

MEETING MINUTES, July 24, 2019

Present: Emmanuel Ajavon, Tom Battles, Kevin Birdsey, Liz Blum, Rosemary Fifield, Victoria Fullerton, Ed Howes, Benoit Roisin, Ann Shriver Sargent and Allene Swienckowski
Jessica Saturley-Hall participated by phone

Absent: Jessica Giordani

Staff: Ed Fox (General Manager), April Harkness (Board Administrator), Lori Hildbrand (Director of Administrative Operations), Mark Langlois (Director of Finance)

Members: Marta Ceroni, Anne Garrigue, Nelson Kasfir, Jim Kenyon, Don Kreis, Scott McGee, L. Carl Pederson, Richard Schramm and 2 unidentified members

Rosemary Fifield called the meeting to order at 6:00 p.m. at the Co-op Resource Center, White River Jct., VT.

Rosemary reminded the board of two upcoming Co-op events: the HCCF fundraising event with the Upper Valley Nighthawks on July 27th at 6:00 p.m. and the Producer's Fair on August 10th from 10 a.m. to 2 p.m.

Adopt Agenda

MOTION: Ann Shriver Sargent moved to adopt the July 24, 2019 board meeting agenda. Tom Battles seconded the motion.

Discussion: A recommendation was made to allow the members present to be able to participate in the board discussion during the *Ends Development* agenda item.

VOTED: 10 in favor, 0 opposed, Jessica Saturley-Hall abstained. The motion passed.

Consent Agenda: June 26, 2019, Meeting Minutes and June 2019 Share Redemption Requests

MOTION: Ed Howes moved to accept the June 26, 2019, Meeting Minutes and the June 2019 Share Redemption Requests. Liz Blum seconded the motion.

VOTED: 10 in favor, 0 opposed, Jessica Saturley-Hall abstained. The motion passed.

Member Comments

Scott McGee said that he was attending the board meeting at the request of board member Liz Blum, and that he was there to discuss the new ends policies. He asked that the board decide if members present would be allowed to participate in the ends development discussion.

MOTION: Benoit Roisin moved to allow the members in attendance to participate in the ends discussion. Kevin Birdsey seconded the motion.

VOTED: 10 in favor, 0 opposed, Jessica Saturley-Hall abstained. The motion passed.

No member wished to speak on a topic other than ends.

Governance Process

Ends Development

MOTION: Liz Blum moved to rescind the ends adopted at the June 26, 2019, board meeting and replace them with the former ends to be followed by the establishment of a committee consisting of board members, member-owners and employees to review both sets of ends and make recommendations to the board. Benoit Roisin seconded the motion.

Discussion: Ed Fox asked to read a statement about the ends reminding those present that it is his responsibility to interpret them and provide structure, support, and leadership. He said that the Co-op will always be a responsible triple bottom line organization within an extremely competitive market with microscopic margins. The ends are the statement of why the Co-op exists, and he's confident that the board will continue to move forward in addressing them.

Don Kreis read a prepared statement. He described his role as a former board member and as one of the board members who worked with Co-op management to develop the old ends policies. He noted specifically that the new ends do not address some of the stakeholders, including employees, community benefit, and the agricultural sector. He acknowledged that revising and improving the old ends is a good idea.

Richard Schramm spoke as a former board member involved in framing the previous ends. While understanding that a framework which allows for more benchmarks is a good goal, he found the lack of stakeholder groups to be notable.

Marta Ceroni spoke as a member of the Waste Reduction Committee and a passionate member of the Co-op. She pointed out the lack of member and employee involvement in writing the new ends.

Nelson Kafir reiterated the previous member points and his view that the Co-op exists for the greater good of the members and community (referencing the old ends) rather than simply providing goods and services (referencing the new ends).

Several board members thanked the members present for their thoughts and wanted to share that the review of the ends was inspired by a desire to do better governance in the form of monitoring and that the edits were revisited in good faith. It was also noted that the previous ends did not have member input and that the new Member Linkage committee will be charged with soliciting member input on a variety of things, including the ends. A board member stated that all of the stakeholders mentioned in this meeting are supported and protected in other governing policies.

VOTED: 4 in favor (Liz Blum, Victoria Fullerton, Benoit Roisin, and Ann Shriver Sargent). 5 opposed (Tom Battles, Kevin Birdsey, Rosemary Fifield, Ed Howes, and Jessica Saturley-Hall). 2 abstained (Emmanuel Ajavon and Allene Swienckowski). The motion failed.

Jessica Saturley-Hall noted that it would be best for the board to take concrete steps to incorporate member input on the ends moving forward.

MOTION: Jessica Saturley-Hall moved to establish a committee including board members, member-owners, and employees to study the new ends and recommend changes to the board. The committee will work with Member Services and Outreach to involve as many member-owners as possible. Ann Shriver Sargent seconded the motion.

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

Benoit Roisin will chair the new ends committee with Allene, Victoria, and Jessica Saturley-Hall serving. A committee charter will be submitted for the August board meeting.

GP 12 – Board Linkage with Ownership (new)

MOTION: Kevin Birdsey moved to accept GP 12 – Board Linkage with Ownership as a new policy. Liz Blum seconded the motion.

VOTED: 10 in favor. 0 opposed, Jessica Saturley-Hall abstained. The motion passed.

Monitoring

Monitoring Report EL 2 – Financial Performance

MOTION: Ann Shriver Sargent moved to assess the EL 2 – Financial Performance report as demonstrating compliance. Allene Swienckowski seconded the motion.

Discussion: A board member asked why gas sales were off by over 33,000 gallons. Ed said he would look into it and get back to the board with an answer. A board member asked for more information on why the gross margin was below budgeted numbers. Mark Langlois went through each line item.

The board also noted the areas of non-compliance that are related to the timing of reporting. It was suggested that the policy be re-written to accommodate the timing error or that the monitoring report note that the GM is projecting compliance.

Jessica Saturley-Hall ended her participation by phone.

VOTED: 10 in favor. 0 opposed. The motion passed.

Monitoring Report EL 3 – Asset Protection

MOTION: Ann Shriver Sargent moved to assess the EL 3 – Asset Protection as demonstrating compliance. Ed Howes seconded the motion.

Discussion: The General Manager was commended on his thorough reporting. He stated that business continuity planning is an essential component in asset protection and that the board will hear a presentation on the topic at the October board meeting.

VOTED: 10 in favor. 0 opposed. The motion passed.

Governance Process

GP 10 – Board Committees (Revision)

MOTION: Tom Battles moved to accept the revisions to GP 10 – Board Committees with the addition of *GP 10.8 The time and location of all board committee meetings shall be made public at least 48 hours in advance of the meeting.* Liz Blum seconded the motion.

Discussion: The board will post a committee list on the website with contact information for the chair of each committee and meeting time and location.

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

GP 11 – Board Committee Structure (new)

MOTION: Tom Battles moved to accept GP 11 – Board Committee Structure as a new policy. Liz Blum seconded the motion.

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

Diversity Equity and Inclusion Charter

MOTION: Kevin Birdsey moved to approve the Diversity Equity and Inclusion (DEI) charter. Tom Battles seconded the motion.

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

Governance Action Plan Review

The board reviewed tasks on the Governance Action Plan and made the following notes:

- Tom Battles is appointed chair of the HCCF Advisory Committee with Rosemary, Ann, and Ed Fox serving.
- Rosemary will re-write the Election Committee charter.
- Ann will review EL 4 – Member/Shopper Experience for possible improvement.
- Kevin will review EL 2 – Financial Performance for possible improvement.
- Governance Committee will review EL 1 – Planning as suggested by Governance Coach.
- Ann will provide proposed language to delay acceptance of a monitoring report until the following month.
- Ann and Kevin will discuss the option of external monitoring of EL 2 – Financial Performance via a third-party financial consultant and bring a recommendation to the board.

GM Monthly Update

Ed stated that the Co-op continues to operate ahead of budget and noted the inclusion of an inflation chart in the packet to address basket size increases. He reminded the board that the Co-op is co-hosting Vermont Governor Phil Scott, along with the Secretary of Commerce and others, next Tuesday, July 30th at LISTEN Community Services at 11:15 a.m. The meeting is open to the public. He stated that C.E. Pugh, President of NCG, will be at the September board meeting, and Arlene Silva will be presenting to the board on business continuity planning at the October board meeting.

The employee survey is closing August 10th. A draft of the member/shopper survey will be sent to the board via email. Amanda Charland and Bruce Follett are meeting with a consultant to discuss an industry market study for the Upper Valley in late summer/early fall.

Ed directed the board to his report on the Norwich Service Center in response to Ann's questions about alternative plans, should the Norwich Service Center not meet its budget goals. He said he continues to work on such a plan.

He provided the board with specific information about the Co-op's prepared foods departments and agreed that staffing has been a problem at all locations.

EL 5 Committee Report

There was disagreement on whether or not the report in the board packet represented input from all members of the EL 5 committee. No further action will be taken on recommendations included in the report without committee agreement.

Bylaws Committee Report

Rosemary asked for more board members to participate in this committee. Board members are to contact Rosemary if interested.

Adjournment

Motion to adjourn at 9:05 p.m.

Respectfully submitted,

April Harkness

Board Administrator

Victoria Fullerton

Acting Board Secretary