

MINUTES August 19, 2009

Present: Margaret Drye, Tricia Groff, Paul Hoffman, Donald Kreis, Janet Saint Germain, Richard Schramm, Mike Yacavone

Absent: Kay Litten, Corrie Martin

Staff: Terry Appleby, Eugenia Braasch, Tony White

Guests: Dan Dewey, (member, left the meeting before dinner), John McIntyre (member, left the meeting after dinner).

Welcome and Introductory Remarks

Margaret Drye called the meeting to order at 5:32 p.m. Board members, Co-op staff, and guests introduced themselves.

Agenda Review & Changes

The agenda was adjusted so that John McIntyre could speak with Board members before dinner. The Nominating, By-laws, and HCCF committee updates were rescheduled after dinner. The Connecting with Other Coops discussion was tabled to a future meeting.

Co-op Stories

- Paul Hoffman visited a food co-op and co-op housing project in Belfast, Maine.
- Mike Yacavone visited a worker collective while traveling in Medocino, California.
- Don Kreis represented the Hanover Co-op at a recent NH Farm Bureau Federation policy meeting. Rob Johnson, Executive Director of the Farm Bureau, would like to visit the Co-op.
- Tony White attended orientation for the Co-op Management master's program in Halifax, Nova Scotia.

Approval of Revised June 17, 2009 Minutes

MOTION: Richard Schramm moved to accept the revised June 17, 2009 minutes.

Tricia Groff seconded the motion.

VOTED: To accept the revised June 17, 2009 minutes.

7 in favor, 0 opposed, 0 abstained, 2 absent. The motion passed.

Tricia Groff offered to form a working group on minutes if there continues to be concern regarding the optimal amount of information presented in the minutes.

Approval of July 15, 2009 Minutes

MOTION: Janet Saint Germain moved to accept the July 15, 2009 minutes as amended.

Richard Schramm seconded the motion.

VOTED: To accept the July 15, 2009 minutes as amended.

5 in favor, 0 opposed, 2 abstained, 2 absent. The motion passed.

A correction, (approved text in **bold**, deleted text in [brackets]), was noted under 'Policy Revision, GP 2': "VOTED: To accept the revisions to GP 2 **policy** [monitoring report] as amended."

Prior Month Action Items:

1. Propose a process for addressing Hanover Co-op capitalization planning next steps. (Don, Terry)
2. Revise GP 4.5 policy. (Don)
3. Identify new data measures to track EL 3.7 Good Will. (Terry)
4. Outline a process for complying with policy GP 7.4. (Kay)
5. Hold an on-line discussion about policy monitoring. (Margaret, all Board members)
6. Revise EL 4, consider using the CDS sample.

August Monitoring Reports

EL 2 Financial Condition and Performance (due to physical inventory change, rescheduled for August)
EL 6 Compensation and Benefits (Terry)
B-GM 2 Accountability of the GM (Paul and Richard)

GM Monthly Update

Terry Appleby described Co-op activities that were not mentioned in his board packet update. On August 20th, Co-op managers will meet with the Regional Coordinator for pandemic planning, to discuss the draft Co-op pandemic plan. The goal is to be ready for a Co-op wide response by October 1, 2009.

Two Co-op members recently conveyed their opinions about the tobacco policy (one pro, one con).

Staff appreciation events are being held this week. Arthur Gerstenberger, retired GM, attended the luncheon at the Hanover Store today to present Beverley Edson with her 45 year service pin. Max Mousley will receive his 50 year service pin on August 20th.

MOTION: Michael Yacavone moved that the Board express appreciation to Beverley Edson and Max Mousley for their many years of dedicated service to the Hanover Co-op.

Don Kreis seconded the motion.

VOTED: That the Board express appreciation to Beverley Edson and Max Mousley for their many years of dedicated service to the Hanover Co-op.

7 in favor, 0 opposed, 0 abstained, 2 absent. The motion passed unanimously.

The search process for the next CFO is underway. Two former Board Treasurers, Mark Richardson and Philip McCaull, have agreed to participate on the search committee. The anticipated start date for the new CFO is December 1, 2009. The GM outlined the internal process for the search and asked for Board input. Board members discussed the possibility of offering advice to the GM about qualifications and characteristics desired in a CFO. Caution was expressed about such involvement, believing it wouldn't comply with policy B-GM 2 Accountability of the GM. The Board concluded that they would offer suggestions to Vice President Drye, who will compile, distribute to the Board for final review, and then submit to the GM before the September meeting. The Board also agreed to form policy if there are any specific concerns regarding this new hire.

Member Discussion

John McIntyre told the Board that he is impressed with the new Community Market on the Lyme Road. He would like to see comparable stores created throughout the Upper Valley and noted that the Quechee / Woodstock region is particularly in need of such a market.

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

The meeting resumed at 7:12 p.m.

Nominating Committee

MOTION: Richard Schramm moved that Don Kreis serve as chair of the Nominating Committee.

Tricia Groff seconded the motion.

VOTED: Don Kreis to serve as chair of the Nominating Committee.

7 in favor, 0 opposed, 0 abstained, 2 absent. The motion passed unanimously.

By-laws Committee

The Board discussed whether there are any pressing by-laws issues to address this year. The sense of the Board was that there are not.

Term Limits

The issue of term limits was raised in the context of the above by-laws discussion. Board members were reminded by Margaret Drye that Co-op members at the 2009 Annual Meeting requested that the Board discuss term limits and amend the by-laws. When asked whether they wanted to discuss term limits, a straw poll showed a Board divided about taking up the issue.

HCCF

MOTION: Don Kreis moved that Paul Hoffman serve as chair of the HCCF Committee.

Tricia Groff seconded the motion.

VOTED: That Paul Hoffman serve as chair of the HCCF Committee.

6 in favor, 0 opposed, 1 abstained, 2 absent. The motion passed unanimously.

Board Budget

The Board reviewed the board budget categories and amounts. The Treasurer suggested that board members forward their suggestions to him for the next fiscal year, so that a final board budget can be presented for a vote at the September meeting.

Policy Monitoring Calendar

Board members agreed to prepare the following monitoring reports: September, GP 4, Mike Yacavone; September, B-GM 3, Janet Saint Germain; October, B-GM 4, Kay Litten; January, B- GM Global, Richard Schramm; March, GP 3, Tricia Groff.

Policy Monitoring**EL 2 Financial Condition and Performance**

MOTION: Richard Schramm moved to accept, with acknowledgement of non-compliance, the EL 2 monitoring report, with a plan for moving forward.

Janet Saint Germain seconded the motion.

VOTED: To accept, with acknowledgement of non-compliance, the EL 2 monitoring report, with a plan for moving forward.

7 in favor, 0 opposed, 0 abstained, 2 absent. The motion passed.

Board members discussed the sales growth measure, which was out of compliance because the planned growth target wasn't met. Historically sales were reported separately for the Lebanon and Hanover stores. With the addition of the Community Market on Lyme Road, positive growth was achieved. Revenue is a critically important indicator; some people were unclear about what sales represents, whether it indicates membership loyalty/growth, consumer purchasing behavior, or some combination of the two.

Appleby noted changes to the EL2.5 Net Income figures (board packet p. 30): "Year to date results showed earnings of \$67,232 and shortfall from budget of \$201,709."

Board members asked that the P & L statement include prior year figures, (board packet p. 34). A board member also noted that it is also a difficult to make year-to-year comparisons, given the new Community Market opening and the unstable economic conditions. The Board briefly talked about the status of the Service Station, which is currently not a profit center.

EL 6 Compensation and Benefits

MOTION: Tricia Groff moved to accept, with acknowledgement of non-compliance, the EL 6 monitoring report.

Paul Hoffman seconded the motion.

VOTED: To accept, with acknowledgement of non-compliance, the EL 6 monitoring report.

7 in favor, 0 opposed, 0 abstained, 2 absent. The motion passed.

There was a discussion about the challenges of obtaining non-discrimination data to illustrate the policy language and interpretation.

B-GM 2 Accountability of the GM

MOTION: Richard Schramm moved to accept, with acknowledgement of non-compliance, the B-GM 2 monitoring report.

Paul Hoffman seconded the motion.

VOTED: To accept, with acknowledgement of non-compliance, the B-GM 2 monitoring report.

6 in favor, 1 opposed, 0 abstained, 2 absent. The motion passed.

The Board discussed its lack of compliance with sections 2.1 and 2.2 of the policy, as individual board members do interact with Co-op staff about operational matters. The possibility of revising the policy was raised, but no specific steps were outlined or agreed to.

Retreat Planning

Board members reviewed the compiled retreat worksheet and were asked whether they were willing to lead a retreat theme session. The following topics were mentioned as higher-level priorities: Building Membership (Serving other Sectors), Economic Justice/Affordability/Value, Making Membership Meaningful (field trip to Park Slope Co-op), Board/Member Linkage. Mike Yacavone agreed to convene a planning meeting for interested Board members during the next two weeks to synthesize topics across Ends categories.

Review of Meeting

Board members agreed that there is a need to develop a process for accommodating guest member requests for agenda time.

Meeting Adjournment

MOTION: Paul Hoffman moved to adjourn the meeting at 9:40 p.m.

Janet Saint Germain seconded the motion.

VOTED: To adjourn the meeting.

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

The motion passed.

Respectfully submitted,

Eugenia F. Braasch
Board Administrator

Tricia Groff
Secretary

Action Items:

1. Propose a process for addressing Hanover Co-op capitalization planning next steps. (Don, Terry)
2. Revise GP 4.5 policy. (Don)
3. Identify new data measures to track EL 3.7 Good Will. (Terry)
4. Outline a process for complying with policy GP 7.4. (Kay)
5. Hold an on-line discussion about policy monitoring. (Margaret, all board members)
6. Revise EL 4, consider using the CDS sample
7. Convene a retreat planning meeting. (Mike)
8. Send comments about CFO characteristics to Margaret, who will compile, distribute for Board review, and send to Terry.

September Monitoring Reports

EL 3 Asset Protection (Tony White)

B-GM 3 Delegation to the GM (Janet Saint Germain)

GP 4 Board Members' Code of Conduct (Mike Yacavone)