

MINUTES January 27, 2016

- Present:** Michael Bettmann, Sarah Blum (left at 9:12 p.m.), Harrison Drinkwater, Margaret Drye, Victoria Fullerton (arrived at 6:15 p.m.), Kay Litten, Benoit Roisin, Anthony Roisman, John Rosenquest, Susan Sanzone Fauver, Brett Tofel
- Absent:**
- Staff:** Terry Appleby, Kevin Birdsey, Eugenia Braasch, Gene Cassidy, Ed Howes, Mark Langlois, Steve Miller
- Members:** Dottie Anderson, Liz Blum, Nancy Carter, Marta Ceroni, Sean Clauson, William Craig, Jackie Gordon, Paul Gordon, Armin Helisch, Antoinette Jacobson, Jim Kenyon, Donald Kreis, Lynn Schad, Robert Spottswood, Michael Whitman
- Guest:** Marilyn Scholl, CDS Consultant

Margaret called the meeting to order at 6:00 p.m. in the Richard Black Community Center, Room 212. She noted that the Co-op Board meeting is not public and requested that no filming or recording take place. The Directors introduced themselves and reported on their meeting preparedness.

Agenda Review & Changes

There were no agenda changes.

Co-op Stories

Margaret recently witnessed several Dartmouth students' delight upon entering the renovated Hanover store after being away for the fall semester.

Harrison found the CBLD 101 program fascinating; both the program content and the opportunity to interact with other cooperators contributed to the event's value.

Kay noted a recent *New York Times* articles about food deserts in the United States.

Benoit read *What Happened to the Berkley Co-op?* The analysis of organizational decline was disturbing. Tony appreciates the Lebanon store cheese department staff recommendations.

Susan was thanked by a low-income housing resident who received flowers from the Co-op via Willing Hands.

Consent Agenda: December 16, 2015, Meeting Minutes and EL 11 Monitoring Report

MOTION: John moved to approve the December 16, 2015, minutes and the EL 11 monitoring report as written.

Sarah seconded the motion.

VOTED: To approve the December 16, 2015, minutes and the EL 11 monitoring report as written 10 in favor, 0 opposed, 0 abstained, 1 absent.

The motion passed.

General Manager Update

Terry spent the past two days at a National Cooperative Grocers meeting in San Francisco and learned that General Managers have transitioned out of their positions in the past few years due to burn-out, retirement, and death. He expressed concern about the seriousness of this leadership situation.

CFO Anthony Alongi announced his resignation, effective February 29th and will become the new General Manager of Blooming Foods Co-o in Bloomington, IN. The executive search for a new CFO, conducted by Gallagher Flynn, is underway. Terry described the CFO qualifications as: broad financial skills, strategic thinking, and ability to plan for capital needs.

Terry described the member database clean-up project. Members who have not participated in the Co-op for 5 years were contacted and were asked if they wanted to maintain their membership or, if not, whether to redeem their shares or donate that capital to the Co-op. 361 people requested their equity capital,

leading to the larger-than-usual share redemption request this month. The next step will be to print all inactive member names in the newspaper and make another round of requests. Unredeemed capital will be donated to the Co-op.

Terry reported that the State of Vermont law requiring GMO labeling on products is driving changes elsewhere in the United States.

He also noted that grocery purchasing patterns have changed, people typically shop at more than 2 locations/week and food is sold in places other than the traditional grocery store venue.

Share Redemption Request

MOTION: Michael moved to authorize the January, 2016, Share Redemption request.

Benoit seconded the motion.

VOTED: To authorize the January, 2016, Share Redemption request.

10 in favor, 1 opposed, 0 abstained, 0 absent.

The motion passed.

Discussion

Co-op Principle 2 Democratic Member Control

Some comments were offered about the articles in the board packet: *Making Member Relations the Co-op Organizing Principle*, *Democracy in Cooperatives*, and *Adventures in Transparency Land, Balancing Democratic Control with Business Realities*. It was noted that (a) in the case of the Berkeley Co-op demise, Berkeley had expanded rapidly without sufficient membership backing; conversely, when it needed to close unprofitable stores, members insisted on keeping them open, draining Co-op reserves, and (b) while the membership is entitled to know the results of Board and Management decision-making, members don't necessarily have the right to participate in the process leading up to those outcomes.

Communications Task Force

The task force report was distributed and the suggestions for improving Co-op communications were offered in the areas of policies, survey, and other actions. There was consensus to adopt a framework of communication about information that is characterized as public, restricted, or confidential. It was observed that the report lacked the perspective of a two-way communication process. After discussion about the need for progress on this priority, the Board decided to send their feedback about the report draft within the next week, review the next draft and finalize communication recommendations at the February meeting.

Policy Revision

GP 2.1.6 Board Deliverables

MOTION: Brett moved to approve the proposed revision to GP 2.1.6.

Harrison seconded the motion.

VOTED: To approve the proposed revision to GP 2.1.6.

9 in favor, 0 opposed, 2 abstained, 0 absent.

The motion passed.

The policy revision is shown below; the current policy text is on the left, with text [deletions in brackets], and the proposed new text is on the right, with text **addition changes in bold type**.

The job of the Board is to represent all Co-op members in determining and demanding appropriate organizational performance.

Accordingly,

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GP 2.1: The Board will ensure that:

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GP 2.1.6: A suitable version of the Board packet be posted on the Co-op website at least two days in advance of the monthly Board meeting.

MOTION: Kay moved to ask the President and the General Manager to determine the packet content for on-line posting for the next meeting.

Benoit seconded the motion.

VOTED: To ask the President and the General Manager to determine the packet content for on-line posting for the next meeting.

9 in favor, 0 opposed, 2 abstained, 0 absent.

The motion passed.

The majority of Board members shared the perspective that access to the Board packet will improve member information about Board activities. Some concern was raised about possibly releasing business information that places the Co-op at a competitive disadvantage and the lack of a precise definition of 'suitable' content. Definition of the term 'suitable' was put to the discretion of the packet preparers.

Discussion

80th Anniversary Vision / Plan

The Board brainstormed about a variety of themes, program ideas, and venues. No specifics emerged. The group of board members will continue their planning, using suggestions from the meeting.

Member Comments

Members offered comments about:

- Member involvement on the Communication Task Force (characterized as a positive step),
- Releasing all Co-op salary information (an accepted practice in Europe, done at other public institutions),
- The 80th Co-op anniversary (an opportunity to focus on big issues such as the Co-op / the food system),
- The number of members needed to call a meeting (too high at 10% of membership, ~3,000 people),
- The candidate slate (characterized as undemocratic with 6 people for 5 open seats), and
- Board input from members (hope expressed that members will think cooperatively).

Committee and Task Force Updates

Strategic Conversations

Margaret proposed a discussion about capitalization and Class B shares at the February meeting, to coincide with the annual audit and financial review.

Retreat

The Executive Committee met to discuss a retreat plan, but concluded that it was not feasible this year.

Nominating Committee

Nominating Committee (Kay Litten, Chair, Michael Bettmann, Rosemary Fifield, Dale Shriver, Joan Wolter) selected 6 people with varied backgrounds: Kevin Birdsey, Dana Grossman, Ed Howes, Donald Kreis, Phil Pochoda, and Benoit Roisin. Kay described the process as 13 candidates completed the application, all candidates were sent the same set of questions prior to the interview, and all candidates were interviewed. The Nominating Committee made their decisions based predetermined criteria that were outlined in the Candidate Information booklet.

Criticism about the Nominating Committee process centered on the criteria, interview questions, and process used for candidate qualifications/vetting, the number of people chosen for the slate, and the lack of feedback to individuals about reasons why they were not selected. Kay was charged with lacking the authority to make judgments regarding a candidate's collegiality to serve on the Board. Kay responded that the Nominating Committee acted responsibly. A charge that the committee put together a personally-biased slate was ruled out of order. A candidate selected to the slate maintained that the process was consistent and fair.

It was noted that the Nominating Committee's work is highly important to the Board, should be predicated on analysis of Board effectiveness, and should be an on-going, multi-year function. It was suggested that the next Board promptly take up these issues.

Some Board members asserted that the Board control the 2016 election and sign off on the specifics of the process. A Board member requested that Management not have access to the paper ballots or electronic votes.

Succession Planning

The General Manager search process will begin its input sessions with members and employees this week. The Committee asked the Board members if they wished to hold an additional session with the committee and they agreed. After that stage, the committee will write a statement profiling the desired General Manager position. The search committee recognizes that it will be challenging to complete its task, given the high number of open GM positions nationally. Committee Chair Michael Bettmann agreed to circulate the committee member names and qualifications.

Administrative Matters

Genie asked Directors to tell her if they plan to attend the CBLD Cooperative Café, March 12th, Keene, NH, and/or the CCMA 2016 conference, June 9-11, Western Massachusetts.

Adjournment

MOTION: Benoit moved to adjourn the meeting at 9:20 p.m.

Brett seconded the motion.

VOTED: To adjourn the meeting at 9:20 p.m.

10 in favor, 0 opposed, 0 abstained, 1 absent.

The motion passed.

Respectfully submitted,

Eugenia F. Braasch
Board Administrator

Harrison Drinkwater
Secretary