10,925,646	16.07%	11,477,472	16.37%	551,826	4.81%	10,542,400	15.80%
Contribution	***10,771,880***	***15.85%***	***10,972,990***	***15.65%***	***(201,111)***	***(1.83%)***	***10,863,621***	***16.29%***
Facilities Cost	2,914,242	4.29%	2,893,287	4.13%	(20,955)	(0.72%)	2,927,535	4.39%
Equipment Costs	743,670	1.09%	670,222	0.96%	(73,448)	(10.96%)	683,172	1.02%
Credit Card Expense	936,871	1.38%	991,154	1.41%	54,282	5.48%	955,053	1.43%
Selling & Other Costs	908,226	1.34%	863,097	1.23%	(45,130)	(5.23%)	921,298	1.38%
Total Overhead	***5,503,010***	***8.10%***	***5,417,760***	***7.73%***	***(85,250)***	***(1.57%)***	***5,487,057***	***8.23%***
Earnings From Operations	***5,268,870***	***7.75%***	***5,555,231***	***7.93%***	***(286,361)***	***(5.15%)***	***5,376,564***	***8.06%***
Other (Income) and Expenses								
Interest Expense	184,642	0.27%		0.00%	(184,642)	0.00%	84,759	0.13%
Amortization Expense	6,315	0.01%	6,299	0.01%	(17)	(0.27%)	16,239	0.02%
Total Other Expense	**190,957**	**0.28%**	**6,299**	**0.01%**	**(184,658)**	**(2931.70%)**	**100,998**	**0.15%**
Other (Income)/Expense **(Not available for Patronage Refund)**								
Savings Before Taxes	***5,077,913***	***7.47%***	***5,548,932***	***7.92%***	***(471,019)***	***(8.49%)***	***5,275,566***	***7.91%***
Provision for Taxes								
Net Savings	***5,077,913***	***7.47%***	***5,548,932***	***7.92%***	***(471,019)***	***(8.49%)***	***5,275,566***	***7.91%***

HANOVER CONSUMER COOPERATIVE SOCIETY
Hanover
For the Twelve Months Ending Saturday, December 31, 2016
UNAUDITED

UNAUDITED	2016 Actual	%	2016 Budget	%	Variance	% Change	2015 Actual	%
Sales	$23,062,199	100.00%	$24,240,350	100.00%	($1,178,151)	(4.86%)	$20,024,845	100.00%
Total Cost of Sales	15,823,163	68.61%	16,448,765	67.86%	625,602	3.80%	13,715,635	68.49%
Gross Margin	***7,239,036***	***31.39%***	***7,791,585***	***32.14%***	***(552,550)***	***(7.09%)***	***6,309,210***	***31.51%***
Cost and Expenses								
Store Wages & Benefits	4,035,602	17.50%	4,318,552	17.82%	282,951	6.55%	3,778,545	18.87%
Contribution	***3,203,434***	***13.89%***	***3,473,033***	***14.33%***	***(269,599)***	***(7.76%)***	***2,530,664***	***12.64%***
Facilities Cost	691,685	3.00%	667,194	2.75%	(24,491)	(3.67%)	700,233	3.50%
Equipment Costs	290,703	1.26%	227,537	0.94%	(63,166)	(27.76%)	213,740	1.07%
Credit Card Expense	338,962	1.47%	336,941	1.39%	(2,021)	(0.60%)	304,538	1.52%
Selling & Other Costs	326,907	1.42%	280,057	1.16%	(46,850)	(16.73%)	310,974	1.55%
Total Overhead	***1,648,257***	***7.15%***	***1,511,729***	***6.24%***	***(136,528)***	***(9.03%)***	***1,529,484***	***7.64%***
Earnings From Operations	***1,555,177***	***6.74%***	***1,961,304***	***8.09%***	***(406,127)***	***(20.71%)***	***1,001,180***	***5.00%***
Other (Income) and Expenses								
Interest Expense	184,511	0.80%		0.00%	(184,511)	0.00%	76,127	0.38%
Amortization Expense	4,788	0.02%	5,224	0.02%	435	8.33%		0.00%
Total Other Expense	**189,300**	**0.82%**	**5,224**	**0.02%**	**(184,076)**	**(3523.85%)**	**76,127**	**0.38%**
Other (Income)/Expense **(Not available for Patronage Refund)**								
Savings Before Taxes	***1,365,878***	***5.92%***	***1,956,080***	***8.07%***	***(590,203)***	***(30.17%)***	***925,053***	***4.62%***
Provision for Taxes								
Net Savings	***1,365,878***	***5.92%***	***1,956,080***	***8.07%***	***(590,203)***	***(30.17%)***	***925,053***	***4.62%***

HANOVER CONSUMER COOPERATIVE SOCIETY
Lebanon
For the Twelve Months Ending Saturday, December 31, 2016
UNAUDITED

UNAUDITED	2016 Actual	%	2016 Budget	%	Variance	% Change	2015 Actual	%
Sales	$32,431,844	100.00%	$33,037,507	100.00%	($605,663)	(1.83%)	$34,466,474	100.00%
Total Cost of Sales	21,848,796	67.37%	22,297,206	67.49%	448,410	2.01%	23,186,241	67.27%
Gross Margin	***10,583,048***	***32.63%***	***10,740,301***	***32.51%***	***(157,253)***	***(1.46%)***	***11,280,233***	***32.73%***
Cost and Expenses								
Store Wages & Benefits	4,753,089	14.66%	4,997,598	15.13%	244,509	4.89%	4,829,595	14.01%
Contribution	***5,829,959***	***17.98%***	***5,742,703***	***17.38%***	***87,256***	***1.52%***	***6,450,637***	***18.72%***
Facilities Cost	1,560,516	4.81%	1,595,484	4.83%	34,968	2.19%	1,591,079	4.62%
Equipment Costs	248,993	0.77%	244,503	0.74%	(4,490)	(1.84%)	240,136	0.70%
Credit Card Expense	439,937	1.36%	459,221	1.39%	19,284	4.20%	491,239	1.43%
Selling & Other Costs	396,168	1.22%	404,468	1.22%	8,300	2.05%	437,978	1.27%
Total Overhead	***2,645,615***	***8.16%***	***2,703,677***	***8.18%***	***58,063***	***2.15%***	***2,760,432***	***8.01%***
Earnings From Operations	***3,184,344***	***9.82%***	***3,039,026***	***9.20%***	***145,318***	***4.78%***	***3,690,205***	***10.71%***
Other (Income) and Expenses								
Other (Income)/Expense **(Not available for Patronage Refund)**								
Savings Before Taxes	***3,184,344***	***9.82%***	***3,039,026***	***9.20%***	***145,318***	***4.78%***	***3,690,205***	***10.71%***
Provision for Taxes								
Net Savings	***3,184,344***	***9.82%***	***3,039,026***	***9.20%***	***145,318***	***4.78%***	***3,690,205***	***10.71%***

HANOVER CONSUMER COOPERATIVE SOCIETY
White River Junction
For the Twelve Months Ending Saturday, December 31, 2016
UNAUDITED

UNAUDITED	2016 Actual	%	2016 Budget	%	Variance	% Change	2015 Actual	%
Sales	$10,407,750	100.00%	$10,636,661	100.00%	($228,911)	(2.15%)	$10,149,983	100.00%
Total Cost of Sales	7,224,207	69.41%	7,433,132	69.88%	208,924	2.81%	7,033,603	69.30%
Gross Margin	***3,183,543***	***30.59%***	***3,203,529***	***30.12%***	***(19,987)***	***(0.62%)***	***3,116,380***	***30.70%***
Cost and Expenses								
Store Wages & Benefits	1,690,058	16.24%	1,724,712	16.21%	34,655	2.01%	1,548,534	15.26%
Contribution	***1,493,485***	***14.35%***	***1,478,817***	***13.90%***	***14,668***	***0.99%***	***1,567,846***	***15.45%***
Facilities Cost	428,674	4.12%	445,434	4.19%	16,760	3.76%	411,807	4.06%
Equipment Costs	175,676	1.69%	180,275	1.69%	4,598	2.55%	184,468	1.82%
Credit Card Expense	119,922	1.15%	147,850	1.39%	27,927	18.89%	112,044	1.10%
Selling & Other Costs	143,080	1.37%	156,866	1.47%	13,786	8.79%	135,401	1.33%
Total Overhead	***867,353***	***8.33%***	***930,425***	***8.75%***	***63,072***	***6.78%***	***843,721***	***8.31%***
Earnings From Operations	***626,132***	***6.02%***	***548,393***	***5.16%***	***77,740***	***14.18%***	***724,125***	***7.13%***
Other (Income) and Expenses								
Amortization Expense	896	0.01%	1,075	0.01%	179	16.67%	985	0.01%
Total Other Expense	**896**	**0.01%**	**1,075**	**0.01%**	**179**	**16.67%**	**985**	**0.01%**
Other (Income)/Expense **(Not available for Patronage Refund)**								
Savings Before Taxes	***625,236***	***6.01%***	***547,318***	***5.15%***	***77,919***	***14.24%***	***723,140***	***7.12%***
Provision for Taxes								
Net Savings	***625,236***	***6.01%***	***547,318***	***5.15%***	***77,919***	***14.24%***	***723,140***	***7.12%***

HANOVER CONSUMER COOPERATIVE SOCIETY
Coop Community Market
For the Twelve Months Ending Saturday, December 31, 2016
UNAUDITED

UNAUDITED	2016 Actual	%	2016 Budget	%	Variance	% Change	2015 Actual	%
Sales	$2,074,769	100.00%	$2,182,491	100.00%	($107,722)	(4.94%)	$2,063,232	100.00%
Total Cost of Sales	1,382,871	66.65%	1,467,445	67.24%	84,574	5.76%	1,363,033	66.06%
Gross Margin	***691,899***	***33.35%***	***715,046***	***32.76%***	***(23,148)***	***(3.24%)***	***700,198***	***33.94%***
Cost and Expenses								
Store Wages & Benefits	446,897	21.54%	436,610	20.01%	(10,288)	(2.36%)	385,725	18.70%
Contribution	***245,001***	***11.81%***	***278,437***	***12.76%***	***(33,435)***	***(12.01%)***	***314,474***	***15.24%***
Facilities Cost	233,367	11.25%	185,174	8.48%	(48,193)	(26.03%)	224,416	10.88%
Equipment Costs	28,298	1.36%	17,907	0.82%	(10,390)	(58.02%)	44,828	2.17%
Credit Card Expense	38,049	1.83%	47,142	2.16%	9,092	19.29%	47,232	2.29%
Selling & Other Costs	42,071	2.03%	21,706	0.99%	(20,365)	(93.82%)	36,945	1.79%
Total Overhead	***341,785***	***16.47%***	***271,929***	***12.46%***	***(69,856)***	***(25.69%)***	***353,420***	***17.13%***
Earnings From Operations	***(96,784)***	***(4.66%)***	***6,508***	***0.30%***	***(103,292)***	***(1587.24%)***	***(38,946)***	***(1.89%)***
Other (Income) and Expenses								
Interest Expense	130	0.01%		0.00%	(130)	0.00%	8,632	0.42%
Amortization Expense	631	0.03%		0.00%	(631)	0.00%	15,254	0.74%
Total Other Expense	**762**	**0.04%**		**0.00%**	**(762)**	**0.00%**	**23,886**	**1.16%**
Other (Income)/Expense **(Not available for Patronage Refund)**								
Savings Before Taxes	***(97,546)***	***(4.70%)***	***6,508***	***0.30%***	***(104,053)***	***(1598.94%)***	***(62,832)***	***(3.05%)***
Provision for Taxes								
Net Savings	***(97,546)***	***(4.70%)***	***6,508***	***0.30%***	***(104,053)***	***(1598.94%)***	***(62,832)***	***(3.05%)***

HANOVER CONSUMER COOPERATIVE SOCIETY
Coop Service Center
For the Twelve Months Ending Saturday, December 31, 2016
UNAUDITED

UNAUDITED	2016 Actual	%	2016 Budget	%	Variance	% Change	2015 Actual	%
Sales	$3,579,323	100.00%	$3,608,000	100.00%	($28,677)	(0.79%)	$3,289,238	100.00%
Total Cost of Sales	2,995,035	83.68%	3,048,298	84.49%	53,263	1.75%	2,725,630	82.87%
Gross Margin	***584,288***	***16.32%***	***559,702***	***15.51%***	***24,586***	***4.39%***	***563,608***	***17.13%***
Cost and Expenses								
Store Wages & Benefits	341,219	9.53%	379,880	10.53%	38,661	10.18%	290,987	8.85%
Contribution	***243,069***	***6.79%***	***179,822***	***4.98%***	***63,247***	***35.17%***	***272,621***	***8.29%***
Facilities Cost	81,125	2.27%	91,060	2.52%	9,935	10.91%	82,155	2.50%
Equipment Costs	109,655	3.06%	34,376	0.95%	(75,279)	(218.99%)	77,579	2.36%
Credit Card Expense	72,856	2.04%	66,026	1.83%	(6,830)	(10.34%)	64,064	1.95%
Selling & Other Costs	30,796	0.86%	31,776	0.88%	980	3.08%	29,650	0.90%
Total Overhead	***294,432***	***8.23%***	***223,238***	***6.19%***	***(71,194)***	***(31.89%)***	***253,447***	***7.71%***
Earnings From Operations	***(51,363)***	***(1.43%)***	***(43,416)***	***(1.20%)***	***(7,947)***	***18.30%***	***19,174***	***0.58%***
Other (Income) and Expenses								
Other (Income)/Expense **(Not available for Patronage Refund)**								
Savings Before Taxes	***(51,363)***	***(1.43%)***	***(43,416)***	***(1.20%)***	***(7,947)***	***18.30%***	***19,174***	***0.58%***
Provision for Taxes								
Net Savings	***(51,363)***	***(1.43%)***	***(43,416)***	***(1.20%)***	***(7,947)***	***18.30%***	***19,174***	***0.58%***

HANOVER CONSUMER COOPERATIVE SOCIETY
Commissary Kitchen
For the Twelve Months Ending Saturday, December 31, 2016
UNAUDITED

UNAUDITED	2016 Actual	%	2016 Budget	%	Variance	% Change	2015 Actual	%
Sales	$1,797,674	100.00%	$1,851,715	100.00%	($54,041)	(2.92%)	$1,716,494	100.00%
Total Cost of Sales	641,213	35.67%	610,140	32.95%	(31,073)	(5.09%)	583,513	33.99%
Gross Margin	***1,156,461***	***64.33%***	***1,241,575***	***67.05%***	***(85,114)***	***(6.86%)***	***1,132,981***	***66.01%***
Cost and Expenses								
Store Wages & Benefits	751,632	41.81%	818,484	44.20%	66,852	8.17%	757,703	44.14%
Contribution	***404,828***	***22.52%***	***423,091***	***22.85%***	***(18,263)***	***(4.32%)***	***375,278***	***21.86%***
Facilities Cost	137,345	7.64%	137,747	7.44%	402	0.29%	139,615	8.13%
Equipment Costs	83,309	4.63%	65,680	3.55%	(17,629)	(26.84%)	88,629	5.16%
Selling & Other Costs	115,293	6.41%	91,816	4.96%	(23,477)	(25.57%)	125,459	7.31%
Total Overhead	***335,947***	***18.69%***	***295,243***	***15.94%***	***(40,704)***	***(13.79%)***	***353,703***	***20.61%***
Earnings From Operations	***68,882***	***3.83%***	***127,848***	***6.90%***	***(58,966)***	***(46.12%)***	***21,574***	***1.26%***
Other (Income) and Expenses								
Other (Income)/Expense **(Not available for Patronage Refund)**								
Savings Before Taxes	***68,882***	***3.83%***	***127,848***	***6.90%***	***(58,966)***	***(46.12%)***	***21,574***	***1.26%***
Provision for Taxes								
Net Savings	***68,882***	***3.83%***	***127,848***	***6.90%***	***(58,966)***	***(46.12%)***	***21,574***	***1.26%***

HANOVER CONSUMER COOPERATIVE SOCIETY
UNAUDITED
For the Twelve Months Ending Saturday, December 31, 2016

	2016	2015	Variance
ASSETS			
Current Assets			
Cash	$1,336,287	$528,017	$808,270
Certificates of Indebtedness C/P	93,449	56,201	37,248
Trade Receivables	268,396	252,877	15,519
Other Receivables	94,791	116,963	(22,171)
Inventory	2,062,853	1,992,149	70,704
Refundable Income Tax Prepayments	226,654	232,162	(5,508)
Supply Inventory	9,549	7,913	1,636
Prepaid Expenses	276,753	330,717	(53,964)
Deferred Income Taxes	48,800	105,700	(56,900)
Total Current Assets	4,417,533	3,622,699	794,833
Land	342,189	342,189	
Buildings	11,840,556	11,840,556	
Equipment & Vehicles	10,853,958	10,711,124	142,833
Construction in Progress	10,415	4,527	5,888
Total Equipment	23,047,118	22,898,397	148,721
Less Accum. Depreciation	(13,778,771)	(12,555,190)	(1,223,580)
Net Property & Equipment	9,268,347	10,343,206	(1,074,859)
Other Assets			
Investments in NCB & Other Coo	1,312,324	1,240,509	71,815
Certificate of Deposit and Indebted	247,565	341,014	(93,449)
Other Assets	62,527	68,842	(6,315)
Total Assets	15,308,295	15,616,270	(307,976)
Liabilities & Members Equity			
Current Liabilities			
Accounts Pavable Trade	2,548,803	2,410,893	(137,911)
Other Acc. Liabilities	1,376,404	1,300,628	(75,776)
Income Taxes Payable	15,299	0	(15,299)
Notes Payable - Current Portion	324,993	315,823	(9,169)
Total Current Liabilities	4,265,499	4,027,344	(238,155)
Long Term Debt	3,280,234	3,562,038	281,805
Long Term Obligations	282,131	282,131	
Deferred Income Taxes	605,200	742,900	137,700
Total Liabilities	8,433,064	8,614,414	181,350
Patron's Equity			
Share Capital	3,010,641	3,282,970	272,329
Partial Shares	78,886	78,099	(787)
Held Patronage	17,272	17,272	
Donated Capital	315,501	50,693	(264,807)
Retained Savings	3,572,822	3,491,792	(81,030)
Current year Profit/Loss	(119,891)	81,030	200,921
Total Members Equity	6,875,231	7,001,857	126,626
Total Liabilities and Members Equity	15,308,295	15,616,270	(307,976)

Hanover Consumer Cooperative Society, Inc.
Statement of Cash Flows
YTD ended December 31, 2016 and January 2, 2016

	Current Year	Prior Year
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (Current Year after tax)	$ (119,891)	$ 81,042
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	1,223,584	1,097,341
Patronage capital credits received (AG & NCB stock)	(21,814)	(45,393)
Change in valuation allowance of investments in coops	(48,495)	-
Deferred income taxes	(80,800)	209,000
(Increase) decrease in the following asset accounts:		
Trade receivables	6,651	24,991
Inventory	(72,344)	(39,841)
Other current assets	65,787	(218,338)
Increase(decrease) in the following liability accounts:		
Accounts payable	137,910	299,260
Accrued expenses	91,077	(549,320)
Net cash provided by operating activities	1,181,665	858,742
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment (Capital Budget items)	(150,227)	(4,298,434)
Purchase of Investments		(44,663)
Proceeds from sale of investments	56,201	62,010
Net cash provided by (used by) investing activities	(94,026)	(4,281,087)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issuance of capital stock and partial shares	(6,735)	20,302
Principal payments on long term debt	(317,887)	(325,822)
Advances on long-term debt	45,253	3,840,000
Patronage refunds to Members		(100,235)
Net cash used by financing activities	(279,369)	3,434,245
Net increase(decrease) in cash	808,270	11,900
Cash at Beginning of Period	528,017	516,117
Cash at End of Period	$ 1,336,287	$ 528,017

Leases Note: During 2015, Hanover Consumer Cooperative Society, Inc. incurred a Long term Obligation of $282,131 for fuel tanks.

EL 1 - Business Planning and Budgeting

HANOVER CONSUMER COOPERATIVE SOCIETY, INC
2016 Capital Budget
UNAUDITED

Location	Item	2016 Budget	2016 Actual
Hanover Store	Basement Freezer Door	$6,500	$0
	Landscape Parking Lot Islands	$4,500	$0
		$11,000	$0
Lebanon Store	Dishwasher (PFD)	$18,310	$16,080
	Chicken Rotisserie (PFD)	$7,400	$0
	Water Softener (PFD)	$2,400	$0
	Beverage Cooler (Beverage)	$5,000	$17,000
	Tile Wall (Seafood)	$10,000	$0
	Heat Reclaim Tank (Overhead)	$8,500	$5,500
		$51,610	$38,580
White River Jct. Store	Coffee Station (PFD)	$2,000	$0
	Wine Chiller (Wine)	$2,200	$0
	Hot Water System (Overhead)	$9,000	$0
		$13,200	$0
Service Center	Used Waste Oil Structure	$3,000	$0
		$3,000	$0
G&A			
Maintenance	A-Street Lighting	$4,000	$0
Board	Tablets	$3,500	$0
IT	Hardware & Software	$93,800	$43,706
		$101,300	$43,706
Contingency		$90,000	$66,436
	TOTALS	**$270,110**	**$148,721**

FY2016 HCCS Board of Directors Budget
UNAUDITED

		2016 Budget	Actual through 12 Months
Professional Fees			
	Technical Assistance/Consultants/Legal	91,500	77,179
	Board Administrator Wages Benefits (50%)	40,307	23,359
	SubTotal	$131,807	$100,538
Insurance			
	Directors & Officers Insurance	8,000	9,259
	SubTotal	$8,000	$9,259
Board Development			
	CCMA program registration	6,560	5,170
	Training; Retreat		
	Books, Supplies, Misc.		1,414
	Inhouse printing	458	116
	SubTotal	$7,018	$6,700
Member Linkage			
	Member Meetings	2,500	1,168
	Printing	22,000	35
	Other Linkage Activities	2,092	204
	SubTotal	$26,592	$1,407
Contributions: Cooperative and Community Support			
	CGIN		
	King Award		
	SubTotal	$0	$0
Equipment			
	Depreciation - Equipment*	700	
	Technical Maintenance Contracts	2,150	
	Equipment	3,475	
	SubTotal	$6,325	$0
Travel & Entertainment			
	Monthly Board Meeting Food	3,000	1,615
	Travel, Meals & Entertainment	7,633	8,533
	SubTotal	$10,633	$10,148
General Contingencies			
	Contingencies		0
	SubTotal	$0	$0
Total Board Expenses		**$190,375**	**$128,052**

APPENDIX C

Draft Annual Meeting Agenda

Saturday, April 1, 2017 11:00 a.m. – 2:00 p.m.

Listen Center, River Point Plaza, White River Junction, VT

11:00 – 11:10 Welcome (Tony) - description of the day events, introduce new GM, Board & Bd Admin

11:10 – 11:30 Meet the Candidates: (Bill), 2 min. speeches by each candidate (film the speeches)

11:30 – 11:40 Presentation of Nan and Allen King Award (Kevin)

11:40 – 12:20 Mingling/eating

12:20 – 1:00 Business Meeting, Reports, Q&A (Introduced by Tony)

Approval of 2016 Annual Meeting Minutes (Harrison)

New Leadership (Tony)

- What's New? (Ed Fox) Introduce CFO, store managers, key staff, restructuring organization, CLC and Commissary changes

Co-op Finances and the Triple Bottom Line: Scorecard (Benoit and Paul G.)

Bylaw amendments and B-shares changes (Tony)

Member Q&A

1:00 - 1:15 *Pennies for Change* (Ed Fox) Introduce Kyle Fisher (Listen), Laura Gillespie (the Haven), Gabe Zoerheide (Willing Hands) – couple minutes for each to speak/share one story

1:15 – 1:30 Speaker: (Liz) Introduce *Vermont Lieutenant Governor Dave Zuckerman* – Why Organic, Why Local, Why Co-ops – "*How Co-ops Support Agriculture in the Region"*

1:30 – 1:45 April Fool's Day Theme (Benoit*)"Co-op Life"* – powerpoint slides interspersed w/ 3 clips

1. "Local chicken" excerpt from Portlandia = 2:05 (https://www.youtube.com/watch?v=ErRHJlE4PGI&list=PLFdhfDk27oVtNf68A3adI6z-7UjOj0v1-)
2. "Spaghetti Harvest in Ticino" from BBC = 2:28 (https://www.youtube.com/watch?v=tVo_wkxH9dU)
3. "Pizza Farm with Nick Offerman" = 2:16 (https://www.youtube.com/watch?v=0weSjPKi4cs)

1:45 – 2:00 Member Q&A, (read comments & suggestions)

2:00 Farewell and Thanks (Tony)

DRAFT

APPENDIX E

To: Board of Directors, HCCS
From: Harrison for the Retreat Planning Committee
Re: "Next Steps"

Thanks to April's notes below, we have a good running commentary of what we discussed at the Feb. 5 retreat. The three follow-up items that emerged from our conversations included:

1. Appointing one or more Board members to assist Ed and staff in completing a vision statement that becomes the basis of our mission and member engagement.
2. Establishing a Long-Range Planning committee
3. Working with the GM to see what monthly report(s) will help the Board "know our members" better.

We will have time to briefly discuss these next steps at the Feb. 22 meeting.

Notes from Retreat #2 - February 5, 2017

Attending: Staff: Ed Fox, Amanda Charland, April Harkness, Paul Guidone

Board: Tony Roisman, Dana Grossman, Sarah Blum, Liz Blum, Ed Howes, Kevin Birdsey, Harrison Drinkwater. Arrived at lunch: Victoria Fullerton, Benoit Roisin

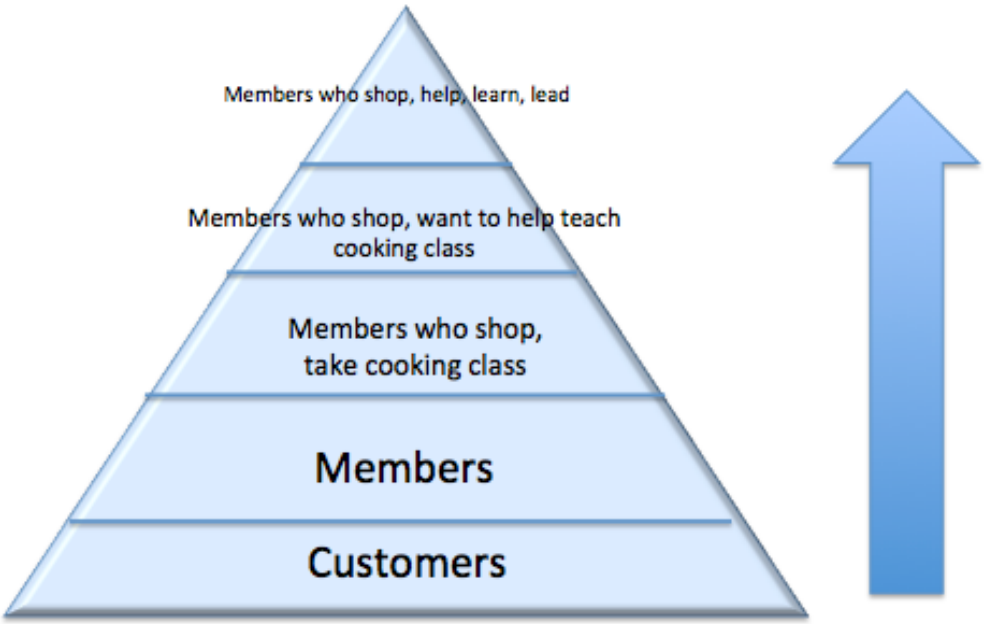
Absent: Michael Bettmann, Bill Craig

Presenter: Beth Saunders

Member Engagement: starts with a clear vision and from there, a strategy can be developed. The vision statement is the "why". We establish high level goals and actions and methods to achieve those goals.

Possible mission: to create opportunities to strengthen the community. This creates the framework. Our members are owners, they need and want to feel the power of that ownership, we have a large membership, and we need to provide opportunities for them to participate. How do we deal with every member wanting something different? How do we get more shoppers to understand that what they buy here or at Hannaford's, while the items may be the same, the shop and the shopping is very different.

How do we track and measure things through databases and with the support of technology. (See pyramid chart)



Target the market – invite them to do more, what are they interested in, try new things, track responses, use a survey and look at the responses closely. Not just communicate - board to members, but both directions, members to board and vice versa. Engage the members and shoppers through programs and actions. For most, their experience in the store is their engagement – how do we enhance that participation.

What are some things that make us unique:

- We're a trustable source of products
- You can express your values through the way in which you shop and choose your products
- With fairness, integrity, truth in advertising
- Provide good solid wages and benefits
- There are entities that wouldn't exist without the commerce of the Co-op (farms, vendors)

Expand membership and community connections, enhancing the sense of pride and trust. It's a venue to express our values through highly informed shopping.

Solidify our values;

- Local – supporting the local economy – farms, vendors, employees
- Global – sustainability, awareness, educated decision-making, fair trade, organic products, environmental awareness

Key words:

- Cooperation
- Influence

- Fair
- Economy
- Trust
- Here
- Permanence
- Knowledgeable
- Community
- Large membership base

A vision provides strategic direction. Provides a desired *end state*. A mission is what you do to create your vision. Brainstorming on vision statements:

- We provide cooperative commerce for the greater good.
- Food we can trust in a highly informed healthy way.
- Create an avenue to express our values through shopping.
- A world united by a vibrant local economy
- A world fed from trusted sources through cooperative principles
- A global food system that is good for people
- Nourishing our region
- A community that provides an avenue to make informed shopping decisions that affect local farmers and vendors and employ people with good wages and benefits
- Here is locally vibrant, satisfying and full of global opportunity
- A healthy local sustainable community from a trustworthy source
- A nourished community for a sustainable future
- A global cooperative commerce with great community benefit (impact?)
- A place to express informed support for local, regional and global economies
- Food we can trust
- Good eats for everyone
- A world united by a vibrant local economy
- A global food system is good for people
- A world fed from trusted sources of food through cooperative principles
- A dynamic community for cooperative food commerce
- A healthy, local, sustainable society
- A nourishing community with a sustainable future
- Here has healthy locally sourced food, a vibrant agricultural community and personally and financially satisfying employment opportunities (Beth)
- Here is awesome (Beth)

Next steps:

- Do this again
- Do this as a working group
- Think more about the vision to help set the mission and bring to staff to execute.

Tony: suggests Ed and Beth come up with some option vision statements. Decide as a Board. Have a Board member volunteer to help with the vision.

Afternoon Discussion *(facilitated by Ed Fox)*

#1. Where do we see ourselves in 5, 10, 20 years?

- Physical Assets: 3 retail stores, 1 service station, 1 market, 1 commercial kitchen, 5 acres
- Budget: $75 million in sales, $74,985,000 expected
- Products: commercial, organic, local, national, regional, global
- Members: 21,000
- Staff: 415

Which areas do we want to expand? Do we want more people from area towns to become members? Do we want to expand our membership? Do we want to expand our products? Do we want to improve the relationships we already have with the members that we do have? Can they spend more? They are currently spending approx. 55 cents on every shopping dollar at the Co-op. This is down from .60 cents on every dollar (or 60% of their shopping dollars).

- Do we want to offer more online shopping opportunities?
- Do we want to expand into delivery of items?
- We need to understand the trends and deal with them.
- How are we leveraging our cooperative advantage?
- Consider enhancing the shopping experience
- Enhance our modes of delivery
- Consider more online ordering
- Reach out to seniors
- Do more with pop-ups.
- Encourage cooperation with other cooperatives – the building of new Co-ops in new communities

Member linkage is critical to defining the needs. Concentrate on the members we have - through membership drives, engage you when you walk in the door, this is more organic growth – get more out of our existing members. We have so much in place, but we're not turning it over enough. Each store also has different demographics that need to be considered.

- Who are the members?
- What do they want?
- Do more with what we have

What do we have that's measurable?

Some ideas from participants:

1. Consider trading labor for membership dues
2. Member volunteer opportunities
3. Live music in the stores
4. Periodic efforts to thank shoppers for their participation

5. More visuals in the stores – where does the $ go for Pennies for Change, for example
6. Service desks need to be more proactive, this is the best place to make contact with our members
7. .55 cents of every $1.00 goes to the Co-op. How can we increase this?
8. Change governance or operations system to engage members to be more deeply entrenched in the Co-op
9. Step up signage in the stores about what distinguishes the Co-op from other stores
10. Décor – improve rest rooms and less traffic areas
11. Do more with local schools, parents, staff and children
12. Grow the happiness of our members, employees and shoppers
13. Make it more of a home, so they feel an attachment – that's why we're different
14. Focus on employees – if they're happy, then everything else will come. Include the employees in things. Supporting local is important to the membership
15. Volunteering presents more public relations opportunities
16. Better use of the Norwich land – the Farmer's Market and the Community Garden – establish a committee of members to discuss the use of the land. There's a missed public relations opportunity through the Co-ops subsidizing of the Farmer's Market and the promotion of the garden. The Co-op should be represented at the Farmer's Market
17. Food Hub – incubator kitchens, value-added, start-up opportunities
18. Other opportunities arise that are unpredictable, how do we address those?
19. Consider establishing a Long-range Planning Committee – which can run scenarios with different opportunities posed;
    a. Expand the WRJ store w/ the pharmacy next door
    b. Better use of the Norwich land
    c. Opportunities to buy more land

Topic #2. What do we need to know about our members? (facilitated by Tony)

We don't know what we don't know. The Co-op does surveys through UNH, generally receive 1500 responses.

- what more can we do with social media
- how effective are the suggestion boxes
- provide the board with a monthly summary of the written questions
- include in Ed's monthly report showing an overview of the categories of what we've been hearing
- consider policies and guidelines on expectations of what's being measured (Communications Policy)
- most suggestions are verbal at the store/service desk
- needs to measure on a customer service level
- create a timeline.

APPENDIX F

FY2016 HCCS Board of Directors Budget
UNAUDITED

		2016 Budget	Actual through 12 Months
Professional Fees			
	Technical Assistance/Consultants/Legal	91,500	77,179
	Board Administrator Wages Benefits (50%)	40,307	23,359
	SubTotal	$131,807	$100,538
Insurance			
	Directors & Officers Insurance	8,000	9,259
	SubTotal	$8,000	$9,259
Board Development			
	CCMA program registration	6,560	5,170
	Training; Retreat		
	Books, Supplies, Misc.		1,414
	Inhouse printing	458	116
	SubTotal	$7,018	$6,700
Member Linkage			
	Member Meetings	2,500	1,168
	Printing	22,000	35
	Other Linkage Activities	2,092	204
	SubTotal	$26,592	$1,407
Contributions: Cooperative and Community Support			
	CGIN		
	King Award		
	SubTotal	$0	$0
Equipment			
	Depreciation - Equipment*	700	
	Technical Maintenance Contracts	2,150	
	Equipment	3,475	
	SubTotal	$6,325	$0
Travel & Entertainment			
	Monthly Board Meeting Food	3,000	1,615
	Travel, Meals & Entertainment	7,633	8,533
	SubTotal	$10,633	$10,148
General Contingencies			
	Contingencies		0
	SubTotal	$0	$0
Total Board Expenses		**$190,375**	**$128,052**

APPENDIX G

To: Board of Directors, HCCS
From: Harrison
Re: Approval of HCCF Trustee Advisory Committee

As you'll recall, I was elected by the Board to serve on the 2017 Hanover Cooperative Community Fund (HCCF) Trustee Advisory Committee. At the February 22 Board meeting, I'll ask the Board to approve the following additional Committee members:

Rosemary Fifield
Amanda Charland
Benoit Roisin
Terry Appleby
April Harkness
Liz Blum
Ed Fox, *ex officio*

I'm sure you recognize these names. I'm so pleased they agreed to serve since each person brings past knowledge of the HCCF, or future ideas for the Fund, or both.

As I re-read the Policy Governance provision (GP 8) that applies to the Fund, I noticed this statement:

GP 8.1.1:

- The Board of Directors shall elect one of the current Directors as a member of the 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 his/her successor is duly elected and qualified.

- The Chair of the Committee will select its own members, subject to the approval of the Board of Directors.

Would you mind designating me as Committee chair as well?