

MINUTES May 27, 2015

Present: Kerry Artman, Sarah Blum, Harrison Drinkwater, Margaret Drye, Victoria Fullerton, Kay Litten, Anthony Roisman, John Rosenquest, Susan Sanzone Fauver, Brett Tofel

Absent: Michael Bettmann

Staff: Terry Appleby, Eugenia Braasch, Rosemary Fifield, Lori Hildbrand, Ed Howes, Paul Lambe

Members: Nancy Allison, Dottie Anderson, Lois Beatty, Sally Brady, Sean Clauson, Sylvia Davatz, Susanne Dubroff, Anne Garrigue, Jackie Gordon, Paul Gordon, Buddy Kirschner, Ginny Kirschner, Donald Kreis, Nancy Leavitt-Reibel, Jane McCarthy, Whit Mitchell, Carl Pedersen, Bob Russell, Ryan Scelza, Lynn Schad, Victoria Smith, Robert Spottswood, Ulrike von Moltke

Welcome

Margaret called the meeting to order at 5:40 p.m. She noted that the Co-op Board meeting is not public and requested that no filming or recording take place. Board members introduced themselves and mentioned their town of residence.

The Cooperative Fund of New England will hold a 40th anniversary party on June 5th at the Upper Valley Food Co-op in White River Jct., Vermont, which will be co-hosted by the Hanover Co-op. Margaret introduced Donald Kreis, CFNE Board President, who outlined the scope of the organization's loan program. The Hanover Co-op supports the CFNE via its investments in the Twin Pines Foundation.

Terry will be presented with the Howard Bowers Award for Cooperative Service at the Consumer Cooperative Management Association conference in June. This national award, sponsored by the Cooperative Development Foundation, is an opportunity for consumer cooperatives to honor colleagues for their achievements. Those at the meeting congratulated Terry for this accomplishment.

Margaret read aloud the *Bylaws Article V, Section 7, Regular Meetings*, followed by Board members who read the *GP 4 Code of Conduct* policy.

Agenda Review & Changes

The sequence of the agenda shifted; after the EL 9, Cooperative Giving policy, the Board will review GP 8, the Hanover Cooperative Community Fund.

April 22, 2015, Meeting Minutes

MOTION: Kay moved to approve the April 22, 2015, minutes as written.

Susan seconded the motion.

VOTED: To approve the April 22, 2015, minutes as written.

6 in favor, 0 opposed, 4 abstained, 1 absent.

The motion passed.

There was discussion regarding the minutes level of detail and transparency. The suggestion was made to indicate each person's voting record in the minutes as well as individual attribution for meeting comments. The decision was made to postpone discussion and decision-making about such content changes until they could be fully considered.

Election of Officers

Margaret described the process for officer selection previously practiced by the Board. A half-hour discussion then ensued about whether to conduct that decision-making via private paper ballot or via public show of hands. Some members sought full transparency, while others believed that privacy enabled honesty and preserved relationships moving forward. It was noted that while business decisions need transparency, that approach has the potential to create ill-will amongst Board members that could impact their future work together.

MOTION: Margaret moved to vote for officers using paper ballot, then disclose the ballot count.

Susan seconded the motion.

VOTED: To vote for officers using paper ballot, then disclose the ballot count.

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

The motion passed.

MOTION: Brett moved to vote on all decisions via show of hand.

Tony seconded the motion.

VOTED: To vote on all decisions via show of hand.

4 in favor, 6 opposed, 0 abstained, 1 absent.

The motion did not pass.

The Board decided to use a paper ballot and disclose the ballot count.

The Board elected the following to serve as officers during the 2015-2016 year.

MOTION: John moved to elect Margaret as President.

Susan seconded the motion.

VOTED (by paper ballot): To elect Margaret as President.

8 in favor, 0 opposed, 2 abstained, 1 absent.

The motion passed.

MOTION: Kay moved to elect Kerry as Vice President.

John seconded the motion.

VOTED (by paper ballot): To elect Kerry as Vice President.

7 in favor, 0 opposed, 3 abstained, 1 absent.

The motion passed.

MOTION: Susan moved to elect John as Treasurer.

Kerry seconded the motion.

VOTED (by paper ballot): To elect John as Treasurer.

8 in favor, 0 opposed, 2 abstained, 1 absent.

The motion passed.

MOTION: Kay moved to elect Harrison as Secretary.

Kerry seconded the motion.

VOTED (by paper ballot): To elect Harrison as Secretary.

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

The motion passed.

The meeting broke for dinner at 6:30 p.m.

The meeting resumed at 7:10 p.m.

New Employee Development Program Review and National Labor Relations Act (NLRA) Training

HR Director Lori Hildbrand and Employee Learning and Development Manager Paul Lambe gave two PowerPoint presentations: the new employee development program and Co-op management's responsibilities under the National Labor Relations Act.

Board members asked whether training incorporates opportunities to identify root causes regarding specific events, Lori responded yes, that events are used to teach how to handle things differently and improve, as well as emphasizing when things are done right. Further questions were posed about whether the training is available for part-time as well as full-time employees (yes, all have the training opportunity), how the training requirement of 2 hours/month is verified (each training segment is certified and tracked for every employee over time), and whether this training differs from specific departmental skill training (yes).

Board members are considered part of Co-op management and are therefore subject to the same rules pertaining to unionization. The guidelines pertaining to union discussion and decision-making were presented. Lori stated that employees will decide what they want to do; the Co-op management is staying neutral and fair with regard to unionization. Terry noted that Management has made several public statements about employees' right to organize during the past year. Following the presentation, questions were asked about the surveillance cameras at the Lebanon store (which are used for security purposes), whether employees understand their rights, and whether the NLRA rules are understood. NLRA Posters from the NLRB are conspicuously posted in every workplace and are audited regularly.

General Manager Update

Terry thanked Rosemary Fifield for her crucial leadership with food safety protocols at the Lebanon store two weeks ago when high bacteria levels in the city public water system were identified. She ensured that all necessary precautions were taken to comply with food safety protocols in areas which use water: produce displays, coffee machines, ice machines, cleaning, and case sanitation.

Tony Alongi will move to Louisville, Kentucky, in June. He has contracted with the Co-op to continue as CFO, returning to Hanover for one week each month. Terry noted that this distance arrangement is not unusual in the Co-op sector, citing the Outpost Food Co-op's CFO who has served in a similar capacity for the past 9 years.

Phase 3 of the Hanover remodeling project is completed. The newly opened area is getting positive reviews and the staff is pleased to be working in the new space. Phase 4 is underway, with remediation of asbestos under the floor tiles in the Dairy aisle.

An eCycle event will take place this Saturday, 10 a.m. – 2 p.m., at the Lebanon store. Last year, five trailers were filled with old electronic equipment.

Outreach and member services director Amanda Charland will travel to Italy next week to visit cooperatives as part of her Masters in Cooperative Management program.

In response to a question about the Co-op's decision to close some members' charge accounts, Terry explained that a few members have large, long-term, unpaid charge balances, which are unresolved despite management's steps to work with them.

The Service Center fuel sales have not yet rebounded after recent tank replacement and the addition of a diesel fuel option. Terry anticipates lower gasoline prices and associated sales growth over the summer months.

Policy Monitoring

EL9 Cooperative Giving Program

MOTION: John moved to accept the EL9 monitoring report as in compliance.

Brett seconded the motion.

VOTED: To accept the EL9 monitoring report as in compliance.

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

The motion passed.

In response to a question regarding the criteria for selectin of non-profits for the Co-op's charitable giving, Terry explained that he uses the guidelines established by the Board in EL 9.2, as well as the global Ends statements. Local community contributions are often in-kind donations of food or small cash donations to support small organizations or parent groups. Rosemary Fifield, who administers the Community Partner of the Month program, said that those funds are collected at the register, and there is discussion about possibly changing from an elective coin donation box to a sales 'rounding up' option to boost contributions.

GP 8 Hanover Community Cooperative Fund (HCCF)

MOTION: Susan moved to accept the GP 8 monitoring report as in compliance.

Kay seconded the motion.

VOTED: To accept the GP 8 monitoring report as in compliance.

8 in favor, 0 opposed, 2 abstained, 1 absent.

The motion passed.

John Rosenquest said that the HCCF committee engages in fund raising, invests the money in the Twin Pines Charitable Foundation, and disburses annual interest from the TPCF to Upper Valley non-profits. In response to local emergency need following Hurricane Irene, a local account was established. Terry recommended that all funds raised under the HCCF should be sent to TPCF., there should be disclosure about the other category of fund raising. John proposed a review of the overall charitable giving program at the Co-op, recommending larger, sustained giving to select non-profits.

GP Global Governance Process Commitment

MOTION: Kay moved to accept the GP Global monitoring report as in compliance.

Susan seconded the motion.

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

7 in favor, 3 opposed, 0 abstained, 1 absent.

The motion passed.

GP 1 Governing Style

MOTION: Susan moved to accept the GP 1 monitoring report as in compliance.

Kay seconded the motion.

VOTED: To accept the GP 1 monitoring report as in compliance.

7 in favor, 3 opposed, 0 abstained, 1 absent.

The motion passed.

Those who opposed the compliance decision alleged that there were several governance process violations during the past year: two employees were fired and a lawsuit resulted which has not been resolved, EL5 Treatment of Staff policy changes were characterized as inadequate, the Board imposed no consequences on the General Manager for the Operations Director's actions during the Board election period, and store managers recently mishandled their interactions with a union organizer at a store. The Board was also criticized for holding multiple executive sessions during the past year without following proper procedures.

In response to those remarks, other Board members asserted that they followed the governance rules during the past year, that substantive changes were made to the EL5 policy, and that the executive sessions held during the past year were about personnel issues or with legal counsel.

GP 1 Governing Style

MOTION: Susan moved to accept the GP 1 monitoring report as in compliance.

Kay seconded the motion.

VOTED: To accept the GP 1 monitoring report as in compliance.

7 in favor, 3 opposed, 0 abstained, 1 absent.

The motion passed.

Board members agreed that their priorities established a year ago, to focus on strategic direction and review of the Ends policy, were sidelined because the Board needed to attend to personnel-related issues.

Discussion

Priorities for the 80th Board of Directors

Margaret summarized the status of the prior year's goals, then the Board drafted the following list of topics for the upcoming year which all agreed to discuss further at the June meeting.

Strategic Vision

80th HCCS anniversary in 2016 -- desired outcomes and associated events

Policy Governance notebook: revisions and accountability, completion of Ends policy revision,

EL9 and GP8 charitable/philanthropic policies revision

Member Engagement (GP 2 Board Deliverables)

Succession Planning (Board and Management)

Multi-stakeholder Co-op structure – possibly as a Co-op Café event

Board Development

Communications and Transparency

Member Comments

The following practices were criticized: board meeting packet information confidentiality, summarizing board discussion and decisions without individual attribution in the minutes, and restricting recording at board meetings.

The Board was urged to rehire John Boutin and Dan King, with back pay, and to settle the associated lawsuit.

The Board and Management were commended for their neutral position on the union issue. A member expressed support for the implementation of an employee union.

The Board was praised for its consideration of Ends policy revisions, characterized as important work.

The Board was encouraged to attend meetings at other food co-ops, to expand their perspectives.

It was noted that diverse opinions and vigorous debate are a good things, fundamental to democracy.

Share Redemption

MOTION: John moved to authorize the redemption of the shares, as presented, in the Share Redemption Request dated May 19, 2015.

Michael seconded the motion.

VOTED: To authorize the redemption of the shares, as presented, in the Share Redemption Request dated May 19, 2015.

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

The motion passed.

Approved after a brief exchange about the reasons why members redeem their shares; it was explained that the most frequent reasons are that a member dies or moves away from the Upper Valley.

Executive Session (to meet with legal counsel)

MOTION: John moved to enter into Executive Session at 9:53 p.m.

Kay seconded the motion.

VOTED: To enter into Executive Session at 9:53 p.m.

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

The motion passed.

Samantha Elliott, Gallagher, Callahan & Gartrell, P.C., participated via phone.

Terry Appleby and Lori Hildbrand were invited to participate in the Executive Session.

Executive Session (to meet with legal counsel)

MOTION: John moved to end the Executive Session at 10:05 p.m.

Susan seconded the motion.

VOTED: To end the Executive Session at 10:05 p.m.

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

The motion passed.

Adjournment

MOTION: John moved to adjourn the meeting at 10:08 p.m.

Tony seconded the motion.

VOTED: To adjourn the meeting at 10.08 p.m.

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

The motion passed.

Respectfully submitted,

Eugenia F. Braasch
Board Administrator

Harrison Drinkwater
Secretary