



# CONCORD FOOD COOPERATIVE

## BOARD OF DIRECTORS

### BOARD MEETING MINUTES

**Wednesday, October 19, 2011, 6:00 PM, Co-op Offices, Concord, NH**

Nancy Girard, President, called the meeting of the Concord Food Cooperative Board of Directors to order at 6:05 PM. A quorum was present.

**Attending:** Nancy Girard, Steve Hengen, John Warner, Andy Duncan and Gail Fayre. Staff: Paula Harris (General Manager), Peter DeLeault (Finance Manager), Joshua Bourassa (Customer Service Manager), and Melanie Waldvogel (Board Administrator). Guest: Patti Dann.

#### **September 21<sup>st</sup>, 2011 MINUTES APPROVAL**

- **BOARD VOTE: Accept the September 21<sup>st</sup>, 2011 minutes as amended.**  
(Motion by John Warner, seconded by Steve Hengen; approved unanimously. Andy Duncan abstained).

#### **FINANCE COMMITTEE**

Peter DeLeault delivered a report on patronage dividend, and a handout explaining the numbers behind the reasoning. A patronage refund makes good financial sense for the Co-op as the funds are either paid to members or in taxes. An estimated total of \$64,970.49 will be paid out, with 80% in B shares and 20% in cash, to help retain cash for the renovation. In response to a question from Andy Duncan, Peter noted that a member's total of initial investment, total B shares and refunds paid out can be calculated.

- **BOARD VOTE: Accept the 2011 patronage refund proposal as recommended.**  
(Motion by John Warner, seconded by Steve Hengen; approved unanimously).

**Loan and Renovation Status** – Merrimack County Savings Bank has agreed to develop two new loans of \$600,000 and \$200,000 for a total of \$800,000 in new loans and to refinance the CRDC loan of \$125,000. The CRDC loan was loaned at a rate of 7.73%, and will be refinanced to 5%, with the new funds also loaning at 5%. A condition of approval is that the Co-op will need to utilize member loans first, then CFNE funds before drawing on the Merrimack County Savings loans. Contractors are a week and a half away from the final not to exceed price, with preliminary demo beginning next week in the basement. The Co-op can expect to receive the first bill December 1<sup>st</sup>, and expects to close on the loans the end of November. With the timelines in place, the need to raise member loans is imminent. Work will begin in the basement and move to the façade, with work continuing in the basement during the holiday season.

**Yearly Audit** – The auditor is scheduled to present the fiscal year report to the Finance Committee on November 9<sup>th</sup>. Auditor recommendations are advisory only.

**Risk** – In response to John Warner's question regarding risk for the Co-op in this economy, Paula Harris replied that the Co-op has seen large growth over the past year in catering, grab and go and bakery sales. Peter DeLeault estimated that the overall growth rate is down slightly, but at less than ½ of 1%, which may turn around. September alone had a positive growth rate of 4.34%!

#### **POLICY GOVERNANCE**

**B5: ASSET PROTECTION** - Paula Harris reported that the loss at the Kearsarge Grocer was about \$5,000 in the wake of the hurricane, with a \$1,000 deductible. In response to a question from Andy Duncan, Peter DeLeault said that if the store should ever close, getting out of the lease would require negotiation. There is currently no generator in either store, but losses incurred to date have not justified a substantial generator expense. Use of a refrigerated truck is an option for an emergency.

- **BOARD VOTE: Accept the B5: Asset Protection Report as submitted.**

*(Motion by John Warner, seconded by Andy Duncan; approved unanimously).*

➤ **BOARD VOTE: Accept the B7: Emergency Management Succession Report as submitted.**

*(Motion by Andy Duncan, seconded by John Warner; approved unanimously).*

## **GENERAL MANAGER'S REPORT**

Paula Harris remarked on the success of the Senior program, with 296 new sign-ups for a 15% discount on Tuesdays. The Flower program has 1 new sign-up, but will be marketed more heavily in the coming months. These two programs have relied primarily on word of mouth, the web-site, postings in the store and the newsletter. CFNE will promote the programs nationally, and social workers at Concord Hospital as well as CATCH are aware of the Flower program.

Successful catering events have been held for the Five Rivers Trust local dinner, and the Warner festival. 1,000 members and public are expected for tomorrow's Beer, Brats and Breads event, featuring 65 beers and 25 soups. September and October have been busy months between increased catering jobs, holiday preparations and hiring a driver.

## **ANNUAL MEETING**

Nancy Girard will send a reminder to the candidates regarding the Annual meeting. Larry Pletcher and Roger Noonan will be co-speaking. Produce from the hoop house is already for sale at the Co-op! Balloting will close at 5:30pm on Sunday the 23<sup>rd</sup> with the keynote scheduled for 6:30pm. A video on the renovation will be shown. Betsy Black, Val Hall and Marcia Thunberg were suggested as volunteers. New procedures and templates for the voting process will be a job for the reconfigured Nominating Committee. Gail Fayre also encouraged using language to invigorate members in the fact that the store is theirs. A reminder to vote will be sent via Constant Contact this Friday.

**Candidate Forum Overview** – Patti Dann, Finis Williams and Karina Giordano did not attend the forum. Overall, it was an interesting discussion with active participation. Some concerns were announced and overall, it was a very constructive conversation.

**Ballot Change** – Feedback on the Board's Candidate Conflict of Interest statements was anywhere from positive to surprised. John Warner noted that a Board member that was excused from voting on particular issues would be in violation of Board Policy. All candidates and Board members must sign a Conflict of Interest statement (per policy D5).

## **MEMBER LINKAGE COMMITTEE**

The Committee did not meet in September, and a reinvigoration is needed. The Committee meets the 2<sup>nd</sup> Wednesday of every month from 6:30-8pm. Anne Renner, if elected, will take over as chair. Nancy Girard asked that the Committee come back to the Board with recommendations for the Board to take up November/December.

## **MEMBER LOAN COMMITTEE**

The Loan Committee announcement and a notice for the Member Loan drive will be in the next newsletter. The Committee will be brought together next week to draft scripts, with a goal of being up and running early November with a phone station, scripts, and a list of members to contact (30-40 calls per night). Peter DeLeault will provide a list of members already interested in loaning. The push will intensive the first three weeks of November. Peter DeLeault plans to issue the first notes by January 1<sup>st</sup>, 2012 totaling \$300,000, with the second set of notes issues June 1<sup>st</sup>, 2012. The offer will close on June 30<sup>th</sup>, 2012. Considering the current state of the stock market, the Board was hopeful that it may drive more members to contribute with a 0-5% rate of return. Member loans have been successfully obtained in 1993, 2002 and 2005.

**NEWSLETTER**

January will focus on A New Year, New Beginnings, and Hope. A Board article is needed by November 1<sup>st</sup> and Nancy Girard will solicit a new Board member for help writing this.

**OTHER BUSINESS**

The Board thanked Andy Duncan and Gail Fayre for their service to the Board. Andy's grasp of Policy Governance and Gail's commitment to Member Linkage were so crucial to the Board.

**ADJOURNMENT**

The meeting adjourned at 7:28pm. The next meeting is scheduled for Wednesday, November 16, 2011.