

CONCORD FOOD COOPERATIVE

BOARD OF DIRECTORS



BOARD MEETING MINUTES

Wednesday, May 18, 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, Marcia Thunberg, Betsy Black, Andy Duncan, Gail Fayre and Bruce Parrish. Guests: Maria Colback, Derek Owen and Jonathan Gregory. Staff: Paula Harris (General Manager), Peter Deleault (Finance Manager), Nick Schneider (Assistant Store Manager), Joshua Bourassa (Customer Service Manager), and Melanie Waldvogel (Board Administrator).

The Ground Rules and Agenda are reviewed, and Agenda discussion includes Member Linkage slot, Finance, and B3 and B4 vote. Andy Duncan will serve as Timekeeper.

April 20th, 2011 MINUTES APPROVAL

➤ **BOARD VOTE: Accept the April 20^t, 2011 minutes as submitted.**

(Motion by Marcia Thunberg, seconded by Andy Duncan; approved unanimously with 1 abstention).

It was noted that Marcia Thunberg distributed the current Policy Monitoring schedule to the Board via e-mail.

MEMBER OWNER TIME

Member Owner and Board Candidate Maria Colback had the floor for five minutes. She thanked the Nominating Committee for their comprehensive candidate application, and requested that additional dates be scheduled for an orientation (Members of the Nominating Committee agreed to schedule additional dates). She voiced concern over a Board appointment, conflicts of interest of other Board candidates, Board votes occurring by Board members with a conflict of interest, and fulfillment of Board terms. Gail Fayre mentioned that conflict of interest rules are designed for Board member awareness. The Board agreed that this was an important issue, and should be added as a Parking Lot Item. Nancy Girard noted Board members are responsible for policing themselves on this issue.

STRATEGIC THINKING: RENOVATION PLANNING AND FINANCE COMMITTEE REPORT

Peter DeLeault presented the Fiscal Year 2012 Annual Budget for the Board. It was noted, in response to Board member questions, that:

- Staff functions are comprised of the Christmas party and quarterly meetings
- The workers comp rate will be decreasing
- \$6-7,000 is normal for consultant fees (#6311), but more was spent this year (around \$14,000) due to Board counsel and counseling regarding a potential renovation
- Payroll will be coming in-house
- The staff are scrupulous about expenses to save money for the Co-op, and finances are a daily discussion amongst management
- The Kearsarge store will have a personnel decrease and other operational changes to save expenses. Any projected long-term liabilities of this store will be factored.

The Employee Incentive Plan and Northeast Chapter NCGA Coop Comparison Reports were reviewed. Most long term planning has focused no farther than the potential renovation, but a long-term discussion is in the works. Ten-year pro formas on both the Concord and Kearsarge stores are in development. Auditor comments, such as updating Quickbooks, have been implemented. Betsy Black thanked Paula Harris and the Co-op staff on an excellent job pulling the budget together.

➤ **BOARD VOTE: Accept the 2012 proposed budget as submitted, with the caveat that we will revisit this budget should a significant expense, such as renovation, be approved during the fiscal year.**

(Motion by Betsy Black, seconded by Marcia Thunberg; approved unanimously).

POLICY GOVERNANCE B3: Financial Planning

- **BOARD VOTE: Accept Policy B3: Financial Planning as submitted, with the caveat that an amended B3 be presented with any new budget.**

(Motion by Andy Duncan, seconded by Bruce Parrish; approved unanimously).

Andy Duncan noted that long-term planning may need to be reflected in this policy, which will be added to the Parking Lot list.

POLICY GOVERNANCE B4: Financial Condition

Andy Duncan requested more information on the seafood department. While Paula Harris considers the venture a success, the department is on hold due to a potential pending renovation and equipment repairs. A seafood department is included in the final renovation plans. In response to concerns over some financial decisions that have not netted significant revenue, Paula Harris noted that major financial decisions, such as acquiring the store in Kearsarge, are always backed by the Board. Decisions such as purchasing the building, which have netted significant savings, were also recently made. Many times, other factors such as bringing a co-op into a community, are also at play. Kearsarge had a net loss of around \$12,000 for the fiscal year. Paula Harris will cover all major decisions made over the past year in her Ends Report, due in July.

- **BOARD VOTE: Accept Policy B4: Financial Condition as submitted.**

(Motion by Betsy Black, seconded by Marcia Thunberg; approved unanimously).

RENOVATION PLANNING

An elevator has been added to the plans to answer the questions of product movement and ADA requirements. Plans are being recalculated and refrigeration companies consulted. The Finance Committee has reviewed a rough breakdown of the numbers by area, and Peter DeLeault is working on draft Financials and a Business Plan. The Business Plan will ideally be submitted to the Board by the end of the month, with pro formas to follow, and worst case/best case scenarios in the works.

BOARD MEETINGS

Two Board Meetings are desired for June. The first one will take on the regularly scheduled date of June 15th to discuss the Business Plan. A second date is to be determined to conduct a vote on the Plan. John Warner will need to be present at these meetings. By-laws were reviewed, and conference calling in to the meeting for a vote is a possibility. Nancy Girard will e-mail the Board, and determine a date end of June for the vote.

NEWSLETTER

Nancy Girard will write the article for July, Gail Fayre the article for August on Member Linkage, and Andy Duncan will write for September.

NOMINATING COMMITTEE

Handout: Candidate Orientation summary

Marcia Thunberg noted that she e-mailed the attendees, which counts as their certificate of attendance for the May 17th candidate orientation session. There was good feedback from the first orientation. A candidate's forum is scheduled for September 27th from 6:30-8:30pm for the candidates to interact with Member-Owners. Nancy Girard will add this to her July newsletter article. Andy Duncan developed the Policy Governance mini primer in the summary, and asked Board members for any further suggestions. Board candidate applications are downloadable on the web in PDF format, which was a great effort by the Co-op staff.

MEMBER LINKAGE

Handout: Member Linkage Committee Proposals

The Board reviewed the proposals and noted the following:

- Budget impacts of these proposals need to be considered (web upgrades, etc.)
- General Manager's response for the practicality of these suggestions is needed
- Open discussions from members are important
- The Board needs to be aware of issues such as time constraints and staff impact
- Concern over ability to follow-through with proposals
- The proposals represent how diverse the group is
- Negative discussion on-line could be a detriment to the Co-op, however, involvement today is primarily web-based which could provide a big opportunity for the Co-op
- One-sided discussions and Member speak-time at meetings can be frustrating, and Board and

Member-Owner meetings may be more effective

Betsy Black mentioned the practicality of accepting the proposals in spirit and work on implementation over the future. Gail Fayre noted that the Member Linkage Committee is fully committed to carry out the implementation process of the ideas, and they will develop an implementation plan.

- **BOARD VOTE: Authorize the Member Linkage Committee to start implementing recommendations.**
 - **Amendment: Accept all proposals except 2A and 3A for Member Linkage Committee to move forward on.**
 - **Amendment: 2A and 3A will be sent back to Member Linkage Committee for further work to be re-presented to the Board.**

(Motion by Bruce Parrish, seconded by Gail Fayre, amended by Gail Fayre and Bruce Parrish; approved unanimously).

Betsy Black thanked the Member Linkage Committee on behalf of the Board for their work. June 9th is the next meeting, and Bruce Parrish will attend the meeting as a Board Member.

GENERAL MANAGER'S REPORT

Paula Harris was congratulated for a successful Spring Into Healthy Living, and the staff were congratulated for their recent awards. Recent assistance to the Friendly Kitchen from the Co-op was much appreciated.

NEW BUSINESS

- Central Desktop has been discontinued and alternative methods are being explored. Andy Duncan will review his notes from the previous search. Please send any further suggestions for an on-line tool to Nancy Girard.
- Vice President Steve Hengen will run the meeting on June 15th in Nancy Girard's absence. All Board members must either submit comments beforehand regarding the Business Plan or plan to attend the meeting and special vote meeting to be determined.
- Concern over a particular Board member's attendance was voiced and the by-laws regarding this were read. Nancy Girard will contact this Board member about failure to attend the meetings.

ADJOURNMENT

- **BOARD VOTE: Adjourn the meeting.**

(Motion by Marcia Thunberg, seconded by Gail Fayre; approved unanimously).

The meeting adjourned at 8:39 pm. The next meeting is scheduled for Wednesday, June 15th, 2011. The Board evaluated the meeting verbally.