

MEETING MINUTES, April 25, 2018

Present: Elizabeth Blum, Kevin Birdsey, Harrison Drinkwater, Ed Howes, Benoit Roisin, Dana Cook Grossman, Victoria Fullerton, Don Kreis, Anthony Roisman, Thomas Battles, Ann Shriver Sargent

Absent: William Craig

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)

Members: Rosemary Fifield (also a 2018 board candidate), Natasha Niffka (also a 2018 board candidate), Jessica Saturley-Hall (also a 2018 board candidate), Mary Ellen Solon (also a 2018 board candidate)

Liz Blum (Vice President, filling in for the absent President) called the meeting to order at 6:00 p.m. in the Hanover Board Room, Hanover, NH, store.

Consent Agenda: March 28, 2018, Meeting Minutes (Appendix A) and March 2018 Share Redemption Requests

MOTION: Dana Grossman made a motion to accept to the March Share Redemption Requests and the March 28, 2018, meeting minutes with the addition of the following inadvertently omitted paragraphs under the "HCCS Branding and Name" agenda item:

"Bill Craig introduced the possibility of considering a change in the name of the organization, to something more inclusive than the Hanover Consumer Cooperative Society.

The reasons expressed in favor of considering such a move focused largely around the negative perception that residents of many Upper Valley towns have regarding any entity with "Hanover" in its name, especially at a time when the organization is trying to expand its reach into more economically and nutritionally challenged communities. Also mentioned was the fact that the official name is no longer reflective of reality, given that the organization has stores and other business units located in Lebanon, White River Junction, and Wilder, as well as Hanover.

The reasons expressed against considering such a move included concern about losing the history and legacy of the current name; concern about the work and expense involved in implementing a name change; the possibility of generating bad press by creating an appearance of an identity crisis; and a belief that the disjunction between the organization's reality and its name offers an entrée to explaining what makes us different and special. In addition, it was noted that the membership should be consulted on such a decision, so we know whether there is even a problem with our name and branding.

After strong opinions were voiced on both sides of the matter, the wording of a motion was finally worked out."

AMENDMENT: Kevin Birdsey made the amendment to add Jessica Giordani (member and board candidate) as *in attendance*.

Harrison Drinkwater seconded the motion.

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

General Manager Report

Ed Fox reported on his recent trip to the National Co-op Grocers (NCG) meeting in Durham, NC. NCG has created personalized financial reports for each of their member cooperatives. The report includes important metrics and analysis provided by NCG and offers a comparison to other cooperatives. The report will be published in June and shared with the board and members. According to NCG's report, our Co-op is "very healthy."

Harrison suggested the board consider incorporating the NCG metrics into our own quarterly financial reporting. Ann asked if the report includes benchmarks for conventional grocery stores as well as for other cooperatives. Ed Fox said that issue is being worked on.

Ed informed the board that statistics on *department-level changes*, on page 10 the board packet, were missing from the GM report and will be send out via email.

One of the biggest challenges for the Co-op continues to be low staffing levels, due to the unusually low unemployment rate in the Upper Valley (under 2%). Lori and Ed are working on strategies to recruit staff for the 8-9% unfilled positions.

Ed did an informal study of other co-ops and whether or not they offer member discounts. Out of the 60 co-ops he polled, 5 offer a monthly discount of 10% for their members. Eighteen offer quarterly discounts, ranging from 2% to 10%. And 28 co-ops offer various/multiple discount programs throughout the year. At our co-op, 60% of the customers who shop on discount days are members, and they account for 80% of the total sales on those days.

On another high note, the Co-op Food Stores, represented by Ed Fox, was among 12 organizations and individuals recognized by Vital Communities as "long-standing stewards who inspire us with their commitment to this community" at this year's Heroes & Leaders celebration. The annual Heroes & Leaders recognition dinner was held this year on May 3rd at the Quechee Club. Several Co-op employees and two board members will be in attendance.

Policy Monitoring

Monitoring Report: EL 2 – Financial Condition & Performance

It was noted that on page 2, paragraph 1, the word should be "under" budget, rather than "over" budget. A board member asked about the graph on page 4, which shows that sales were high in 2014 and then dropped in 2015. It was explained that the 2015 Hanover store renovation, as well as high gas prices in 2014, were the most significant factors in the drop in sales from 2014 to 2015.

In terms of profitability, 2017 ended in a very slight loss (before taxes), but 2018 is looking better. Sales at the Co-op have dropped a little over time, meaning shoppers are spending a bit more of their grocery dollars in other stores. The board briefly discussed other factors that contribute to the health of the business, such as number of new members, transactions per day, and basket size.

MOTION: Kevin Birdsey moved to accept EL 2 as presented.

Tom Battles seconded the motion.

VOTED: 10 in favor, 0 opposed, 1 absent (Tom Battles had momentarily left the room). The motion passed.

Member Comments

Mary Ellen Solon (member and board candidate) congratulated Ed Fox on the honor of having the Co-op selected one of this year's *Heroes & Leaders*.

Committee and Task Force Updates

Treasurer's Report

Benoit presented the board budget and noted some increases in spending, including an additional \$9,000 on the expanded services from our auditors. CCMA and other board conference options were discussed.

Election Committee

Kevin updated the board on the election. Voting closes on April 30th and there are 4 remaining in-store candidate events occurring this weekend. All outreach channels are being used to inform the membership about candidates and voting. New-director orientation will be available in several forms, including mentorship with veteran board members.

New Business/Action Items

Sister Co-ops

Sister co-ops come in many forms. The board heard information about some partnerships that the Co-op is already involved in, including our coffee program in Mexico. This partnership creates a direct cooperative supply chain and is recognized as Fair Trade. The Equal Exchange partnership allows us to donate 40 cents per pound of coffee sold, to help fund projects such as building test plots for rust-resistant varieties of coffee and developing solar dryers. Many of these projects impact an entire village.

It was mentioned that there are other opportunities that encourage cooperative partnerships, including within a specific geographic area, with other types of cooperatives (such as credit unions and energy companies), and with partners in underserved areas/communities and food deserts.

The board concluded that it would like to expand upon Cooperative Principle #6 – Cooperation among Cooperatives in meaningful ways. The board will start by determining goals and objectives, guided by a task force. Don and Dana expressed an interest in working on this effort.

Follow-up to the 21-day Racial Equity Challenge

Each board member who participated in the 21-Day Racial Equity Challenge was given an opportunity to discuss their thoughts on the challenge and what they learned. Most agreed that there's work to be done in this area. A few found it interesting to note the connection between race and food.

The board acknowledged a recent letter written by our Board President and General Manager that was drafted in response to hateful leaflets distributed locally. The letter was sent to the Valley News, among other places, and contained a clear message calling for tolerance and acceptance.

Kevin noted that our Global Ends are silent on discrimination and offered to propose new language and circulate it for board discussion.

No Plastic Pollution Challenge

Some board members participated in the week-long no plastic challenge and agreed there's work to do on this issue as well. As part of our Global Ends, the Co-op continues to improve its sustainability practices – *restoring and protecting the environment* – and this includes in matters well beyond plastics. The board discussed forming a Sustainability Committee to work with members and employees and to take a fresh look at the Co-op's practices. The Co-op makes an effort not to prohibit or prescribe certain actions but instead to offer choices and continuing education.

Appreciation to Outgoing Board Members

Liz thanked Tony and Harrison for their work on the board and contributions to the organization. Together, they helped bring the board to where it is now.

Much appreciation was also expressed – in the context of today, April 25, being national Administrative Professionals' Day – to Board Administrator April Harness for her thorough, highly professional efforts in the board's behalf.

B-GM 4 – Monitoring GM Performance

The board had a lengthy discussion on this policy, including the board's role in monitoring GM performance, how best to do that, and whether an executive session was necessary for the discussion. Many noted that the board evaluates the GM monthly in its review of the Executive Limitations (ELs). It was noted, however, that the ELs don't necessarily allow for a comprehensive review or a review of compensation. It was also noted that outgoing board members would not have an opportunity to participate in the GM review and that the Board President was not in attendance at this meeting. It was proposed that a review of the GM could be done in a special meeting immediately prior to the regularly scheduled May board meeting.

MOTION: Ann Shriver Sargent moved to have a Special Meeting for the purpose of evaluating the General Manager prior to the seating of the next board.

Tom Battles seconded the motion.

DISCUSSION: It was suggested that the President should help determine the matters to be discussed, per Article 5, Section 10 of the Bylaws of the HCCS, and that the Executive Committee may help determine the format of this evaluation. Lori offered to help in the process and to review the history of how the GM review has been done in the past. The board asked the Administrator to note that a review of the performance of the GM should become a regularly scheduled board calendar item during a month when it makes the most sense.

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

Benoit Roisin and Victoria Fullerton left the meeting at 8:20 p.m.

MOTION: Tony Roisman moved to find the board not in compliance with B-GM 4 – Monitoring GM Performance.

Don Kreis seconded the motion.

VOTED: 3 in favor, 6 opposed. The motion failed.

MOTION: Tony Roisman moved to adjourn at 8:26 p.m.
Dana Grossman seconded the motion.

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

Respectfully submitted,

April Harkness
Board Administrator

Dana Cook Grossman
Board Secretary