

MEETING MINUTES, January 24, 2018

- Present:** William Craig, Elizabeth Blum, Kevin Birdsey, Harrison Drinkwater, Ed Howes, Benoit Roisin, Dana Cook Grossman, Victoria Fullerton, Don Kreis, Ann Shriver Sargent, Thomas Battles, Anthony Roisman (arrived at 6:30 p.m.)
- Staff:** Ed Fox (General Manager), Mark Langlois (Director of Finance), April Harkness (Board Administrator), Lori Hildbrand (Director of Human Resources), Amanda Charland (Director of Member Services & Outreach), Alicia Barrow (Front End, Lebanon store)
- Members:** Terry Appleby, Jessica Giordani (also a 2018 board candidate), Mary Ellen Solon (also a 2018 board candidate), Rosemary Fifield (also a 2018 board candidate), Natasha Niffka (also a 2018 board candidate)

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

Consent Agenda: December 20, 2017, Meeting Minutes (Appendix A) and December 2017 Share Redemption Requests

MOTION: Dana Grossman moved to accept the December 20, 2017, meeting minutes.

Liz Blum seconded the motion.

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

MOTION: Don Kreis moved to accept the December Share Redemption Requests.

Dana Grossman seconded the motion.

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

Policy Monitoring

Monitoring Report: EL 11 – Tobacco

MOTION: Don Kreis moved to accept *EL 11 – Tobacco* as in compliance.

Kevin Birdsey seconded the motion.

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

Discussion: Kevin and Harrison offered to bring recommended changes to this policy, which may include the deletion of this stand-alone policy on tobacco and the incorporation of the smoke-free language into other existing policies.

General Manager Report

Ed Fox gave a brief overview of the financial status of the Co-op, including the fact that, over the first three weeks of 2018, sales had increased at all locations and expenses were down. These figures show the Co-op 4.25% ahead of its sales budget as compared to the same time period in 2017. In addition, staffing has been reduced, across all departments at all locations, from 402 employees to 360 employees; the reduction has taken place solely through attrition. The 2018 budget plan allows for bringing that number back up to 380 employees, through strategic hiring. In addition, one of the 2018 goals for the Co-op Kitchen is to prepare 65% of prepared foods for the stores, which will increase efficiency and consistency. That proportion is already up from 40% before the effort began to 50%.

Ed also provided an update on recent contract negotiations with United Natural Foods (UNFI) and National Co-op Grocers (NCG) that specify new, more beneficial thresholds for purchases from these sources by HCCS.

Finally, he shared with the Board a summary of a meeting that he and Allan Reetz (Director of Public Relations) had with New Hampshire Governor Christopher Sununu, where they discussed the meaning of *local* sourcing and the need for affordable workforce housing.

Engagement Project

Amanda Charland (Director of Member Services & Outreach) presented a PowerPoint slideshow of the work that has been taking place over the last year. The project started with a discussion by the board about precepts that should be reflected in a vision for the Co-op. A board-management team then refined those precepts into this vision statement: "A well-nourished community cultivated through cooperation." The project has now evolved into an organizational foundation for better understanding those whom our Co-op serves. The objective is to understand how to meet the needs of our customers, establish a framework to address challenges, and use technology — a customer relationship management (CRM) software program — to support the strategy. She further outlined the steps of the process and described the outcomes as including sophisticated and dynamic data analysis, more relevant connections, a targeted approach to fostering participation and sharing information, and more efficient use of resources.

While Dana is currently the board's liaison to the project and has been involved since its inception, Bill asked all members of the board to participate in several ways, including taking more responsibility for board newsletter articles that can showcase the ongoing work of the Co-op in better understanding and responding to the needs and motivations of its members and shoppers, conveying a message that is in concert with the messaging of the organization as a whole.

Member Comments

Terry Appleby offered information to the Board about Associated Grocers' recent purchases of five grocery stores in Vermont.

Committee and Task Force Updates

Election Committee

Kevin announced that there are nine candidates for the 2018 Board of Directors, and he is scheduling a Candidate Informational Session on February 1 and is planning a Member Forum in March.

Annual Meeting planning

Ann provided an update on the Annual Meeting, to be held on Saturday, April 7, at the Listen Center in White River Junction. The plan is to make the proceedings available via live stream.

Strategic Planning Committee

Bill handed out a summary of the most recent Strategic Planning Committee meeting, outlining two priorities: exploring the history of the Lyme Road store and options for that property and looking at the interrelationship between the Hanover and Lebanon stores. The Board had a lengthy discussion of whether or not to hire a financial consultant to help look into these priorities in depth.

MOTION: Liz Blum moved to go into Executive Session at 7:40 p.m. to discuss a personnel matter. She withdrew the motion at 7:45 p.m.

New Business/Action Items

The Board continued to discuss strategic planning and how to support the GM, while also having the resources to better understand financial decisions and options moving forward.

MOTION: Tom Battles moved to go into Executive Session at 8:45 p.m. He withdrew the motion at 8:46 p.m.

MOTION: Tom Battles made a motion to have the Board hire a financial consultant for the purpose of helping with strategic planning.

Harrison Drinkwater seconded the motion.

VOTED: 4 in favor, 7 opposed, 1 absent (Benoit left the meeting early). The motion failed.

Executive Session

MOTION: Dana Grossman moved to go into Executive Session at 8:55 p.m. to discuss a personnel matter and to include the employee members of the board but not any non-board employees present.

Kevin Birdsey seconded the motion.

VOTED: 8 in favor, 2 opposed, 1 absent. The motion passed.

MOTION: Liz Blum moved to come out of Executive Session at 9:10 p.m.

Tom Battles seconded the motion.

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

No action was taken following the executive session.

MOTION: Tony Roisman moved to adjourn at 9:11 p.m.
Harrison Drinkwater seconded the motion.

VOTED: 11 in favor, 0 opposed, 1 absent.

Respectfully submitted,

April Harkness
Board Administrator

Dana Cook Grossman
Board Secretary