

MINUTES March 23, 2016

Present: Michael Bettmann, Sarah Blum, Harrison Drinkwater, Margaret Drye, Victoria Fullerton, Kay Litten, Benoit Roisin, Anthony Roisman (left at 8:45 p.m.), John Rosenquest, Susan Sanzone Fauver, Brett Tofel

Absent: No one was absent.

Staff: Terry Appleby, Kevin Birdsey, Eugenia Braasch, Amanda Charland, Ed Howes, Mark Langlois, Steve Miller

Members: Liz Blum, Scribner Fauver, Donald Kreis, Antoinette Jacobson, Robert Spottswood

Margaret called the meeting to order at 6:05 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.

Co-op Stories

Margaret reported that the March 5th Neighboring Food Co-op Association meeting in Greenfield, MA, was an excellent opportunity to meet cooperators from the New England region and encouraged Directors to participate in future gatherings.

Kay distributed an Op-Ed column, [The Shame Culture](#), David Brooks, *New York Times*, March 15, 2016.

Consent Agenda: February 24, 2016, Meeting Minutes and March Share Redemption Request

MOTION: Benoit moved to approve the February 24, 2016, minutes and the March Share Redemption Request as written.

Kay seconded the motion.

VOTED: To approve the February 24, 2016, minutes and the March Share Redemption Request as written

11 in favor, 0 opposed, 0 abstained, 0 absent.

The motion passed.

March 2, 2016, Special Meeting Minutes

MOTION: Benoit moved to approve the March, 2, 2016, minutes as written.

Susan seconded the motion.

VOTED: To approve the March, 2, 2016, minutes as written.

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

The motion passed.

A board member asked the Secretary to report to the Board about best practices for board meeting minutes. The Board took no action on the request.

General Manager Update

Terry said that the Co-op's attorneys filed letters to the New Hampshire Bureau of Securities Regulation regarding a B shares issue; no response has been received.

Terry noted that all stores are running below budget; customer count is up 4% yet basket size is smaller. He noted that this pattern is consistent with Associated Grocers reports of flux in the grocery market, with general sales weakness for both wholesale and independent grocers. Deli sales are particularly weak, due to declines in processed meat consumption, and store managers are making associated staff adjustments. When asked whether management monitors sales-to-budget, Terry responded that figures are tracked on a daily basis and result in price adjustments. In response to questions about the product offerings, Terry indicated that management regularly obtains product information from customer requests, tours to various retailers, CDS Consulting Co-op, and National Cooperative Grocers.

It was suggested that the Co-op might have a competitive advantage by offering e-commerce services.

Policy Monitoring

ENDS Global

MOTION: Tony moved to accept the ENDS Global monitoring report as in compliance.

Susan seconded the motion.

VOTED: To accept the ENDS Global monitoring report as in compliance.

11 in favor, 0 opposed, 0 abstained, 0 absent.

The motion passed.

Definitions and interpretations of 'local' and 'affordable' food were explored. While there was general support for the Co-op's triple bottom line approach, some Directors asserted that members believe that product prices are too high. Terry described a variety of different discount programs that are in place to accommodate the range of shoppers' budgets.

When asked about progress with employee training and professionalism, Terry noted that over a quarter of the workforce participated in manager training during the past year. The HR Director and HR staff have done an excellent job helping employees to become better managers by implementing consistent training, mentoring, and problem solving.

The return-on-investment for new equipment in the Hanover store was difficult to quantify for FY 2015, but Management anticipates that the systems upgrades will offer significant pay-off in the near future.

Member Comments

One member commented on continued frustration with not finding items at the Hanover store. It was pointed out that the Hanover staff have a positive attitude and show shoppers to the product locations.

Policy Monitoring

B-GM 4 Monitoring GM Performance

MOTION: Kay moved to accept the B-GM 4 monitoring report as in compliance.

Susan seconded the motion.

VOTED: To accept the B-GM 4 monitoring report as in compliance.

8 in favor, 3 opposed, 0 abstained, 0 absent.

The motion passed.

There was much discussion about the merits and use of the policy governance model. It was pointed out that all Directors must abide by the Co-op's commitment to policy governance and should participate accordingly unless the Board decides to change that practice.

MOTION: Michael moved to include the ratings of Board of Directors policies and comments, with or without attribution, in the monthly Board packet.

John seconded the motion.

VOTED: To include the ratings of Board of Directors policies and comments, with or without attribution, in the monthly Board packet.

7 in favor, 4 opposed, 0 abstained, 0 absent.

The motion passed.

Opinions ranged widely about the merits of publicizing individual remarks, contributing opinions to the monitoring process with attribution, and posting all information in the public version of the board packet. Some asserted that such a practice could undermine the goal of building trust through safe discussions

about controversial topics, others held the position that transparency is the primary goal. The challenge of transparency was exemplified by the fact that nine of the eleven Directors participated in the monitoring report process this month, and some of those that did so, made comments without attribution.

Discussion

Election and Campaign Guidelines

MOTION: Margaret moved to reconsider the campaign and election guidelines.

Susan seconded the motion.

VOTED: To reconsider the campaign and election guidelines.

5 in favor, 4 opposed, 2 abstained, 0 absent.

The motion passed.

The proposed changes to the guidelines were offered in order to clarify and correct discrepancies in policies to make them internally consistent. Some Board members held the view that the Board decisions made at the March 2, 2016, represented the final version of the guidelines for the 2016 election.

Terry asked the Board for clarification about expectations for managers to determine violations to the guidelines that might occur in the stores. Some members of the Board responded that Member Outreach Director Amanda Charland was authorized to implement the guidelines and to bring any such issues directly to the Board.

MOTION: Brett moved to curtail further discussion.

John seconded the motion.

VOTED: To curtail further discussion.

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

The motion passed.

MOTION: Benoit moved to add the phrase “notwithstanding B-GM 2.2,” to the Voting Process Description.

Michael seconded the motion.

VOTED: To add the phrase “notwithstanding B-GM 2.2,” to the Voting Process Description.

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

The motion passed.

Since B-GM 2.2 stipulates “The Board will not instruct or evaluate any employee other than the General Manager,” some were concerned that the Board was violating its own policy when it approved the following text at the March 2, 2016, special meeting: “The keeper of the voting process shall be approved by the Board and shall be answerable to the Board for the implementation of these guidelines. The Board shall exercise oversight of the work of the keeper of the voting process.” The addition of “notwithstanding B-GM 2.2” was meant to acknowledge the unique role of the Board and the Outreach and Member Services Director when conducting the Board election.

April 2, 2016, Annual Meeting

Margaret reminded Directors that they are expected to attend and encouraged anyone who wanted to participate in the meeting to speak up.

GM Search / Succession Planning

Michael said that the search is not limited to pre-qualified candidates with backgrounds in the cooperative or non-profit sectors. The decision was made to hire a professional search firm. There are a number of applicants and the process is on track for presenting finalists to the Board in June.

Terry was asked about the status of the CFO position and reported that two finalists emerged from a group of well-qualified candidates with extensive experience. A decision will be made shortly.

Executive Session to discuss a personnel matter and a business matter

MOTION: Harrison moved to go into Executive Session at 9:00 p.m., inviting Susan Sanzone Fauver and Terry Appleby to join the Board discussion.

Sarah seconded the motion.

VOTED: To go into Executive Session at 9:00 p.m., inviting Susan Sanzone Fauver and Terry Appleby to join the Board discussion.

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

The motion passed.

MOTION: Brett moved to adjourn the Executive Session at 9:25 p.m.

Victoria seconded the motion.

VOTED: To adjourn the Executive Session at 9:25 p.m.

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

The motion passed.

Agenda Review & Changes

The Board decided to postpone the General Manager annual performance review to a future date.

Adjournment

MOTION: Brett moved to adjourn the meeting at 9:28 p.m.

Victoria seconded the motion.

VOTED: To adjourn the meeting at 9:28 p.m.

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

The motion passed.

Respectfully submitted,

Eugenia F. Braasch
Board Administrator

Harrison Drinkwater
Secretary