

MINUTES December 16, 2015

Present: Michael Bettmann, Sarah Blum, Harrison Drinkwater, Margaret Drye, Victoria Fullerton, Kay Litten, Benoit Roisin, John Rosenquest, Susan Sanzone Fauver, Brett Tofel

Absent: Anthony Roisman

Staff: Terry Appleby, Anthony Alongi, Kevin Birdsey, Eugenia Braasch, Amanda Charland, Mark Langlois, Steve Miller

Members: Nancy Carter, Antoinette Jacobson, Nora Jacobson, Donald Kreis, Nancy Leavitt Reibel, Lynn Schad, Robert Spottswood, Jane Toms

Margaret called the meeting to order at 6:08 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

Brett asked to remove the November 18, 2015, minutes from the consent agenda.

Co-op Stories

Margaret heard very positive comments about the Co-op's home delivery program.

Kay was pleased to see several board candidates at the meeting.

John helped to bag groceries during the busy Thanksgiving week and recommended that service as a valuable opportunity for informal outreach to members, employees, and other shoppers.

Susan recommended the bulk split peas as a Co-op deal.

November 18, 2015, Meeting Minutes

MOTION: Kay moved to accept the November 18, 2015, minutes as amended.

Sarah seconded the motion.

VOTED: To accept the November 18, 2015, minutes as amended.

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

The motion passed.

The following change was made with [deleted text in brackets] and **added text in bold:**

Under the policy monitoring section B-GM 2 Accountability of the General Manager:

“It was noted that [while] **if** individual Board members violated the policy on occasion, the Board as an entity didn't authorize those individuals' actions.”

Consent Agenda: Share Redemption Request and EL 1 Planning Policy Monitoring Report

MOTION: Susan moved to authorize the December 8, 2015, Share Redemption request and to accept the EL1 Monitoring Report as written.

Benoit seconded the motion.

VOTED: To authorize the December 8, 2015, Share Redemption request and to accept the EL1 Monitoring Report as written.

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

The motion passed.

General Manager Update

BOARD RESOLUTION for 401(k) Savings Plan Trust Account

MOTION: Kay moved to adopt the 401(k) Savings Plan Resolution.

John seconded the motion.

VOTED: To adopt the 401(k) Savings Plan Resolution.

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

The motion passed.

The resolution text was read aloud:

The following actions are hereby taken by the written consent of the directors of Hanover Consumer Cooperative Society, Inc. (the "Company") in lieu of a meeting of the directors.

With respect to the amendment and restatement of the Associated Grocers 401(k) Savings Plan Trust Account (the "Plan"), the following resolutions are hereby adopted:

RESOLVED That the Plan be amended and restated in the form attached hereto, which Plan is hereby adopted and approved;

RESOLVED FURTHER That the appropriate officers of the Company be, and they hereby are, authorized and directed to execute the Plan on behalf of the Company; and

RESOLVED FURTHER That the officers of the Company be, and they hereby are, Authorized and directed to take any and all actions and execute and deliver such Documents as they may deem necessary, appropriate or convenient to effect the foregoing Resolutions including, without limitation, causing to be prepared and filed such reports Documents or other information as may be required under applicable law.

Dated this 16th day of December, 2015.

The reason for the change is that the Associated Grocers 401(k) Plan was restated onto Angell Pension Group's document (from MassMutual's document) and updated to comply with all Pension Protection Act language and provisions, as required. The Co-op took that opportunity to change the entry date of new employees into the plan to coincide with the first of the quarter following six months of employment.

Member Services and Outreach Manager Amanda Charland described the 2016 plans as focusing on member information, building connection with stakeholders in the stores, and developing educational initiatives. A professional social media and data systems audit will be conducted by the National Cooperative Grocers and the CDS Consulting Co-op as a pilot program to assess what is needed to build digital capacity for member contact. Results and recommendations about best practices will be shared with other food Co-ops.

Terry distributed a summary about dramatic changes in food market and life style trends in the United States (information which he presented at a Rotary Club talk this year). The Board discussed the 'market share of stomach', which is trending away from home-made, towards prepared foods, with interest in ethic cuisine. It was noted that while the market increasingly demands food convenience and quality, it is also price sensitive and will trade with 'disruptor' businesses. Suggestions were made to analyze the trends and direct competition in the Upper Valley and to survey Co-op members and shoppers about their product preferences in a systematic way.

FY 2016 Business Plan

Board members discussed the strategic concept of the multi-stakeholder model along with the financial aspects of such a model, as well as ways to inform members about the Co-op's cash position and how the Co-op meets its capital needs.

FY 2016 Budget

CFO Tony Alongi reported that the Co-op's FY 2016 financial plan will stay on track provided that the budgeted figures are reached. The Co-op was characterized as having a healthy current ratio and solvency ratio (two measures of the capacity to pay off debts). Terry mentioned that he will have a discussion with Dartmouth College about the lease for the Lebanon store at Centerra Park. There was also a brief discussion about the Service Center's negative forecast, due to dependence on gasoline margin for profitability. Terry explained that the Service Center operates as a convenience for members, and management is focused on limiting its expenses.

Discussion

80th Anniversary Vision / Plan

Board members brainstormed about ideas for marking the Co-op's 80th anniversary. A handful of Board members agreed to develop a plan for the annual meeting and bring it to the January 27th board meeting for review.

Member Comments

Don Kreis expressed concern about the development of centralized, shared data systems within the Co-op sector, the legal/governance issues associated with the multi-stakeholder cooperative model, and the lack of open access to information at the Hanover Co-op (in contrast to his experience as a visitor to the Wheatsville Food Co-op).

Nancy Carter suggested the use of a Hanover Main Street banner to generate visibility/awareness of the Co-op's 80th anniversary.

Committee and Task Force Updates

Nominating

The Committee currently meets weekly, information is available at all store locations and on the web. There have been several inquiries and a couple of applications received. A question was asked about whether the on-line voting process is secure and the Board discussed reviewing the election process details.

Communications

The task force approach is to: 1). identify what communication occurs at the Co-op, 2). document the ways in which people in the Co-op community obtain information, 3). review the Board's policies about communication, and 4). look at how the Board might make decisions in light of the policies. They decided to develop survey questions that will be incorporated into the 2016 member survey. It was suggested that the task force might gather qualitative, rather than quantitative, data, and ask members directly what they want to know about and areas where they feel communication is not effective.

Succession Planning

Michael said that the 9-member General Manager Search Committee has met three times. Plans for outreach via two employee meetings and two member meetings are taking shape. The search timeframe is

to solicit applications in mid-February and to recommend a finalist to the Board at the June, 2016, meeting.

The people serving on the committee are: Michael Bettmann, Chair, Lauren Buchanan, Harrison Drinkwater, Susan Sanzone Fauver, Fran Brokaw, Jean Brown, Elizabeth Dykas, Al Keilor, and John Stearns.

Administrative Matters

The Executive Committee agreed to discuss a retreat proposal based on topics (i.e., capitalization, multi-stakeholder model) that surfaced during the 2016 business plan discussion, at the January 27th meeting.

Directors were encouraged to attend the CBLD workshop in January as part of their Board development commitment.

Adjournment

MOTION: John moved to adjourn the meeting at 8:50 p.m.

Brett seconded the motion.

VOTED: To adjourn the meeting at 8:50 p.m.

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

The motion passed.

Respectfully submitted,

Eugenia F. Braasch
Board Administrator

Harrison Drinkwater
Secretary