

DRAFT MINUTES Annual Meeting April 7, 2018

Board of Directors Present: Kevin Birdsey, Elizabeth Blum, William Craig, Harrison Drinkwater, Victoria Fullerton, Dana Grossman, Ed Howes, Benoit Roisin, Anthony Roisman, Tom Battles, Ann Shriver Sargent, Don Kreis

Candidates for the Board: Victoria Fullerton (current board member), Don Kreis (current board member), Nicole Vecchi, Mary Ellen Solon, Jessica Giordani, Jessica Saturley-Hall, Rosemary Fifield

Members: Approximately 45 members were present (including the directors, employees, and guests listed here by name)

Employees: Ed Fox, Amanda Charland, Lori Hildbrand, Paul Lambe, Mark Langlois, Allan Reetz, Emily Rogers, April Harkness, Matt Protas, Joanne Bouchard, Joi Purrell, Samantha Estes, Doren Hall, Ayla Liden, Janet Couture, Lisa Thibodeau

Guests: Tara Reardon (director, Resident Owned Communities-NH), Roy Gerstenberger (Gerstenberger Scholarship presenter), Steve Austin (auditor, Gallagher, Flynn & Company, LLP)

Welcome and Introductory Remarks

Board president Bill Craig called the 82nd Annual Meeting to order at 10:03 a.m. in the main dining and meeting room of the LISTEN Community Center in White River Junction, VT. He reviewed the meeting's agenda, which includes two parts: a business meeting, including a report from the General Manger (GM) and a report on the financial condition of the Co-op, followed by a candidate forum and Q&A session. Bill also reminded members that the voting period for the board of director's election runs from April 1 to April 30.

Bill introduced Kyle Fisher, director of LISTEN, and extended a thank-you to LISTEN for offering its dining hall as the venue for the Co-op annual meeting for the second year in a row. Kyle thanked the Co-op in return on behalf of his organization and the other two primary beneficiaries of the Pennies for Change program — Willing Hands and the Haven. He also thanked the members and shoppers who support the program by rounding up at the registers, noting that as a result LISTEN has been able to expand its offerings in several ways, including serving a free community dinner on Saturday evenings as well as weeknights.

Business Meeting

Approval of April 1, 2017, Annual Meeting Minutes

MOTION: Dana Grossman moved to approve the April 1, 2017, Annual Meeting minutes as presented.

Liz Blum seconded the motion.

VOTED: The motion passed unanimously by voice vote.

Presentation of Co-op Finances

Benoit Roisin, board treasurer, presented the financial report. The presentation was developed in coordination with Finance Director Mark Langlois and Steve Austin, auditor with Gallagher, Flynn & Company. Benoit stated that despite the intense competition in the grocery industry, the Co-op is doing well. At the end of 2017, he reported, there was an after-tax surplus of \$172,224, despite various generous member discounts offered throughout the year — including savings by members of \$444,882 through the monthly 10%-off Member Appreciation Days, of \$70,395 through a 20% discount day to mark the 20th anniversary of the Lebanon store, and of \$152,973 through the annual Case Lot Sale.

In addition, he noted that the Pennies for Change program raised \$249,973 in 2017 through member and shopper contributions; all of those funds go directly to our community partners.

General Manger's 2017 Report and 2018 Plan & Goals

General Manager Ed Fox stated that this is his second annual meeting, in the context of the Co-op's 80-plus years in business. He noted that the Co-op developed a new vision statement in 2017 — “A well-nourished community cultivated through cooperation” — and is part of a much larger *cooperative world*, which counts 1 in every 6 people on the planet as a member of one or more co-ops. Our Co-op has over 24,000 members, 400 employees, and 300 local vendors. He pointed to the annual Impact Report and Ends Report, available online, for more details.

Next, Member Services and Outreach Director Amanda Charland highlighted the Co-op's work in each area of its triple bottom line: environmental responsibility, social impact, and economic value. In the last year, the Co-op diverted 379 tons of food waste from the landfill. The Co-op also received EPA recognition through the Green Chill program, thanks to a reduction in refrigerant emissions from 56% in 2011 to 7.4% in 2017 (an 80% reduction). The Co-op also donated over 200,000 meals' worth of food in the community and provided over 3,500 hours of food-related education during 2017. The Co-op is a major supporter of local growers and producers, too, spending more than \$4.1 million on locally grown or produced items in 2017. Finally, Amanda noted that over 80% of our members participate in the Pennies for Change round-up program, which raised \$249,973 in 2017 alone to benefit three food access organizations as well as local school gardens, substance abuse programs, child care facilities, and other charitable causes.

Ed Fox closed by reiterating that our business is a conduit for many good things. He noted that the Co-op's priorities for the coming year will include renovating the Lebanon Store and furthering an effort to better understand the priorities and interests of members and shoppers. He thanked all who make this work possible.

Employees at Work – An Inside View

Human Resources Director Lori Hildbrand narrated a slide show offering an overview of what it's like to work at the Co-op Food Stores. It takes many people to keep the organization moving, including those in merchandising, inventory control, finance, and retail store operations, as well as members/shoppers. She explained that employees in many departments — including Outreach, the Co-op Kitchen, Facilities, Front End, Transportation Services,

Information Technology, the Service Center, and Human Resources — all play a critical role in the organization's success.

She concluded with a rhetorical question: "Why work at the Co-op?" The answers, she responded, include that it feels good to be a part of a team and that the Co-op offers an excellent benefit package (approximately 80% of the Co-op's employees are full-time with benefits), fair wages, and career advancement opportunities.

Presentation of the Allen and Nan King Award for Community Service

Tony Roisman announced the 2018 King Award winner: Michael Whitman. The award citation noted that not only is he a longtime friend of the Co-op, volunteer bagger, and maker of the wooden dividers found on the conveyer belts at every Co-op register, but he has made many other contributions to nonprofit causes in Upper Valley communities.

Michael accepted the award with pride and noted that he is donating the Co-op's \$500 award check (which goes to a nonprofit of the recipient's choice) to Second Growth of Wilder, VT, an organization that provides support for violence prevention and for teenagers and young adults recovering from drug and alcohol issues.

Presentation of the First Annual Gerstenberger Scholarship Award

Hanover Consumer Cooperative Fund (HCCF) Chair Harrison Drinkwater introduced Roy Gerstenberger — youngest son of long-serving Co-op General Manager Arthur Gerstenberger and nephew of another Co-op GM, Arthur Gerstenberger, and its first education director, Sally Gerstenberger, in whose collective memory the scholarship is named. Roy presented the first annual Gerstenberger Scholarship Award to Tara Reardon, director of Resident Owned Communities-NH (ROC-NH), to support the organization's work connecting manufactured housing cooperatives with other cooperatives in their area and with the cooperative movement in general. The project will help fund the challenging initial work to get this training developed and established. After testing and finalizing, it will become part of the rotation of trainings that the New Hampshire Community Loan Fund's ROC-NH team does with ROCs at their annual meetings and will also serve as excellent motivation to connect other New Hampshire cooperatives with local ROCs.

Tara then introduced a brief film titled *The First 100: Building Community and Celebrating Resident-Ownership*. The film highlighted the challenges of single-owner manufactured housing developments, including increases in rent, transient populations, lack of maintenance, and oftentimes lack of communication, to name a few. With resident owned communities, the land is community owned and cooperatively managed; residents can take part in decision-making, can make agreed-upon investments in infrastructure and maintenance, and can take pride in ownership. There are over 100 ROCs in New Hampshire and not one has gone out of business.

Member Questions and Answers

Comment: An unidentified member stated that Michael Whitman's dividers are also nice because they contain no advertising.

Q. A member asked to hear more from the GM on the 2018 plans for the Co-op.

A. Ed Fox pointed members to the full Business Plan on the Co-op's website for detailed information and mentioned that highlights include investments in IT (including implementation of a new software program that will improve efficiencies in accounting and inventorying), investments in the Co-op Kitchen to create better and more consistent products throughout our stores, better engagement with our membership, use of Lebanon Store tenant improvement funds to renovate that facility (a project that will include input from members and employees), and the abolishment of at-will employment language in the employee handbook as a demonstration of our belief in the cooperative principles.

Q. A member expressed concern on several counts about the Co-op's commitment to education: Why didn't the Co-op include sustainability in its vision statement? What happened to the bimonthly newsletter and pamphlets with information on topics such as fair trade and sustainability? Why isn't the Co-op focusing on Ends, such as providing more bulk products, making recycling more visible and easy, and getting rid of plastic bags in the stores?

A. Member Services and Outreach Director Amanda Charland described educational programs that are happening now and several that are being developed. She said that avenues of information-sharing have evolved and thus no longer include as many printed materials. The Co-op posts information online, sends out important updates and product information to members via email, and has a blog with a wealth of information. There is a new member engagement program in development that plans to listen more to the membership and communicate with each member in the way they find most effective. The Co-op still has a deep commitment to sustainability and recycling, she concluded.

Q. A member reinforced the concern expressed earlier about the availability of plastic bags at the checkout areas.

A. This concern has been raised in the past and is a challenging one, as there are many factors to consider in removing the option of plastic bags for our shoppers. Board President Bill Craig assured the member that the board will continue to look at the issue of plastic bags, including whether there are any viable alternatives to providing them at our stores.

Thanks and Farewell

Bill thanked outgoing board members Tony Roisman and Harrison Drinkwater for their years of service on the HCCS Board of Directors and thanked all in attendance for being at the meeting. The business meeting closed at 11:46 a.m., and the Candidate Presentations and Q&A began immediately thereafter.

For the video of the Business Meeting portion of the Annual Meeting, please go to:
For the video of the Candidate Forum, please go to:

Respectfully submitted,

April Harkness
Board Administrator

Dana Grossman
Secretary