

DRAFT MINUTES, June 28, 2017

Present: Dana Grossman, Kevin Birdsey, Harrison Drinkwater, Ed Howes, William Craig, Victoria Fullerton, Elizabeth Blum, Ann Shriver Sargent, Don Kreis

Absent: Benoit Roisin, Thomas Battles, Anthony Roisman

Staff: Ed Fox (General Manager), Paul Guidone (Director of Finance), April Harkness (Board Administrator), Bruce Follett (Director of Operations) , Jacob Vincent (Director of Merchandising), Amanda Charland (Member Services & Outreach Director), Leon Valia (Center of Store, Hanover), Lori Hildbrand (Director of Human Resources)

Members: Diane Guidone, Sarah Johnson, Lynn Schad, Eric Sohlberg

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

Consent Agenda: May 24, 2017 Meeting Minutes, June 1, 2017, Special Board Meeting Minutes (Appendix A), and June 2017 Share Redemption Request

MOTION: Liz Blum moved to accept the May 24, 2017, meeting minutes.

Victoria Fullerton seconded the motion.

Discussion: Don reminded the Board that our policy says a reason must be given for going into Executive Session and expressed his sense that “an internal matter” is not a sufficient rationale.

MOTION: Don moved to amend the minutes as written by replacing “an internal matter” with “a legal matter.”

Dana Grossman seconded the motion.

VOTED: 8 in favor, 0 opposed, 1 abstained, 3 absent. The motion passed.

MOTION: Liz Blum moved to accept the June 1, 2017, special meeting minutes.

Harrison Drinkwater seconded the motion.

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

MOTION: Don Kreis moved to approve the June 2017 Share Redemption Request.

Ed Howes seconded the motion.

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

General Manager Update (Appendix B – Co-op Articles)

The Board had some general discussion on the Lebanon store sales numbers, and Paul Guidone provided some clarifying information. There was also further discussion on the expected changes regarding productivity and inventory management with the new ECRS Catapult system. Paul told the Board that while ECRS predicts a \$1.1-million savings over the course of a 12-month period (due to better control of pricing errors, automation of pricing, inventory management, control of stock items, and loss prevention), he is using a more conservative calculation that our savings will likely come to approximately 42% of that figure. The Board asked the GM and Director of Finance if they have had discussions with other retailers, including Co-ops, currently using the ECRS system and what their experience has been, and they responded that they had. The new program requires extensive training and will be introduced gradually to staff and in the stores over a period of several months.

There was a lengthy conversation about the Co-op's self-insuring health-care plan. While spikes and dips are normal in this type of plan, the Co-op has experienced heavier than average claims in recent months. This has spurred Finance and HR to consider other options, so they have sent out Requests for Proposals to three alternative vendors, to gather quotes on fully funded plans as well as other self-funded options, including decreased stop-loss thresholds. The Co-op has been using a self-insuring plan since 2016, and it is too soon to see the long-term effects, but it seemed prudent to consider other options at this time. Lori stated, in response to a question, that our wellness team is doing good work in encouraging healthy habits among staff, including holding a Health Fair in the fall.

The Board asked if the staff has been kept apprised of the current financial condition of the Co-op and how it may be affecting them. The Co-op has been offering financial sessions to employees and additional information in the *Cooperator* employee newsletter, which is distributed to all employees twice a month. Ed Howes suggested that it may be affecting staff in terms of having to do more with fewer people.

There were also some questions regarding the preparation of a nomination for Terry Appleby to the Co-op Hall of Fame, and Ed Fox promised to send the Board additional information on the topic.

Price & Product Presentation (Appendix C)

Amanda Charland introduced the presentation with a brief overview of the results of the 2016 Co-op member survey conducted by UNH. The indicators are clear that pricing is a major concern, with only 8% of respondents concerned about selection and only 5% concerned about quality. Meat, bulk, cheese, and produce continue to be the highest-scoring departments, while floral, prepared foods, wine, and bakery were lower. But even the lower-scoring categories are still above average in customer satisfaction.

Jacob Vincent continued with an explanation of merchandising, reporting how products get into our Co-op, including between 500 and 1,000 product suggestions and comments per year coming directly from customers. He went on to talk about product trends and product pricing and addressed price-perception concerns. He said the Co-op conducts price surveys approximately three times a year, checking prices for given items at the Co-op against those

at area competitors. He was asked whether the results of price surveys are publicized, as used to be the case, and he said that price surveys are not currently shared with the public, but that we generally rank in the middle. Jacob (and Bruce Follett) explained we work hard to keep prices competitive through good relationships with vendors, creativity, promotions, product movement, and promotional tools, such as the Co-op Basics program.

Having gained a better understanding of how prices are determined, the Board suggested that our membership may need to likewise gain such an understanding. There was discussion about how to share this information and what pieces of the process it's important for members to know.

When asked if the Co-op considers labor practices in purchasing decisions, Jacob said that we are buyers for our members, and while we don't boycott products we do try and educate our shoppers about matters like labor practices. Liz suggested he look into the Organic Consumers Association as a resource for such information.

Leon Valia concluded the presentation by talking about operations decisions at the Hanover store, including strategies for putting items on the shelf. The Hanover store alone has added over 330 new or returning items to the center of the store since November 2016. The year-to-date sales at the store are significantly improved.

The presentation also reiterated how price and product decisions do not exist in a silo—that they are a collaborative effort among merchandisers, vendors, staff, managers, and members and shoppers.

Member Comments

Lynn Schad asked if there was a plan to improve the departments in the survey that aren't receiving the highest satisfaction ratings, and Ed Fox suggested that this creates a healthy competition among departments and is not necessarily an indicator of poor performance, as even the lower-rated departments are still ranked 4.0 on a 1-to-5 scale.

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

GM Global and GM 1 Unity of Control

MOTION: Kevin Birdsey moved to review the GM Global and GM 1 Unity of Control policies at the July Board meeting.

Harrison Drinkwater seconded the motion.

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

Monitoring Report: EL 12 – Board Logistical Support

The Board suggested that the policy monitoring surveys go out earlier in the month to allow for their inclusion in the Board packet, and thus facilitate deeper discussion about the comments on them; however, the changes in the questions' format were well received. In addition, it was suggested that when the survey results are assembled, they be presented by

question rather than by author. The hope is that between the new format and more discussion of the results, acceptance of policy monitoring reports will henceforth be an improved barometer of the Board's work.

The Board also discussed improving between-meeting communications, and it was decided that for now, they will try to be succinct in emails and diligent in using relevant email subject titles.

MOTION: Don Kreis moved to accept EL 12 as in compliance.

Dana Grossman seconded the motion.

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

GP 6 Board Member Nomination Process

Ed Howes reminded the 2016 Nominating Committee to please provide the list of recommendations and decisions to the members of the 2017 Election Committee, so that they can move forward with a thorough understanding of the process.

MOTION: Don Kreis moved to accept the GP 6 monitoring report.

Dana Grossman seconded the motion.

VOTED: 7 in favor, 0 opposed, 2 abstained, 3 absent. The motion passed.

GP 10 Board Committees

The Board had a lengthy discussion on committees (Appendix D). Bill reminded the Board that committee work does not replace Board decision-making, but that committees come to the Board with information and proposals, and the Board makes the decisions. Each committee must have a Board-approved charter; current committees without a charter were reminded to submit one to the full Board as soon as possible. Kevin reminded the Board that there should be a motion at next month's meeting to start the retreat-planning process.

MOTION: Dana Grossman moved to accept the GP 10 monitoring report.

Liz Blum seconded the motion.

Discussion: The 2017-2018 Committee List was reviewed in full. Many committees were re-named as task forces, with the work of a task force distinguished by being for a more focused purpose and/or over a more limited time frame (i.e., the *Annual Meeting Task Force*).

MOTION: Dana Grossman moved to remove the Strategic Planning Committee from the Committee List.

Liz Blum seconded the motion.

Amendment to the MOTION: Harrison made an amendment acknowledging that the Board is aware of strategic planning as a duty of the full Board.

2nd Amendment to the MOTION: Bill made a second amendment recognizing that the Board *may at some time in the future* need a Strategic Planning Committee, but does not right now.

Both amendments were accepted by the original mover and seconder.

VOTED: 7 in favor, 0 opposed, 2 abstained, 3 absent. The motion passed.

Committee Updates

Formation of an Energy Committee:

MOTION: Liz Blum moved to create an Energy Committee.

Victoria Fullerton seconded the motion.

Discussion: Liz encouraged the Board to create a group of people – staff and Board members – to further investigate the benefits of solar and renewable energy alternatives in a long-term strategic way.

Amendment to the MOTION: Dana made an amendment to create an Energy *Task Force*, rather than Committee.

Kevin Birdsey seconded the motion.

The amendment was accepted by the original mover and seconder.

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

Election Committee (Appendix E)

Kevin reminded the Board that recruitment of Board candidates is the job of the entire Board and that it's also an ongoing task that Board members should be thinking about year-round.

Hanover Consumer Cooperative Fund Advisory Committee (Appendix F)

MOTION: Harrison Drinkwater moved to approve the concept proposal for the Gerstenberger Scholarship Fund.

Liz Blum seconded the motion.

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

MOTION: Harrison Drinkwater moved to approve Joanne Bouchard as a new member of the HCCF Advisory Committee.

Ed Howes seconded the motion.

VOTED: 7 in favor, 2 opposed, 3 absent. The motion passed.

Member Engagement/EL 5 Committee update (handout)

Victoria circulated an update on the Committee's work, including the proposed August 1 rollout of the new Employee Handbook language. This new language will remove all references to "at will" employment, which Bill believes is one of the most important things this Committee has accomplished on behalf of Co-op employees and members. A more comprehensive update will be provided at the July Board meeting.

Bill thanked the CCMA attendees for their written reports and reminded the Board of the Producers Fair on August 12. April will circulate additional information and a sign-up sheet.

MOTION: Liz Blum moved to go into Executive Session at 10:00 p.m. to discuss a legal matter, with the two employee Board members, plus Ed Fox and April Harkness, included in the session.

Ann Sargent Shriver seconded the motion.

VOTED: 8 in favor, 1 opposed, 3 absent. The motion passed.

MOTION: Liz Blum moved to come out of Executive Session at 10:08 p.m.

Ed Howes seconded the motion.

VOTED: 8 in favor, 0 opposed, 1 abstained, 3 absent. The motion passed.

ADJOURNMENT:

MOTION: Liz Blum moved to adjourn the meeting at 10:08 p.m.

Dana Grossman seconded the motion.

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

Respectfully submitted,

April Harkness
Board Administrator

Dana Cook Grossman
Board Secretary