

FINAL MEETING MINUTES, September 27, 2017

**Present:** Anthony Roisman, Kevin Birdsey, Harrison Drinkwater, Ed Howes, William Craig, Elizabeth Blum, Benoit Roisin, Thomas Battles, Dana Cook Grossman, Victoria Fullerton (arrived at 6:12 p.m.), Don Kreis, Ann Shriver Sargent

**Absent:** Thomas Battles, Harrison Drinkwater

**Staff:** Ed Fox (General Manager), Mark Langlois (Controller, interim Director of Finance), Lori Hildbrand (Director of Human Resources), April Harkness (Board Administrator), Bruce Follett (Director of Operations), Doren Hall (Lebanon Store Manager)

Bill Craig called the meeting to order at 6:01 p.m. in the Culinary Learning Center, Lebanon, NH, store.

**Consent Agenda: August 23, 2017, Meeting Minutes, (Appendix A), and September 2017 Share Redemption Request**

**MOTION:** Ed Howes moved to accept the August 23, 2017, meeting minutes.

Liz Blum seconded the motion.

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

**MOTION:** Don Kreis moved to approve the September 2017 Share Redemption Requests.

Dana Cook Grossman seconded the motion.

**DISCUSSION:** There was a question regarding tracking the B share redemptions over time and what it means to the organization.

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

**General Manager Report**

Ed Fox stated that expenses are down across all locations. He also said that the Co-op recently hosted a successful job fair, with the hope of filling some open positions. Ed told the Board that the proposed Business Plan will be available in draft form in October. The full Business Plan and Budget will be available in December.

Ed also reminded the Board of the fact that Paul Guidone is stepping down as Director of Finance, as of October 13, and that Mark Langlois will be interim Director of Finance. Paul will assist in the transition and also be available as an advisor to the General Manager on financial and business strategy. The Board officially thanked Paul for his service to the Board and to the Co-op and welcomed Mark into his new role. In response to a question from the Board, Ed said he was not

surprised by Paul's departure, that he had known he did not plan to stay in the position for an extended time, and that he was conducting a search for a permanent Director of Finance.

The Board expressed ongoing concern over finances, specifically the difference between budgeted sales and actual sales at the Lebanon store. Ed Fox noted that there are several reasons for this, including forecasted sales being too high for the store and the decrease in foot traffic and basket size. To help offset the differences, store managers are doing more targeted ads and flash sales, are improving customer service training, and are investing in equipment. Ed also said we are beginning to realize the benefits from the consolidated Co-op Kitchen operation.

## Policy Monitoring

### **Monitoring Report: EL 7 – Communication and Counsel to the Board**

**MOTION:** Ed Howes moved to accept *EL 7 – Communication and Counsel to the Board* as in compliance.

Benoit Roisin seconded the motion.

**DISCUSSION:** Tony commented that the communication and counsel to the Board is very thorough. He feels the Board is extremely well informed at all levels and that such information is critical to doing the Board's ability to do its job. Ed reminded the Board that if they want to see more information or have the information they are receiving modified in any way, to let him know.

**VOTED:** 10 in favor, 0 opposed, 2 absent. The motion passed.

### **Modification of EL 2.5- Consolidated operation to generate inadequate net income**

Once again, the Board was told that if not for unexpected increased health insurance costs, the Co-op would be in the black. Mark Langlois advised that the modified Fiscal Year pro forma is now made available quarterly as opposed to annually, for better oversight of this financial information.

There was much discussion of the Action Plan Options and Tactical Decisions (pp. 2 and 3 of the handout). The Board expressed concerns over the potential of having two years of year-end losses.

**MOTION:** Liz Blum moved to accept the revised EL 2.5 General Manager's proposed Action Plan as satisfying EL 2.5's compliance.

Victoria Fullerton seconded the motion.

**DISCUSSION:** Tony asked for further clarification on the action items that are currently being undertaken, such as the impact of flash sales and the social media ramp-up, and how those actions are affecting financial performance.

**AMENDMENT TO THE MOTION:** Tony Roisman made an amendment to the motion stating that the General Manager is in compliance with EL 2.5, subject to conditions subsequent: Next month the Board will receive a definitive report on the implementation of the Action Items listed on page 3 of the Proposed Modification to EL 2.5 and the progress shown toward compliance under each of those Action Items.

Victoria Fullerton seconded the motion.

**DISCUSSION:** Tony further suggested that the report to the Board include the incremental effect of each item, to help ascertain whether each item is worthwhile.

**VOTED:** 8 in favor, 0 opposed, 2 abstained, 2 absent. The motion passed.

**Lebanon Store Report (Appendix B)**

Doren Hall, Lebanon store manager, presented the update on the Lebanon store. New products and processes being introduced include ready meal kits, cross-training of staff within departmental clusters, implementation of the ECRS system and of trade partner commitments (helping to ensure consistent presentation of products and high-quality customer service from our vendors), and the potential redesign of "Area 51," between the bakery and deli sections. In response to questions, Doren explained that ECRS does not currently have the capability to process EBT cards or Pennies for Change contributions on the customer keypads, but that those are high priorities for modification. The Board had some follow-up questions and thanked Doren for the presentation.

**B-GM 2 – Accountability of the GM (Appendix C)**

This policy is not currently evaluated via a monitoring survey, but the Board feels that GM accountability is in line with expectations under the policy. There were some suggestions to improve the wording of the policy as written and those are to be forwarded on to Bill, as Chair of the Policy Monitoring Committee.

**MOTION:** Kevin Birdsey moved to accept the policy discussion as the monitoring.

Don Kreis seconded the motion.

**VOTED:** 10 in favor, 0 opposed, 2 absent. The motion passed.

**B-GM 3 – Delegation to the GM**

**MOTION:** Benoit Roisin moved to accept the policy survey questions and responses as the monitoring.

Kevin Birdsey seconded the motion.

**DISCUSSION:** Kevin suggested that it would be helpful if a survey respondent feels strongly about changing or removing a section of a policy that they provide both detail as to why and any rewording recommendations.

**VOTED:** 10 in favor, 0 opposed, 2 absent. The motion passed.

**EL 5 – Treatment of Staff**

As the review of EL 5 took place at the August meeting and the vote was postponed at that time, the Board voted on compliance with this policy.

**MOTION:** Kevin Birdsey moved to accept to *EL 5 – Treatment of Staff* as in compliance.

Liz Blum seconded the motion.

**VOTED:** 10 in favor, 0 opposed, 2 absent. The motion passed.

## Member Comments

Terry Appleby, the only member present at the Board meeting, stated that he appreciated the Board packet on the Co-op website and found it very informative. He reminded the Board that EL 2.5 is a board policy, not a Carver policy, and since it was written by the Board it can be revised by the Board at any time.

## Committee Updates

**Charitable Giving Task Force (Appendix D)** – Benoit informed the Board that *GP 8 – The Hanover Cooperative Community Fund* and *EL 9 – Cooperative Giving Program* will be revised with updated information and brought before the Board for approval. Priorities for cooperative giving have been established based on themes provided by this committee.

**Election Committee (Appendix E)** – Kevin told the Board that copies of candidate applications will be available soon. They will be available online and in stores.

**MOTION:** Kevin Birdsey moved to schedule the Annual meeting for April 7, 2018.

Dana Cook Grossman seconded the motion.

**VOTED:** 10 in favor, 0 opposed, 2 absent. The motion passed.

## Energy Task Force

**MOTION:** Tony Roisman moved to establish the Energy Task Force with Liz Blum as Chair.

Kevin Birdsey seconded the motion.

**VOTED:** 9 in favor, 0 opposed, 1 abstained, 2 absent. The motion passed.

## Member Engagement/EL 5 – Treatment of Staff Committee

Victoria gave an update of the Committee's work. She said that the Co-op currently has an Employee Assistance Program (EAP) that is a part of the grievance procedure outlined in the Employee Handbook. The EAP is an independent service provided by our health insurance provider, Anthem. Employees can speak to someone anonymously on a variety of issues, including those in the workplace.

Working Bridges is a separate program provided through Granite United Way that provides local resources for assistance in helping employees to be able to work, such as information about child-care services, transportation, or finances.

Victoria described the difference between the EAP program and a third party ombuds that is sometimes used by other organizations to assist with workplace issues. Ombuds do not typically

provide counseling, but they help to resolve issues to the benefit of both the employee and the employer. The Committee looked at what other Co-ops are doing and found huge variation from one co-op to another.

### **Retreat Task Force (Appendix H)**

The Retreat is being held at the Lyme Inn on October 29 to discuss some of the historical issues of the Co-op and some of the financial implications of those decisions.

### **New Business/Action Items**

The Board took action on two matters concerning fiscal affairs, including one to give Mark Langlois check-signing authority in his new role as Interim Director of Finance.

**MOTION:** Tony Roisman moved to approve the Board of Directors Resolution to removed Paul Guidone as authorized signatory for checking accounts for the Hanover Consumer Cooperative Society, Inc. and appoint Mark Langlois authorized signatory for checking accounts as of the opening business on October 16, 2017.

Ann Sargent Shriver seconded the motion.

**VOTED:** 10 in favor, 0 opposed, 2 absent. The motion passed.

**MOTION:** Tony Roisman moved to approve the Board of Directors Resolution to appoint Edward Fox as authorized signer to enter into contractual agreement with JP Morgan/Chase to provide a corporate credit card/purchase card program and execute any documents necessary to make such changes as of opening of business September 28, 2017.

Ann Sargent Shriver seconded the motion.

**VOTED:** 10 in favor, 0 opposed, 2 absent. The motion passed.

**MOTION:** Liz Blum moved to remove *GP 11 – Joint Board-Level Committee* from the HCCS Governance Policies as it's no longer relevant.

Ed Howes seconded the motion.

**VOTED:** 10 in favor, 0 opposed, 2 absent. The motion passed.

### **Board Communications**

Bill asked that the Board members send any Board communications to him before they are published, including the monthly board blog. This will allow the Board to continue to speak with one voice.

He also announced that the Co-op was given the 2017 *Community Spirit Award* at the Windsor County Partner luncheon earlier that day and expressed the hope that there would be a press release about the honor.

**ADJOURNMENT:**

**MOTION:** Liz Blum moved to adjourn the meeting at 8:50 p.m.

Ed Howes seconded the motion.

**VOTED:** 10 in favor, 0 opposed, 2 absent. The motion passed.

Respectfully submitted,

April Harkness  
Board Administrator

Dana Cook Grossman  
Board Secretary