

DRAFT MINUTES May 25, 2016

Present: Michael Bettmann, Kevin Birdsey, Elizabeth Blum, Sarah Blum, William Craig, Harrison Drinkwater, Victoria Fullerton, Dana Grossman, Ed Howes, Kay Litten, Anthony Roisman, Brett Tofel

Absent:

Staff: Terry Appleby, Paul Guidone, Amanda Charland, Kate Keating, Susan Fauver, Steve Miller, Michael Whitman

Members: Margaret Drye, Donald Kreis, Benoit Roisin, Robert Spotswood, Diane Guidone, Nelson Kasfir, Nancy Carter, Jim Kenyon, Ryan Scelza, Lynn Schad, Nancy Levitt Reibel.

Guest: Marilyn Scholl, CDS Consultant

Margaret called the meeting to order at 6:10 p.m. in the Richard Black Community Center, Room 212, and said that the first order of business would be the election of the Board president followed by election of officers.

Election of Officers

Following a brief discussion, the Board decided to vote by show of hands for President and each of the officers.

The Board elected the following to serve as officers during the 2016-2017 year.

MOTION: Michael moved to elect Anthony Roisman as **President**.

Brett seconded the motion.

VOTED: To elect Tony as President.

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

The motion passed.

Tony began chairing the meeting at 6:14.

MOTION: Liz moved to elect Michael Bettmann as **Vice President**.

Harrison seconded the motion.

VOTED: To elect Michael as Vice President.

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

The motion passed.

MOTION: Kay moved to elect Harrison Drinkwater as **Secretary**.

Michael seconded the motion.

VOTED: To elect Harrison as Secretary.

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

The motion passed.

MOTION: Liz moved to elect Kay Litten as **Treasurer**.

Ed seconded the motion.

VOTED: To elect Kay as Treasurer.

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

The motion passed.

At Tony's invitation the members of the Board introduced themselves.

Agenda Review / Change

Tony asked the Board members to review the draft agenda and to introduce motions to revise or add new items.

1. MOTION: Liz moved to amend the agenda and to introduce motions to allow remote attendance at meetings using phone or teleconference technology.

Bill seconded the motion.

DISCUSSION: a Board member asked if this could be considered after a review of the Co-op by-laws. It was agreed that the topic should be introduced at tonight's Board meeting.

VOTED: 6 in favor, 4 opposed, 2 abstained, 0 absent.

The motion passed.

2. MOTION: Bill moved to discuss in executive session, at the end of the meeting, the settlement of the lawsuit brought against the Co-op by two former employees.

Liz seconded the motion.

DISCUSSION: Terry was asked if he was planning to provide an update of the settlement for the benefit of the new members of the Board, Terry responded he could not in open session and that he could only do so in executive session to ensure confidentiality.

VOTED: 11 in favor, 0 opposed, 1 abstained, 0 absent.

The motion passed.

3. MOTION: Harrison moved to amend the agenda to form a Bylaws Committee to recommend bylaws revisions, including how to close the gap in Board officers serving after their term as directors has expired.

Brett seconded the motion.

VOTED: 12 in favor, 0 opposed, 0 abstained, 0 absent.

The motion passed.

4. MOTION: Victoria moved to consolidate discussion of GP 4 Board Code of Conduct with GP Global – Governance Process Commitment and GP 1 – Governing Style

Liz seconded the motion.

VOTED: 9 in favor, 1 opposed, 2 abstained, 0 absent.

The motion passed.

Tony reminded Board members that if they wished to be identified in the minutes when casting votes, they should ask the Secretary to record their names in the vote tally.

Consent Agenda: April 26, 2016, Meeting Minutes and May Share Redemption Request

MOTION: Harrison moved to approve the April 26, 2016 minutes as presented once the names of the Board Administrator and the Board Secretary are included.

Kay seconded the motion.

DISCUSSION: Tony explained that the purpose of the consent agenda was to bring quick resolution to agreed-upon matters. There may be other ideas for enhancing the role of the consent agenda. In the meantime he asked for approval of the May Board meeting and the May share redemption request.

VOTED: 7 in favor, 0 opposed, 5 abstained, 0 absent.

The motion passed.

MOTION: Brett moved to approve the May Share Redemption Request; with request that CFO Paul Guidone provide a list of membership names for Share Redemptions in a timely manner on the Board SharePoint site.

Bill seconded the motion.

DISCUSSION: A Board member said that including membership names could provide useful information and objected to their redaction without Board approval. CFO Paul Guidone reported that he had removed names to protect privacy, since the redemption request is part of the Board packet which is then posted to the Co-op website. He would be glad to promptly provide names for the Board in a way that will preserve privacy and security.

VOTED: 12 in favor, 0 opposed, 0 abstained, 0 absent.

The motion passed.

General Manager Update

In answer to a question Terry informed the group that Genie Braasch has moved to another fulltime role within the Co-op and will help with transition of a new Board Administrator. The process for hiring the position was discussed, Genie was the first to fill the role. Plans for seeking a replacement were outlined, and Terry invited the Boards' involvement. Tony suggested formation of a voluntary Committee that would present factors and considerations at the next meeting. Dana, Harrison, Tony and Bill volunteered to serve.

In addition to his written comments, Terry reported that NCG (National Co-op Grocers) Food Service professionals visited to perform a Food Service Audit at the HCCS kitchens (four stores and the commissary). The purpose is to help identify ways to refine systems and improve productivity which could allow more time for Customer Service focus. Terry noted that the Co-op's April sales results 4.6% were favorable in comparison to the consolidated sales of NCG co-ops nationally and regionally. And a five year contract has been signed with the Norwich Farmers Market for use of the Co-op land off Route 5 in Norwich, VT.

Question was asked of Terry about the Membership database clean up and what steps are planned for presenting the list of inactive memberships to the public. Terry replied that the list will be published in the *Valley News*. While only one day of publication is required the suggestion was made that more exposure could be helpful. Other Board suggestions included: posting on the Co-op Facebook page, the Co-op website and lists posted in all the store locations.

Discussion regarding format of financial information in the Board Packet: Terry shared that he has been talking with CFO Paul Guidone about new formats for presenting financials. Kay said that Paul has extended an invitation to the Board to meet with him for an information session.

Regarding retail service options, like those offered at PPC Natural Markets, Terry was asked to keep the Board abreast of any ideas or plans. Terry was asked what is available currently and details of Senior Home Delivery were shared.

Member Comments

Two members complimented the Board for publishing its packet online. Another member congratulated the new Board members and new Offices of the Board; and asked that the Board take care in its choice of Terry's successor since it will be one of the Board's most strategic decisions.

Policy Monitoring

EL 9 Cooperative Giving Program

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

Dana seconded the motion.

DISCUSSION: Directors asked how the Hanover Consumer Co-op Fund is financed (donated refunds from members; annual golf tournament; wine sales); how it is administered (via the Twin Pines Foundation which handles our nearly \$400,000 endowment); and who are recipients of the Fund (local

non-profits some of whom are selected as Co-op Partners for publicity and cash donations at the register stands). Outreach Director Amanda Charland noted that these point-of-sale donations will soon be replaced by a “round-up” system where members can opt to have a rounded up amount of their grocery sale go to the named non-profit.
VOTED: 12 in favor, 0 opposed, 0 abstained, 0 absent.
The motion passed.

GP 8 Hanover Consumer Cooperative Fund

MOTION: Brett moved to accept the GP 8 monitoring report as in compliance and discuss at a future meeting.

Victoria seconded the motion

DISCUSSION: It was noted that that the Co-op doesn’t do a great job of promoting all the good works that are accomplished for the community. The Farmers Market as example and a previous idea for encouraging membership there were shared; also having more information for another Board meeting would be useful.

VOTED: 12 in favor, 0 opposed, 0 abstained, 0 absent.
The motion passed.

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GP Global Governance Process Commitment and GP I Governing Style

MOTION: Dana moved to table discussion of Global Governance Process Commitment and GP I Governing Style

Brett seconded the motion.

DISCUSSION: Several directors felt that, although there were acknowledged shortcomings in the Board’s governance procedures in 2015-16, this was not the appropriate time to monitor the two policy goals since some directors were newly elected.

VOTED: 3 in favor, 9 opposed, 0 abstained, 0 absent.
The motion was defeated.

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MOTION: Michael moved to accept the monitoring reports of Global Governance Process Commitment and GP 1 Governing Style with acknowledgment of non-compliance.
Harrison seconded the motion.

DISCUSSION: Board members felt that the key to more accurate evaluation of these policies was more frequent monitoring. Also, there are overlapping areas in each of the policies, which could better be expressed by revising the policies. To those ends:

First AMENDMENT to the MOTION: Ed moved to amend the motion to increase monitoring surveys to twice yearly
Kevin seconded the motion.
VOTED: To monitor GP Global and GP1 Governing Style twice yearly.
10 in favor, 2 opposed, 0 abstained, 0 absent.
The motion passed.

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Second AMENDMENT to the MOTION: Kay moved to amend the motion to establish a committee to review all Governing Policies for clarity and suggest corrections.
Michael seconded the motion.
VOTED: To establish a committee to oversee the GP’s
11 in favor, 0 opposed, 1 abstained, 0 absent.
The motion passed.

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VOTED: to approve the motion with amendments.
12 in favor, 0 opposed, 0 abstained, 0 absent.

The motion passed.

2016-17 Key Dates Decisions: Board Retreat, Annual Meeting

MOTION: Ed moved to establish a Board Retreat Planning Committee to recommend topics and identify presenters to invite and to hold a retreat during 2016 the date to be decided.

Kevin Birdsey seconded the motion.

VOTED: 12 in favor, 0 opposed, 0 abstained, 0 absent.

The motion passed.

MOTION: Brett moved that Annual Meeting be held in April, 2017 with information and details to be arranged with assistance from the Outreach and Member Services Department.

Liz seconded the motion.

VOTED: 12 in favor, 0 opposed, 0 abstained, 0 absent.

The motion passed.

Updates

GM Search / Succession Planning

Michael shared names of the search committee members and gave review of the schedule. He reported two of the four semi-finalist have been through the interview process and two more are scheduled in the upcoming ten days. The task force uses a consistent list of questions to ask each candidate; candidates also tour the different Co-op sites and meet with key management team members. The task force will conduct extensive reference checks and then meet to recommend one or more candidates for the Board's consideration and final vote. CVs for all candidates – including those who are not included in the final rounds – will be available to Board mid-to-late June. A director suggested that at least two candidates be recommended to make the selection process one of “intelligent comparison.”

Communications and Transparency Task Force

Sarah outlined the work of the Communication task force and asked if the work should continue. Sarah shared a matrix of subjects that the Board should exchange with members. She asked the Board to review the task force suggestions. A director expressed support by saying that improved communication is the heart of any co-op enterprise.

Additions to the Agenda

MOTION: Liz moved to allow **remote attendance at Board meetings** using phone or teleconference technology, limiting remote attendance to no more than two meetings in any Board year.

Brett seconded the motion.

DISCUSSION: Several directors said that in-person attendance is the best way to exchange ideas. Other directors said that allowing remote attendance would improve attendance and participation at meetings.

VOTED: 5 in favor, 6 opposed, 1 abstained, 0 absent.

The motion was defeated.

MOTION: Michael moved to establish a **Bylaws Review Committee** whose members would be determined by the President.

Kevin seconded the motion.

VOTED: 12 in favor, 0 opposed, 0 abstained, 0 absent.

The motion passed.

Administrative Matters

Facility Use Agreement Richard Black Community Center. Terry noted that he received a renewal form from the Black Community Center, which prompted the question: **Where does the Board want to hold its monthly meetings?**

MOTION: Dana moved to meet at the Black Community Center, Rm. 212 in June and request Terry to look into lower-cost alternative meeting places

Liz seconded the motion.

DISCUSSION: Directors asked what the capacity was at the Buck Road office conference room and the Hanover Store meeting room (both about 20 people including the Board) and what the cost was for a year of meetings at the Black Center (about \$3,000).

VOTED: 12 in favor, 0 opposed, 0 abstained, 0 absent.

The motion passed.

Executive Session

MOTION: Michael moved to enter into Executive Session to discuss a legal matter at 9:00 PM and to invite Terry Appleby, Kevin Birdsey, Ed Howes to participate in the discussion.

Ed seconded the motion.

DISCUSSION: Tony cautioned ~~that~~ all participants to preserve the confidential nature of the discussion.

VOTED: 12 in favor, 0 opposed, 0 abstained, 0 absent.

The motion passed.

MOTION: Bill moved to close the Executive Session at 9:22 PM

Brett seconded the motion

VOTED: 12 in favor, 0 opposed, 0 abstained, 0 absent.

The motion passed.

No votes were taken during the Executive Session

Adjourn

MOTION: Liz moved to adjourn at 9:25 PM

Kay seconded the motion

VOTED: 12 in favor, 0 opposed, 0 abstained, 0 absent.

The motion passed.

Respectfully submitted,

Kate Keating
Recording Secretary (substitute)

Harrison Drinkwater
Secretary

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Topics to Communicate (meeting outcomes):

(None were offered)

Monitoring Reports – June

EL 12 – Board Logistical Support (Terry)

B-GM Global Board – GM Flow of Authority (Board)

B-GM 1 – Unity of Control (Board)

GP 6 – Board Member Nominating Process (Board)

GP 10 – Board Committees (Board)

1. Draft a revised EL 6 policy. (07.22.15, Brett)
2. Organize open forums for members with Board. (08.26.15, Board, Amanda)
3. Set up site visits to all Co-op facilities for the Board. (08.26.15, Board)
4. Complete policy monitoring for the June packet. (Board)
5. Recommendations for new Board Administrator. (05.25.16 Board, Terry)
6. [Create ad hoc committees for Bylaws Review; Governing Policies Review; and Board Retreat Planning. \(05.25.16 Board\)](#)
- ~~6. Create Bylaws Review Committee, Board Retreat Planning (05.25.16 Board)~~