

MEETING MINUTES, July 26, 2017

- Present:** Anthony Roisman, Kevin Birdsey, Harrison Drinkwater, Ed Howes, William Craig, Elizabeth Blum, Ann Shriver Sargent, Don Kreis, Benoit Roisin, Thomas Battles
- Absent:** Dana Grossman, Victoria Fullerton
- Staff:** Ed Fox (General Manager), Mark Langlois (Controller), Lori Hildbrand (Director of Human Resources), April Harkness (Board Administrator), Amanda Charland (Member Services & Outreach Director), Erika Gavin (Marketing Manager)

Bill Craig called the meeting to order at 6:00 p.m. in the Culinary Learning Center, Lebanon store, NH.

Consent Agenda: June 29, 2017 Meeting Minutes, (Appendix A), and July 2017 Share Redemption Request

MOTION: Don Kreis moved to appoint Harrison Drinkwater temporary Secretary of the Board for the July meeting only, as Dana Grossman is not attendance.

Liz Blum seconded the motion. All in favor. The motion passed.

VOTED: 10 in favor, 0 opposed, 2 absent. The motion passed.

MOTION: Liz Blum moved to accept the June 29, 2017 meeting minutes.

Tom Battles seconded the motion.

VOTED: 9 in favor, 0 opposed 1 abstained, 2 absent. The motion passed.

MOTION: Don Kreis moved to approve the July 2017 Share Redemption Requests.

Ann Shriver Sargent seconded the motion.

DISCUSSION: There was a question regarding the rate of B share redemptions and the Board was assured that the rate seems to be on track with expectations. Amanda outlined the schedule for reminders that the Co-op will be sending to the membership.

VOTED: 10 in favor, 0 opposed, 2 absent. The motion passed.

Staff Report (Messaging & Communications)

Amanda described the restructuring of the Outreach Department - Marketing, Education and Member Services including a staff nutritionist and administrator for the Board of Directors. Having the departments integrated creates a more cohesive team and consistent messaging to members and shoppers. In addition, the strategies focus on those key elements of the Co-op – trust, loyalty, and value.

Amanda and Erika outlined the two ways digital channels are currently utilized; promotion and engagement. Promotion channels include the Co-op's website, monitors, emails and online advertising.

The new ECRS Catapult system will be integrated into communications as well, so currently there are some elements that are temporary (such as the website) and other elements that will be seeing considerable changes, such as the potential for online ordering. The Board asked several questions related to the ECRS system and it was suggested that it be a topic for a future board meeting.

Amanda and Erika explained in great detail what the communications and marketing team is currently doing to communicate with members and shoppers, how those messages are received, what's most effective, and what's in store for the future.

Generally speaking, it is very clear that Specials, Daily Menus and Classes are the most visited links on the Co-op's website. It is also worth noting that the marketing team responds to virtually all social media activity in a timely manner and links to other Upper Valley organizations as appropriate to foster and promote continued engagement.

General Manager Report

The Board continued to express concerns over the sales numbers at the Lebanon store. It was also noted that the written report for Lebanon has a different style and that's because management is focusing on detailing the initiatives that are taking place in order to address these concerns. Ed assured the Board that the Lebanon store is trending back toward better numbers and that they have reduced costs and reorganized basic functions.

It was also noted that the health insurance claims (an ongoing financial concern for the Board) appear to be trending down.

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

Monitoring Report: EL 2 – Financial Condition and Performance

MOTION: Benoit Roisin moved to accept the EL 2 as in compliance with the noted exception of the non-compliance of EL 2.5.

Liz Blum seconded the motion.

DISCUSSION: Several Board members expressed concern about the Co-op financial condition. It was noted that in the board packet (p. 24 item #3), and as part of the Board's fiduciary responsibilities, it states that "*Avoiding jeopardy means avoiding financial conditions that: 3. Show significant negative variances from annual budgeted financial benchmarks,...*" Though "significant" is not defined.

The Board discussed the HCCS's relationship with the Neighboring Food Cooperative Association and after conversations with their Executive Director, we are awaiting a new proposal which outlines a continued agreement to support their organization. The annual membership fee is \$20,000, paid in quarterly installments of \$5,000. We've made one payment thus far.

The Board asked that Ed Fox work with the CFO to present a plan for reaching compliance with EL 2.5.

VOTED: 6 in favor, 3 opposed, 1 abstained, 2 absent. The motion passed.

MOTION: Tony Roisman moved to have the General Manager work with the CFO and report back by the end of next week as to when they will provide a compliance plan as well as a timeline to become in compliance with EL 2.

Don Kreis seconded the motion.

VOTED: 10 in favor, 0 opposed, 2 absent. The motion passed.

Monitoring Report: EL 4 – Treatment of Customers

MOTION: Ed Howes moved to accept EL 4 as in compliance.

Tony Roisman seconded the motion.

DISCUSSION: It was suggested that another customer survey be developed to continue to get feedback and useful information about our members and shoppers, since the UNH survey fell short of statistical significance.

VOTED: 10 in favor, 0 opposed, 2 absent. The motion passed.

Committee Updates

Energy Task Force (Appendix C) – The Board reviewed the proposed charter for the Energy Task Force and had some comments.

MOTION: Ed Howes moved to accept to the Energy Task Force charter.

The Energy Working group will be a joint Board-Staff effort that will seek ways in which the Co-op can strive to reduce the carbon footprint of the Co-op and its members, in furtherance of the commitment in the Global Ends policy to provide members with "a thriving business organization that protects and restores the environment."

Since the successful rural electrification initiative that began as part of the New Deal, the cooperative model has proven itself especially useful when it comes to meeting the unmet needs of consumers in the energy sector of the economy. Today, technological and regulatory change presents both opportunities and, in light of climate change, a serious challenge.

Among the opportunities the Working Group will explore are distributed generation (i.e., the development of renewable generation facilities on or near Co-op premises), community solar projects (in which members participate in such distributed generation projects), procurement of fuel and/or electricity, energy efficiency, demand reduction, and energy management. In some areas, it may make sense for the Co-op to participate directly; in others, partnerships or the creation of one or more new co-ops may be optimal. The Working Group will be mindful that the Co-op operates in two states, each with a distinct set of opportunities in light of contrasting public policy.

Kevin Birdsey seconded the motion.

VOTED: 10 in favor, 0 opposed, 2 absent. The motion passed.

Finance/Budget Committee (Appendix D) – Benoit, as Chair, continues to gather additional detail on the Board budget. In these lean times, he'd like to develop a more conservative budget than previous years. The Board discussed budget reduction through the non-renewal of the CDS contract and a discontinuance of participation in the CCMA for the coming year. The Board will wait for Benoit's final proposed budget before voting.

Election Committee (handout) – As Chair, Kevin asked the Board to approve his recommendations for Committee membership.

MOTION: Tony Roisman moved to accept the members of the Election Committee as Kevin Birdsey, Ann Shriver Sargent, Bill Craig, Brendan D’Angelo, Missy Fleming and Tricia Groff.

Liz Blum seconded the motion.

VOTED: 10 in favor, 0 opposed, 2 absent. The motion passed.

New Business/Action Items

EL 14 – *Cooperation with the Upper Valley Food Coop* (Appendix E)

MOTION: Ed Howes made the motion to amend EL 14 to read as follows:

Hanover Consumer Cooperative Society Executive Limitation (EL) 14

Executive Limitation 14 states:

Our cooperative is deeply committed to the sixth cooperative principle, which reflects a commitment to cooperation among cooperatives.

Accordingly, the GM shall not fail to:

EL 14.1: Operate our Co-op in a manner designed to recognize the spirit of cooperation expressed in Cooperative Principle 6.

Liz Blum seconded the motion.

DISCUSSION: the proposed wording of EL 14.1, replaces the sentence “EL 14.1: Be in regular communication with the General Manager of the Upper Valley Food Co-op,” to reflect the more inclusive goal of “cooperation among co-operatives.”

VOTED: 10 in favor, 0 opposed, 2 absent. The motion passed.

(Proposed) EL 13 - *Merchandising in the Spirit of Rochdale* (Appendix F)

MOTION: Don Kreis moved to adopt the new EL 13 – *Merchandising in the Spirit of Rochdale*

Member understanding of the Co-op’s place in the realities of the grocery industry is critical to the success of the Co-op. Therefore, the General Manager shall not fail to:

13.1 employ pricing techniques and merchandising practices that allow members to understand how the Co-op’s costs are reflected in prices, and

13.2 take steps to inform members of how the Co-op’s prices compare to those of its investor-owned competitors.

Tom Battles seconded the motion.

DISCUSSION: While laudable in intent, many Board members felt that this proposed policy was already embodied in provisions of EL 4 - *Treatment of Customers*, especially since the Co-op acts as a “buyer’s agent” on behalf of members and customers.

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

(Proposed) EL 15 – *National Cooperative Grocers*

MOTION: Don Kreis moved to adopt the new EL 15 – *National Cooperative Grocers*

A vibrant and responsive national organization of food co-ops is important to the success of the Hanover Consumer Cooperative Society. Therefore, the General Manager shall not fail:

- (1) To maintain the Co-op's membership in National Cooperative Grocers (NCG);*
- (2) To keep the Board informed of the rights and responsibilities associated with the Co-op's membership in NCG;*
- (3) To keep the Board informed of the activities NCG undertakes on behalf of its members;*
- (4) To provide the Board with a copy of written agreements entered into between the Co-op and NCG;*
- (5) To obtain the Board's approval of any such agreements prior to entering into them on behalf of the Co-op;*
- (6) To inform the board promptly when NCG or any subdivision or committee within NCG, makes a decision that has or may have adverse financial consequences for the Co-op;*
- (7) To keep the Board informed of the positions taken by NCG on matters of public policy and advocacy;*
- (8) To participate actively in the governance of NCG;*
- (9) To obtain the approval of the Board prior to exercising any opportunity to vote as an NCG member on issues related to NCG or its work;*
- (10) To seek to maximize the extent to which NCG is responsive and effective national association that is accountable to its members and their boards of directors,*
- (11) To seek opportunities for the Co-op, its Staff, and its membership to participate in the advocacy, public policy, programmatic and cooperative development work of the NCG; and*
- (12) Consistent with the cooperative values and principles, to maximize the extent to which the Co-op receives favorable terms in any NCG wholesale purchasing programs in light of the Co-op's size, financial position and organizational strength.*

Tom Battles seconded the motion.

AMENDMENT TO THE MOTION: Don Kreis amended the motion to refer the proposed EL 15 policy to a special task force to discuss NCG and nominated himself as Chair of that task force.

Tom Battles accepted the amendment to the original motion and seconded it.

VOTED: 10 in favor, 0 opposed, 2 absent. The motion passed.

Retreat Planning Task Force

MOTION: Kevin Birdsey made a motion to hold a Board Retreat in the fall.

Liz Blum seconded the motion.

VOTED: 9 in favor, 0 opposed, 3 absent. The motion passed. (*Benoit Roisin left the meeting at 8:55 p.m., just prior to the vote on this matter.*)

ADJOURNMENT:

MOTION: Liz Blum moved to adjourn the meeting at 9:00 p.m.

Tony Roisman seconded the motion.

VOTED: 9 in favor, 0 opposed, 3 absent. The motion passed.

Respectfully submitted,

April Harkness
Board Administrator

Harrison Drinkwater
Board Secretary (temporary)