

DRAFT MINUTES September 28, 2016

- Present:** Anthony Roisman, Michael Bettmann, William Craig, Kevin Birdsey, Elizabeth Blum, Sarah Blum (arrived 6:06), Harrison Drinkwater, Victoria Fullerton, Dana Grossman, Ed Howes
- Absent:** Brett Tofel, Kay Litten
- Staff:** Terry Appleby, Ed Fox, Paul Guidone,
- Guests:**
- Members:** Stacy Wilson, Terry Stacy, Diane Guidone, Benoit Roisin, Nora Jacobson, Sylvia Davatz, Darrell Francis, Charles Goldensher, Len Ziefert

Anthony Roisman called the meeting to order at 6:00 p.m. in Hanover Board Room, Hanover, NH.

**Consent Agenda: August 24, 2016 Meeting Minutes, and August, 2016 Share Redemption Request**

**MOTION:** Harrison Drinkwater moved to accept the August 24, 2016 meeting minutes as presented.

Dana Grossman seconded the motion.

**DISCUSSION:** Paul Guidone stated there is one change that needs to be made to the minutes. Under the Board Budget Committee discussion it was stated that the Co-op policy requires a board budget will be in the range of 0.01% to 0.02% of total revenue. This is incorrect. It should read (in the range of 0.1% to 0.2% of total revenue.)

**AMMENDMENT:** Harrison Drinkwater moved to accept the August 24, 2016 meeting minutes with the one change noted.

Dana Grossman seconded the motion.

**VOTED:** 9 in favor, 0 opposed, 1 abstained, 3 absent. The motion passed.

**MOTION:** Dana Grossman moved to approve the August, 2016 Share Redemption Request.

Anthony Roisman seconded the motion.

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

**General Manager Update**

Terry Appleby, General Manager, stated he had a couple of quick announcements. The Case Load sale is happening now and reminded both board members and the public to take advantage of this opportunity over the next three days. Terry also shared the good news of Amanda Charland, Co-op's Outreach and Member Services Director, had her baby. We are pleased to congratulate Amanda on the birth of her baby boy named Finn.

Terry also stated the transition with Ed Fox is going very well. We are pleased to have him here. Our plan is to transition authority to him at the end of October.

Ed stated that his weeks here have been fantastic, and I have had the opportunity to meet with Board members and staff. Allan Reetz, Public Relations Director, is setting up a formal Meet and Greet at the store locations and I am also going to the Farmers Market on Saturday. Ed also stated he had the pleasure to attend the National Co-op Grocers conference in St. Paul, Minneapolis, along with Terry last week and enjoyed meeting other co-op managers from across the country. A board member asked; "Does NCG do any business with non-cooperative companies?" Terry stated no, they must be a Co-op.

Ed stated that he will be meeting with the proposed owners, Crosspoint Associates, to discuss the legal closing of the Lebanon Complex between the Centerra Marketplace and Dartmouth College.

Crosspoint Associates are based in Boston and have several retail locations in New England. Liz Blum asked; "Do you have any concerns with respect to the closing of the store and/or the proposal being presented?" Ed stated no, he does not have any concerns.

## Member Comments

A member stated she thought the Pennies for Change program was a good thing. She was glad to see it recognized on the front page of the Valley News. Terry mentioned he had a chance to be at an event for Willing Hands which is one of the three food access programs we support each month. Since its inception in June, Pennies for Change has encouraged members to donate nearly \$60,000 for food access programs and non-profits in the Upper Valley.

Dana Grossman wondered if we knew the percentage of shoppers that say yes rather than no to this program. Paul Guidone, Director of Finance, stated we could probably track that. Paul will look into it and report back to the Board. It was mentioned that board members observed customers being a bit confused on this program or that not all customers are asked if they would like to round-up their final bill. With a debit/credit transaction it is easy to indicate yes/no, but with a check or cash transaction, the cashier needs to ask verbally. Sometimes it is easier for the cashier to hit NO to move the line along. Terry stated we are looking into a new software next year which might make it easier to indicate one's preference for participating in Pennies for Change, among other benefits.

Ed Howes mentioned he had just visited the Seward Co-op in Minnesota when he participated in NCG's "Convergence" expo. Their store was half the size of ours and they had just reached \$1 million mark of donations after collecting for 10 years. Bill Craig asked; "what was the kick off strategy for this program to get the public educated and up to date". Terry stated we had educational information on our website and at our registers in all the Co-op stores. It was the consensus of the board members that the Valley News had done a great job on including articles in the daily paper over the past few months on this program.

## Policy Monitoring

### EL 7 – Communication and Counsel to the Board

**MOTION:** Kevin Birdsey moved to accept the EL-7 monitoring report as in compliance, as Terry as written it.

Dana Grossman seconded the motion.

**DISCUSSION:** Hearing no questions or discussions, the motion was carried.

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

## Monitoring Reports – August

BGM 2 Accountability of the GM

BGM 3 Delegation to the GM

DISCUSSION: There was much discussion by the board members on the wording of the accountability of the GM is “the *only link to operational achievement and conduct*”. Board members hope that they can continue to have that free flow communication from others on staff as well as members, but acknowledge that the GM is accountable for operational performance. Tony Roisman stated we have not acted on another committee to review the wording and how we want to handle policy wording. It was suggested that this topic could be part of our Retreat Committee discussions.

It was also questioned if the current method of monitoring is the best format. Would it be more appropriate to consider policies in two steps: 1) Does the Board agree with the policy as written and 2) are we in compliance with the stated policy?

In closing, it was suggested that a sub-committee be appointed to review and evaluate policy monitoring. A suggestion on attending another Co-op board meeting was introduced for the purpose of observing how these Boards handle their Policy Governance Reports. The President mentioned he would work with the Board Administrator to come up with a breakdown of the neighboring Co-ops meeting dates and times for us to attend those meetings. It was also suggested to make these deliberations a part of the upcoming board retreat (below).

## Committee Updates

### Ad-Hoc Nominating and Election Committee

DISCUSSION: Bill Craig summarized the committee’s documents and recommendations proposed for this year’s Board election with emphasis on attracting candidates, then educating candidates and voting members alike about the election process. The committee noted the Co-op’s bylaws call for offering a “slate of candidates....deemed to be suitably qualified to service on the Board” but there is no objective definition of what “suitably qualified” means. Therefore, the committee recommended recruiting candidates who meet obvious requirements (membership in the Co-op; criminal background check as required by state law, etc.) and let the candidates enunciate their qualifications and aspirations for the Co-op, rather than being part of an “approved” slate. Members can then vote on the merits personified in each candidate.

Discussion followed on what is the best way to assess the current Board strengths and weaknesses and recruit nominees. The tough question is what we are going to do to get the nomination and define what we need to make the Board better. Do we need certain kinds of people, areas of expertise, etc. Ed Howes of the Nominating Committee, asked; if the Board creates some mechanism, a skill level that we want to fill, or does it have the process of somebody making the nomination. Recruitment is a powerful tool. Consistent clear ideas is what makes a good Board member.

The initial candidate application is the scheduled questionnaire and then we interview that candidate further to find out more about the background or interest of what that candidate can bring to the table. We need to be truly consistent on a description on what we want as a new board member. The website needs to be looked out by using a better retrieval of obtaining the Board documents for accessing the nomination process and applying for a candidate seat. Also we need to put up more signs in the stores announcing that the Board is looking for candidates and how to go about applying if interested. It was also mentioned that a Member may be nominated by petition signed by at least

50 Members of the Cooperative submitted to the Nominating Committee pursuant to the schedule established by that Committee. The petition candidates are no less nominated than candidates who simply submit an application. The petition guarantees a nomination that cannot be blocked by the committee. The members' opinion expressed by the petition overrules the committee's opinion.

After much discussion by the Board Members, it was time to make a motion on accepting the report presented tonight.

**MOTION:** Michael Bettman made a motion to accept the report of the Nominating Committee and move forward with the plan as outlined, with the clarification that there will be a Nominating Chair appointed by the Board President and the only qualification on the ballot would be that the Board, not the chair shall appoint additional persons to the committee, including non-Board Co-op members. And it requires the committee to facilitate the process of presenting candidates in a manner that provides a reasonable opportunity for eligible Members to seek election.

Liz Blum seconded the motion.

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

### **Retreat Committee**

**DISCUSSION:** The date and time of the 2016 Board Retreat is Sunday, December 4, 2016, 9-5 p.m. This date was a clear favorite in the recent board survey. The committee has reviewed three sites outside of Hanover, but within the Upper Valley. The Retreat is for board members only and is meant to help understand and answer the questions "what is our shared purpose" as directors of the Hanover Co-op and how do we perform our duties with efficiency and vigilance?

The Retreat Committee recommends hiring a professional facilitator. They have presented CDS Consultant as a retreat facilitator and have also asked two outside facilitators which are GC Consulting and Yellow Brick Road Consulting Group. At this point, the Planning Committee recommends using CDS Michael Healey because of his deep understanding of cooperatives and fiscal reasons that his fee has already been paid via the existing contract with CDS.

The facilitator would help the board members access where we want to go with the retreat. The facilitator gathers information from the board members to give them a dialogue on how to clearly understand their role as directors while respecting the work and responsibilities of the General Manager. Also what training is needed for them to do their job better?

Within the discussion, it was also mentioned that the Monitoring Report topic will be included in the Retreat agenda.

**MOTION:** Harrison Drinkwater made the motion to set aside Sunday, December 4, 2016, as the retreat date, and invite the facilitator, CDS to this retreat session.

**MOTION CALLED:** It was questioned if we needed to look into the other two facilitators. Answer is that the Board decided that CDS is qualified and knows the work.

**MOTION:** Harrison Drinkwater made the motion to set aside Sunday, December 4, 2016, as the retreat date, and invite the facilitator, CDS to this retreat session.

Dana Grossman seconded the motion.

VOTED: 7 in favor, 2 opposed, 1 abstained, 2 absent. The motion passed.

## **New Business**

### **CDS Contract Renewal Proposal**

Discussion: It was presented to postpone this decision to October to get more information on the CDS Contract.

**MOTION:** Liz Blum made the motion to postpone this decision to October and that Tony would get more information from Marilyn on the CDS Contract and what our commitment will be.

Ed Howes seconded the motion.

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

### **Executive Session – 8:53 pm**

All staff and guests left the meeting at this time and the Board then met in executive session. Interim Board Administrator, Tracey Zink, left the session at 8:49 p.m.

**MOTION:** Dana Grossman made a motion to go into Executive Session at 7:53 p.m. to discuss two separate issues involving a personnel and a legal matter, and to invite both General Managers, the Director of Finance, the interim Board Administrator, and the two employee Directors to attend this session.

Michael Bettman seconded the motion.

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

### **The Co-Op's Class B Shares**

**MOTION:** Dana Grossman moved to approve the consent agreement between the Co-op and the NH Bureau of Securities regarding the issuance of Class B Shares, and to thank Paul Guidone, the Co-op's Director of Finance, for his hard work.

Harrison Drinkwater seconded the motion.

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

### **Board Administrator Position**

**MOTION:** Dana Grossman moved to recommend that the Ad-Hoc Board Administrator Committee review the top four candidates (as determined by the committee's ranking) and to recommend to the Board the candidate or candidates who should become the next Board Administrator.

Liz Blum seconded the motion.

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

**MOTION:** Michael Bettmann motioned to come out of Executive Session at 9:06 p.m.

Liz Blum seconded the motion.

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

**Adjournment**

**MOTION:** Michael Bettmann moved to adjourn the meeting at 9:07 p.m.

Kevin Birdsey seconded the motion.

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

Respectfully submitted,

Tracey Zink  
Interim Board Administrator

Harrison Drinkwater  
Board Secretary