

MINUTES August 26, 2015

Present: Sarah Blum, Harrison Drinkwater, Margaret Drye, Victoria Fullerton, Benoit Roisin, Anthony Roisman, John Rosenquest, Brett Tofel
Absent: Michael Bettmann, Kay Litten, Susan Sanzone Fauver
Staff: Terry Appleby, Eugenia Braasch
Guest: Marilyn Scholl, CDS Consulting Co-op
Members: Jackie Gordon, Paul Gordon, Antoinette Jacobson, Donald Kreis, Nancy Leavitt Reibel, Paul Meaney, Bill Phillips, Phil Pochoda, Lynn Schad, Robert Spottswood

Margaret called the meeting to order at 6:08 p.m. in the Richard Black Community Center, Room 212.

Welcome

Board members introduced themselves.

A point of order was raised regarding the presence of CDS Consultant Marilyn Scholl. A couple of board members asserted that they were not aware that Marilyn would be present, that the entire Board should be asked whether they wish to include a guest and to determine the scope of the guest's participation. In response, it was explained that the Co-op has engaged the services of the CDS Consulting Co-op for over a decade, and the annual contract, renewed for the current year, includes Board meeting attendance. Marilyn was invited to this meeting specifically to assist with agenda time-keeping because the July meeting adjourned very late and because of her governance expertise. Margaret welcomed Marilyn and thanked her for her assistance.

Co-op Stories

Harrison and Benoit attended the Hanover Store renovation project tour that was arranged for the Board of Directors last week with Terry, Store Manager Steve Miller, and Facilities Manager Tom Guillette. They reported that they found it very informative and expressed appreciation to the staff who are working to ensure the success of the complex project. Board members expressed interest in touring all of the Co-op locations and asked Genie to arrange the logistics.

Victoria noted that the Vermont State Legislature is looking into ethics issues.

Tony recommended the Maine wild blueberries now available in the produce department.

Terry said that Co-op Hall of Fame recipient David Thompson, the Executive Director of the Twin Pines Foundation, is coming to the Upper Valley to speak about the role of co-ops in the civil rights movement on October 22nd.

Consent Agenda: Minutes of June 18, 2015, July 22, 2015, Meetings and August 17, 2015, Share Redemption Request

MOTION: John moved to approve the June 18, 2015, July 22, 2015, meeting minutes and the August 17, 2015, Share Redemption request as written.

Victoria seconded the motion.

VOTED: To approve the June 18, 2015, July 22, 2015, meeting minutes and the August 17, 2015, Share Redemption request as written.

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

The motion passed.

General Manager Update

Terry told the Board that last week, four staff at the Co-op Service Center were cited with irregularities associated with their emissions diagnostics inspections during an audit by the State of NH Inspector. The inspector issued a warning that could impact the inspection licensing for the Service Center as well as the credentials of the four employees. The Station Manager and the State Inspector met to discuss the situation, then required each employee to sign a statement that they understand that any recurrence could result in the suspension of their license to perform inspections; the signed statement is in their personnel file. Management will require signed statements that any recurrence will mean immediate termination. On a positive note, Terry told the Board that a service center technician recently returned from leave; there is ample demand for auto servicing yet inadequate staffing to meet that demand.

The Hanover Store renovation completion date is September 25th. A celebratory event for the general public will take place on Saturday, October 31st, at 10:00 a.m.

Member Comments

Board members briefly discussed some possible mechanisms for obtaining member input: establishing regular outreach sessions with Board and members (distinguished from the Board business meetings), distribution of the Board packet to all members, soliciting member input about specific topics germane to issues that the Board is engaged with.

Some members suggested that the Board hold open forums and include members on the Communications Task Force. The Board was questioned about the mechanism for passing along member input to the entire Board (current practice is via email president@board.coopfoodstore.com which is then posted on the Board SharePoint site).

A member suggested reprioritizing the Board meeting agenda, from high to lower priority topics. It was explained that opening the meeting with sharing Co-op stories offers the opportunity for Board members to express appreciation for the organization which they serve, and completing 'easier' business helps to start a meeting on a positive and productive tone.

A member asserted that Management didn't care about why employees might desire unionization, to which Terry responded that management does care about why employees would consider unionization, but did not want to know which individuals would consider it.

Policy Monitoring

EL 3 Asset Protection

MOTION: John moved to accept the EL 3 monitoring report as demonstrating compliance.

Benoit seconded the motion.

VOTED: To accept the EL 3 monitoring report as demonstrating compliance.

2 in favor, 6 opposed, 0 abstained, 3 absent.

The motion was rejected.

MOTION: Benoit moved to accept the EL 3.1 – 3.6 monitoring report as in compliance.

John seconded the motion.

VOTED: To accept the EL 3.1 – 3.6 monitoring report as in compliance

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

The motion passed.

MOTION: Tony moved to accept the principle that the EL 3.7 monitoring report section is in non-compliance, reject the proposed plan for addressing non-compliance, and request that the General Manager present a different plan at the September Board of Directors meeting.

Brett seconded the motion.

VOTED: To accept the principle that the EL 3.7 monitoring report section is in non-compliance, reject the proposed plan for addressing non-compliance, and request that the General Manager present a different plan at the September Board of Directors meeting.

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

The motion passed.

Discussion focused on EL 3.7: *The General Manager shall not allow damage to the Co-op's good will, its public image, its credibility, or its ability to accomplish Ends.*

Board opinion was divided about Management's capacity to control public opinion. Some asserted that loss of good will is directly linked to management errors, while others disputed that view, saying that the Co-op's reputation is affected by a broader set of factors, including the Directors' actions. Terry said that the majority of Co-op members hold a positive opinion about, and support, the organization.

Several Board members cited a personnel problem that they believe continues to damage public opinion, has not been addressed yet, asserting it is management's fault. Terry rejected that characterization and then declined to discuss personnel matters in public session. The majority of the Board requested a new plan, to address EL 3.7 non-compliance, for review and discussion at the September 30th Board meeting.

Terry said that allegations of criminal activity have been made to discredit management; he requested that the Board investigate the allegations, asserting that because no factual evidence has been produced, the allegations constitute slander.

The meeting adjourned at 7:45 p.m., then resumed at 7:52 p.m.

EL 5 Treatment of Staff

MOTION: John moved to accept the EL 5 monitoring report as in compliance.

Benoit seconded the motion.

MOTION: Victoria moved to table the EL 5 monitoring report discussion.

John seconded the motion.

VOTED: To table the EL 5 monitoring report discussion.

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

The motion passed.

It was noted that three developments about employees occurred since the July Board meeting: a significant majority voted against union representation at the Lebanon store, Management held listening sessions to better understand and resolve concerns at the Lebanon store, and a pay raise was instituted for the lowest pay grade throughout the Co-op.

In response to employee suggestions, Terry said that a strategy and process for advancement and associated compensation, via 4-tiered track for development, has been instituted. This will be supported in part through a \$40K matching grant from the State of New Hampshire to develop supervisor and manager training, taught by outside professionals. Management team members plan to spend more time listening to staff comments at all locations.

When asked about the information sessions about unionization held prior to the staff vote, Terry described the gatherings as unusually open, saying that unlike most other organizations, the union representative, Joel Nelson, was invited to participate by Rosemary Fifield (Co-op Education Director Emerita), and that staff took the sessions seriously and asked probing questions.

In response to Board member allegations, that management actions -- during the past year and as recently as the past two weeks -- had negative impacts, Terry indicated that he wouldn't respond without specifics. When some board members further characterized that failure of Co-op training programs led to inappropriate supervisor actions, which didn't result in appropriate management response, Terry said that he needs to address specifics, based on evidence, and would not comment on personnel matters in open session.

After a board member characterized the Board as being too focused on staff issues and proposed a meeting of the entire Board to address staff concerns, with the goal of getting back on track with other pending Board business, the Board agreed to convene in an Executive Session with Terry at the earliest possible time.

After the Board voted to table further discussion and a vote about the EL 5 monitoring report, a Board member expressed concern that EL 5 might not be discussed again.

Discussion

80th Anniversary

Various ideas were proposed for the upcoming anniversary year: a special logo, an outdoor event with fun activities and food, a guest speaker, honoring long-time members, emphasizing cooperative connections, and involving employees, producers, and regional food co-ops. Harrison Drinkwater remembered a parade with a kazoo band and shopping cart drill team as part of the 50th Anniversary celebration.

Potential Study Topics

The following topics were suggested for on-going Board education: multi-stakeholder cooperative model (*Solidarity as a Business Manual*, by Margaret Lund), regional food plan in New England, and transparency. The sense of the group was to make a decision after resolving the Board's response to staff issues.

Upper Valley Food Co-op

Sarah is ready to start her role as the liaison with the Upper Valley Food Co-op, which is ready to meet to discuss collaboration.

Communication Task Force

MOTION: Tony moved to authorize the creation of a task force to thoroughly investigate all issues and solutions pertaining to transparency and communication throughout the Co-op.

Harrison seconded the motion.

VOTED: To authorize the creation of a task force to thoroughly investigate all issues and solutions pertaining to transparency and communication throughout the Co-op.

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

The motion passed.

Tony proposed bringing a variety of stakeholders to the Communications Task Force, to examine everything about communications with the widest reach possible and report back to the Board at the December meeting. Terry was asked to recommend a staff member to participate in the project.

There have been repeated requests for access to the Board packet information as well as the HR training materials for supervisors to learn how to respond to unionization questions. There was concern about setting a precedent by making some internal information publically available without a policy in place.

MOTION: John moved to table both requests, pending the Communication Task Force activity.

Sarah seconded the motion.

VOTED: To table both request, pending the Communication Task Force activity.

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

The motion passed.

Adjournment

MOTION: John moved to adjourn the meeting at 9:30 p.m.

Tony seconded the motion.

VOTED: To adjourn the meeting at 9:30 p.m.

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

The motion passed.

Respectfully submitted,

Eugenia F. Braasch
Board Administrator

Harrison Drinkwater
Secretary