



CONCORD FOOD COOPERATIVE

BOARD OF DIRECTORS

BOARD MEETING MINUTES

Wednesday, July 20, 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 6:04 PM. A quorum was present.

Attending: Nancy Girard, Marcia Thunberg, Steve Hengen, Andy Duncan, Gail Fayre, Betsy Black, John Warner and Anne Renner. **Guests:** Val Hall, Marie Colbath, Audrey Burghard, Patty Dann, Krista Helmboldt, Derek Owen, Abby Lang, and Heather Franz. **Staff:** Paula Harris (General Manager), Peter Deleault (Finance Manager), Nick Schneider (Assistant Store Manager), Joshua Bourassa (Customer Service Manager), Len Bomba (Point of Sales), Lori Meyers (HABA Manager) and Melanie Waldvogel (Board Administrator).

The Agenda was reviewed, and while a discussion on D9 was requested, legal counsel comments on this policy are not yet back, but the issue will be raised during the Nominating Committee discussion. Board protocol regarding e-mail was also requested.

June 28th, 2011 MINUTES APPROVAL

- **BOARD VOTE: Accept the June 28th, 2011 minutes as amended.**
(Motion by Marcia Thunberg, seconded by Betsy Black; approved unanimously).

DISCUSSION ON D5 BOARD OF DIRECTORS CODE OF CONDUCT and MEMBER OWNER INPUT

Nancy Girard stated that Bruce Parrish resigned from the Board and withdrew his application for candidacy. The Board wishes him well and thanked him for his service. The following discussion can focus on the nomination process, the slate of candidates, application packets, etc., but will not be a discussion of Mr. Parrish.

Marie Colbath requested that Karina Giordano be rejected as a Board candidate due to her clear conflict of interest as a former employee, and mentioned that another candidate works for a direct competitor of the Co-op. She also noted that Member-Owners can serve on the Nominating Committee per the by-laws, and Betsy Black made a note of her interest in the Committee.

Val Hall offered her congratulations on a successful Market Days! She also had the following items for consideration: 1) That the Board initiate an amendment to the by-laws regarding eligibility requirement for Board candidates, specifically for former employees who may have personal agendas. 2) That the Board initiate an amendment to the by-laws regarding conflicts of interest for Board candidates and reasonable parameters. 3) That the Board make it a practice to provide the Membership with a recommended slate of candidates. She also hopes that the Board will work cooperatively to ensure a successful renovation project.

Krista Helmboldt urged that the Board not underestimate the value of presenting financial information to the Membership on where the money is going and why for the proposed renovation. The Co-op plans to make the Business Plan public and will create a bullet point fact sheet for easy understanding. Anne Renner noted that no figures should be distributed until final numbers are in place, but percentages and the cap amount to be spent are certainly public.

ENDS REPORT

- **BOARD VOTE: Motion to discuss the Ends Report.**
(Motion by Marcia Thunberg, seconded by Betsy Black; approved unanimously).

This is the second year of an Ends Report. Additional information requested for the report included the following for this year:

- The effort that went into assessing renovations to the building and how those renovations would help Staff and help customers. A reflection of the hard work and hours that went into planning for a renovation this past year. A summary of the 401(k) plan put in place for employees, and other employee benefits outlined
- More information about the education classes such as the number of attendees and frequency of classes held
- Paula Harris's participation in downtown Concord and her personal community service
- It would be helpful to show Value Line initiative so members know of efforts to address prices
- Break the topics down by headings

Additional information requested going forward included:

- A breakdown of the budget for outreach, and rough percentages of what is being spent where, such as for education, social gatherings, community, etc.).
- Data and stats desired, such as how many classes were given and how many attendees there were.
- Matrics to follow over time so we can measure improvements
- A wrap-up of yearly financials and how this met #6 of the Mission Statement
- How events are a service to the community, and data to reflect this (how many new vendors were added, new products, ability for members to ask questions and thousands of members of the community introduced to the Co-op)

The Ends report is a collaborative process with the Board, and clear parameters for the report should be given to the General Manager in writing. If it is in the Ends, it needs to be addressed in the report.

The Board appreciates all that has been done to put the Co-op on the map as an anchor of South Concord. Paula Harris's process for the Ends report was the break down the mission statement and report out with a community focus. She noted that this was a difficult year to summarize, however, she and her staff always keep the Ends at the forefront of all they do. The Board applauded her efforts, and noted that her leadership has exploited all of the good that the Co-op model can accomplish.

The Board will explore what the Ends mean to the Board and to the Membership, and will look at ways to improve the mission statement in a future Board retreat.

➤ **BOARD VOTE: Accept the Ends report as amended with the recommendations made by Board Members.**

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

➤ **BOARD VOTE: Paula Harris return to the Board in January 2012 with an outline of metrics to be included in next year's Ends report.**

(Motion by Gail Fayre, seconded by Anne Renner; approved unanimously).

The amended report will be due to the Board prior to the August 17th meeting.

NEWSLETTER

Anne Renner, head of the Print subcommittee for the Member Linkage Committee felt that point/counterpoint articles were key for the newsletter, and expressed interest in an article on pricing, a hot button topic for some Member-Owners. Betsy Black felt the newsletter was a good vehicle to get the issue out in an open way and start the conversation. It was desired to present all viewpoints, such as that of a Member-Owner, the Board and/or Finance Committee and Management. John Warner will work on a handout from the Finance Committee regarding Co-op pricing.

Newsletter Schedule

NEWSLETTER MONTH	DUE DATE	TOPIC	RESPONSIBLE
October 2011	August 1 st	Renovation	Nancy Girard/ John Warner
November 2011	September 1st	Bottled Water	Anne Renner/ Gail Fayre
December 2011	October 1st		
January 2012	November 1st	Pricing	Anne Renner

Going forward, Anne Renner volunteered to work with Paula Harris and the Board on coordinating upcoming articles and ideas for the newsletter.

BOARD NOMINATING COMMITTEE and PROCESS

Handout: Slate of Candidates and Completion of Requirements Checklist

There are 11 candidates currently. Anne Renner noted the following concerns: conflict of interest needs to be clarified, the Board needs to exercise its role in looking at conflict and the Board needs to provide leadership to the Membership on recommending a slate of candidates. Gail Fayre noted that anyone could have a conflict. Marcia Thunberg mentioned that the process for candidacy is a self-vetting one per the original Board vote on the process, and that conflict issues can and should be raised at a candidate forum. Changing the rules now may cause conflict. Candidates must disclose any possible conflicts of interest in the application, but Board Member recusal from voting is also self-vetting. Betsy Black stated that she recommends no changes to the process due to timing, and that she is open to changing the process for next year.

➤ **BOARD VOTE: Establish a sub-committee of the Nominating Committee to look at the two by-law changes: , Conflict of Interest and Former Employees .**

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

Andy Duncan read the by-laws concerning employee directors, and suggested adding a clause to the ballot materials disclosing that a candidate is a former recent employee of the General Manager. Paula Harris requested that in light of the hardships endured by the staff over the past eight months that Karina Giordano be removed from the ballot. The candidate packet does contain the language that candidates may apply as long as there are no conflicts. Marcia Thunberg noted that conflict language was added to the candidate application after it was approved by the Board, inserted by Nancy Girard. Some candidates have the correct version of the application. Gail Fayre asked that candidates on the Board refrain from too much participation in the discussion. The Board determined that asking the same conflict of interest question of all candidates was fair as opposed to singling out any one candidate. Exposure of any conflict, and a task force to approach candidates on this issue is wiser than creating risk by removing a candidate. The candidate in question may self-select out of the process by not attending a Board meeting and fulfilling her candidate requirements. John Warner noted that the remaining Board Members will have to deal with the potentially difficult consequences of a candidate vote where the candidates elected have personal agendas. Anne Renner stated that the Membership has a right to know when a candidate will have limited voting ability on the Board.

➤ **BOARD VOTE: The Nominating Committee will go back to the slate of candidates to determine their appropriateness as a candidate regarding conflict of interest.**

(Motion by Gail Fayre, seconded by Steve Hengen; approved with 4 opposed).

Peter Deleault mentioned the due date of August 1st for the candidate slate, as well as the 5 2-year terms and 1 1-year term issues. The Ballot needs to identify which candidates are running for which terms. The Board requested that the Co-op staff hold off on the draft slate until the August 17th Board meeting. Andy Duncan will carry out the request of the Board to the candidates and give his report to the Nominating Committee. The Nominating Committee will then give their report to the Board in August.

Peter Deleault noted that the Board should designate a process for the votes, and reminded the Board that the D9 policy is still at counsel for review. The process for counting the votes and validation will begin at the close of the ballot boxes at the 8:00 am meeting on Saturday, July 30th. The ballots will be validated before they are counted.

➤ **BOARD VOTE: Accept that if there is enough information on the outside of the envelope to reasonably validate the membership (either via name, member number or telephone number), then those envelopes will be identified as valid.**

(Motion by Anne Renner, seconded by Andy Duncan; approved unanimously).

Other voting scenarios discussed included:

- If two member names are on the envelope but only one member is validated and only one ballot is inside, that ballot will be valid
- If two valid membership names are on the envelope, and two ballots are inside, both ballots will be counted
- If two names are on the envelope, two ballots are inside, but only one name is a valid, then one vote will be counted if the ballots are identical, but the ballots will be discarded if they are conflicting votes
- If the envelope cannot be validated (no identifying information) then the envelope containing the ballot must be rejected
- An unsealed envelope will not be valid
- Duplicate ballots will not be accepted (Peter Deleault will maintain a checklist)

The ballot boxes are locked (keys are held by Nancy Girard and Marcia Thunberg). Paula Harris will drive the ballot box at Kearsarge to Concord at 6pm on July 29th. When the member meeting is opened at 8 am on the 30th, no more ballots will be accepted. Member-Owners will be in attendance as protection for staff (Krista Helmboldt and Heather Franz volunteered, and Val Hall will be asked). Nancy Girard was designated acting-Secretary by Marcia Thunberg for that morning.

MEMBER LINKAGE

Gail Fayre reported that the most recent meeting was very productive without the sense of division that was previously there.

OTHER BUSINESS

Nancy Girard distributed a sealed and confidential envelope to each Board Member.

ADJOURNMENT

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

(Motion by John Warner, seconded by Anne Renner; approved unanimously).

The meeting adjourned at 9:31pm. The next meeting is scheduled for Wednesday, August 17th, 2011.