

MEETING MINUTES, August 23, 2017

- Present:** Anthony Roisman, Kevin Birdsey, Harrison Drinkwater, Edwin Howes, William Craig, Elizabeth Blum, Benoit Roisin, Thomas Battles, Dana Cook Grossman
- Absent:** Victoria Fullerton, Don Kreis, Ann Shriver Sargent
- Staff:** Ed Fox (General Manager), Paul Guidone (Director of Finance), Lori Hildbrand (Director of Human Resources), April Harkness (Board Administrator)

Bill Craig called the meeting to order at 6:05 p.m. in the Culinary Learning Center, Lebanon, NH, store.

Consent Agenda: July 26, 2017, Meeting Minutes (Appendix A) and August 2017 Share Redemption Request

MOTION: Ed Howes moved to accept the July 26, 2017, meeting minutes.

Benoit Roisin seconded the motion.

DISCUSSION: Benoit noted one typo on page 48. Change the word “obtained” to “abstained.”

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

MOTION: Ed Howes moved to approve the August 2017 Share Redemption Requests.

Dana Cook Grossman seconded the motion.

DISCUSSION: There was a question regarding the number of members who appear to be selling shares to bring themselves down to the minimum number of shares required for membership (10 shares) — specifically whether that is a growing trend or a significant matter. Paul responded that numbers are stable.

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

General Manager Report

Ed Fox let the Board know that the plan to bring EL 2.5 into compliance will be presented at the September Board meeting. The Lebanon store manager, Doren Hall, will also do a short presentation. He also informed the Board that the Neighboring Food Co-op Association (NFCA) continues to work on a plan for a revised level of sponsorship for the Hanover Co-op.

Ed also said that he’s posed some questions to a board member of National Co+op Grocers (NCG) in advance of the organization’s September meeting. One is his concern that consideration be given to alternative forms of organizing the co-ops that contract with NCG, based on criteria more relevant than the current method of simply geographic “corridors.” The idea is it would be more beneficial to

also incorporate other criteria, such as co-ops' size, sales volume, operating model, employee-owned, organic-only vs. organic-and-conventional stock, etc.

Ed also pointed out that our relationship with NCG, which constitutes our largest single contract, is one in which we have no board or member-owner voice. Our current 7-year contract with NCG is in force until 2022.

Tony asked if we get sufficient benefit from being the second-largest buyer with NCG (second only to PCC in Seattle). Ed Howes informed the Board that our pricing actually is 20% better because of the contract with UNFI. But it was also mentioned that PCC, which is three times our size, constitutes its own "corridor" within NCG.

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

Monitoring Report: EL 3 – Asset Protection

MOTION: Ed Howes moved to accept *EL 3 – Asset Protection* as in compliance.

Dana Cook Grossman seconded the motion.

DISCUSSION: The Board had some questions about our average shrinkage rate (1%) — compared to an average of 2.7% for grocery stores nationwide. This is a factor that is currently tracked with shelf-scanning and can be tracked even more accurately once the ECRS system is completely in place. ECRS will also have several "reason" codes for shrinkage (such as breakage, spoilage, etc.) to better account for the shrinkage; Ed Fox said once that system is operative, any shrinkage beyond those codes can be assumed to be due to theft. Harrison noted that the Board may need to incorporate ECRS into the EL 3 policy monitoring moving forward.

The Board also asked some questions on the status of the Co-op's health insurance costs and whether those numbers have begun to level out. Ed Fox said that while the organization is most likely going to stay with its current self-insured plan, we may adjust our stop-loss coverage (a dollar amount above which outside insurance steps in to cover large expenditures) to lower the Co-op's financial responsibility in cases of large claims; this, however, would increase our stop-loss premiums, so we'll need to take care to identify the most beneficial stop-loss dollar amount. Ed also mentioned that the number of large claims has declined in recent months.

Health insurance costs will likely be one of the factors the Board will discuss at its next retreat.

Tom Battles called the question.

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

Monitoring Report: EL 5 – Treatment of Staff

MOTION: Tom Battles moved to table *EL 5 – Treatment of Staff* to the September Board meeting.

Liz Blum seconded the motion.

DISCUSSION: Bill let the Board know that Victoria, as chair of the EL 5 Committee, is still working on a report to the Board and the issue would be best discussed when she's in attendance. Kevin expressed his feeling that we have enough information in hand to at least discuss the issue now, but others expressed the sentiment that it would be best to consider it all at once. Members of the Board did ask to have any emails related to EL 5 shared among all Board members.

Tony called the question.

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

Monitoring Report: EL 6 – Compensation and Benefits

MOTION: Benoit Roisin moved to accept EL 6 as in compliance.

Ed Howes seconded the motion.

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

Committee Updates

Charitable Giving Task Force (Appendix B) – The Task Force is working on further clarifying overriding themes and criteria for allocating resources among the Co-op’s many charitable giving programs. There was further discussion regarding ideas for funding certain programs and possibly favoring organizations that emphasize helping recipients of their aid build capacity to help themselves rather than just delivering help. Benoit suggested that the Board email him any further suggestions.

Election Committee (Appendix C) – Kevin said the Committee is meeting next Tuesday. He directed the Board to the proposed policy changes for *GP 6 – Board Member Nomination Process*, since renamed *GP 6 – Process for Board Perpetuation and Recruitment*. The Board discussed being more active in recruitment and encouraging a good representation of the member/owners. It was also suggested that the name for the reworked policy be changed from *Process for Board Perpetuation and Recruitment* to *Process for Board Recruitment and Continuity*.

MOTION: Tom Battles moved to accept the changes to the GP policy and to rename the policy *GP 6 – Process for Board Recruitment and Continuity*.

Dana Cook Grossman seconded the motion.

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

MOTION: Tony Roisman moved to replace Missy Fleming with April Harkness as a member of the Election Committee.

Liz Blum seconded the motion.

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

HCCF Advisory Committee (Appendix D) – The Committee is planning to roll out the Gerstenberger Scholarship Fund during October, which is Co-op Month. While the fund is set up to be primarily a cooperative education and development fund, it may also be used secondarily for small-scale, targeted projects; it was suggested that if tax considerations can be addressed, some means of help small farmers would be beneficial to the region and the Co-op’s membership. The Committee may seek the advice of a tax attorney on some of the remaining questions on the use of funds. Joanne Bouchard is unable to participate on the Committee, unfortunately.

Retreat Task Force (Appendix E) – Tom suggested the Board establish a date, location, and theme for the Board retreats — one in the fall and one in the early spring. April will send around some dates

for the end of October. It's important that all Board members be able to attend. The task force will also consider alternative options for location, including looking into a farm-to-table venue at one of our many local producers. One theme that emerged as a retreat topic is a longer conversation on decisions made in the past that are affecting the organization now and into the future: "What's the problem, what's the solution?" Bill has a list of topics that he will share with the full Board. Any other retreat suggestions should be emailed to Tom.

New Business/Action Items

Board Orientation

The Board discussed the lack of thorough orientation materials — especially about the operation of our co-op — for new (and existing) Board members. Members of the Board and Management should propose ideas for sessions for learning and board development similar to the financial sessions that Paul has offered. It was decided that the Election Committee will take this project on and possibly create a task force specifically looking at Board Orientation.

CDS Services

It was suggested that the Board find out if we could modify our contract with CDS and apply our remaining funds to specific services. It was noted that the existing CDS agreement is very open-ended, without a clear beginning and end date, and does not provide much detail on outcomes and work products. The Board would like to consider and research alternative services that CDS may or may not be able to provide, such as a facilitator for one or both of the upcoming Board retreats. Bill will talk with CDS and find out if there's any flexibility within the existing contract.

Executive Session

MOTION: Liz Blum moved that the Board go into Executive Session at 8:05 p.m. to discuss a human resources matter and that employees Ed Fox, Paul Guidone, April Harkness, Ed Howes, and Kevin Birdsey also attend.

Tony Roisman seconded the motion.

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

MOTION: Liz Blum moved that the Board come out of Executive Session at 8:20 p.m.

Tony Roisman seconded the motion.

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

ADJOURNMENT:

MOTION: Benoit Roisin moved to adjourn the meeting at 8:29 p.m.

Tony Roisman 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