



CONCORD FOOD COOPERATIVE

BOARD OF DIRECTORS

BOARD MEETING MINUTES

Wednesday, August 17, 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, Betsy Black, John Warner, Anne Renner and Andy Duncan (7:34pm). **Guests:** Karina Giordano, Marie Colbath, Patty Dann, Finis Williams and Jim Leon (6:21pm). **Staff:** Paula Harris (General Manager), Peter Deleault (Finance Manager), Joshua Bourassa (Customer Service Manager), Len Bomba (Point of Sales), Lori Meyers (HABA Manager) and Melanie Waldvogel (Board Administrator).

An updated Agenda was distributed. The Agenda and ground rules were reviewed. The amended Ends Report will be discussed under the General Manager's Report and Marcia Thunberg will report on an online communications tool.

July 20th, 2011 MINUTES APPROVAL

- **BOARD VOTE: Accept the July 20th, 2011 minutes as amended.**
(Motion by Anne Renner, seconded by Steve Hengen; approved unanimously).

MEMBER OWNER INPUT

Marie Colbath commended the Board on the candidate calls regarding Conflict of Interest. She has disclosed any potential conflicts and wanted the membership to know that the Board does listen to its members. She sees clear conflict with the Board candidate who formerly reported to the General Manager. Ms. Colbath feels an unbiased and impartial opinion of the General Manager is essential and any former employee would have a personal agenda.

Karina Giordano spoke with Andy Duncan regarding Conflict of Interest.

CHANGING PERSPECTIVE

Nancy Girard recapped the overwhelmingly supportive vote on the renovation at 330-21. The Board is now able to change gears and focus on Strategic Thinking. Food and the Education system was a topic delved into in the recent past, and new topics could include Co-op sustainability, partnerships, vendor outlets (local farming) and a focus on redrafting the mission statement. Marcia Thunberg noted a sense of the membership's ideas for hot button issues would be helpful and suggested using a survey tool. Anne Renner said the Board needs to educate itself on member linkage and an engaged membership, and use the Member Linkage Committee to help with this. John Warner felt that in addition to the membership, staying attuned to the needs of the Concord community at large was key. Nancy Girard mentioned long-term planning and the big picture perspective of 10 years from now. When asked to vision the next 10 years, Paula Harris saw a wholesale house for produce for local stores and restaurants, while Anne Renner wanted to see the Co-op as a full-fledged retailer with outreach to the community (garden plots, etc.) and a full sized restaurant. John Warner saw the Co-op growing its catering operation while Betsy Black saw the need for more education around the Co-op's story. Other Co-ops, such as LaCrosse, Wisconsin, were mentioned as inspiration.

Nancy Girard challenged each Board member to come back to the Board in September with two solid ideas for the Board to strategically focus on. Nancy Girard also outlined an article on the subject of changing gears which Melanie Waldvogel will e-mail the link and mail a hard copy of to Board members.

GENERAL MANAGER'S REPORT

Larry Pletcher was mentioned as a potential speaker for the annual meeting due to the house collaboration. 75 new Kids Club members and the Kearsarge 2nd birthday party were excellent outreach. The staff worked hard on a successful Market Days, and parking lot movies in the future were mentioned as a possibility. Two new programs in development are: FLOWER (Fresh, Local, Organic Within Everyone's Reach) for low income families and SENIOR (Supporting Elder Nutrition Is Our Responsibility) which will give Seniors a 15% discount on Tuesdays. Members of these special programs will not be eligible to vote unless their membership is paid in full. The Board may re-examine a community share program in the future. Beer and wine sales will also be excluded from these programs. Paula Harris was thanked for her excellent work in revising her Ends report.

- **BOARD VOTE: Accept the General Manager's Report and revised Ends report as submitted.**
(Motion by Marcia Thunberg, seconded by Anne Renner; approved unanimously).

FINANCE COMMITTEE

John Warner reported that sales and growth are down, which will be something to watch in the future, but the financial health of the Co-op remains strong even in the face of a difficult economy. Peter DeLeault noted that more expenses were incurred this year but equity has also increased. Betsy Black thanked the General Manager and Finance Manager for the great shape that the Co-op is in.

- **BOARD VOTE: Accept the Year End Financial Report as submitted.**
(Motion by John Warner, seconded by Steve Hengen; approved unanimously).

Establishment of a Member Loan Committee is needed, so that all committee members may be registered with the Secretary of State and the statement developed and filed. Members of the Loan Committee were suggested as follows: Meg Hirschberg, Glenn Berger, John Warner, Nancy Girard, Cathy Menard, Betsy Black, Steve Hengen, Joshua Bourassa, and Paula Harris. The Committee will be chaired by Peter DeLeault. Language used by the Committee when approaching members will be succinct, scripted and approved by counsel. The Board will receive a list of those individuals who will be making the calls to Membership. \$400-600,000 will be raised by the Committee (the Business Plan called for \$450,000). Lenders of a minimum of \$1,000 will set the rate of 0-5%, with an average of 3.5% expected. Board Members will also be asked to lend. A goal of September has been set to have the Committee up and running.

- **BOARD VOTE: Establish a Concord Food Cooperative Member Loan Committee.**
(Motion by Anne Renner, seconded by Betsy Black; approved unanimously).
- **BOARD VOTE: Appoint Peter DeLeault as Chair of the Member Loan Committee.**
(Motion by Betsy Black, seconded by John Warner; approved unanimously).

Paula Harris and Peter DeLeault outlined a plan for purchasing a catering and travel van for the Co-op through a capital expenditure. *Handout: Capital Expenditure outline.*

- **BOARD VOTE: Approval of a capital expenditure of \$21,799 on a new van for the Co-op's needs.**
(Motion by Anne Renner, seconded by Marcia Thunberg; approved unanimously).

MEMBER LINKAGE

The Print Sub-Committee will present a list of newsletter topics at the September Board meeting. Anne Renner and Gail Fayre will write an article on bottled water for the November issue.

ONLINE COMMUNICATIONS

Marcia Thunberg researched Owl Woman Design, a site that for \$500 a year will host secure web-based document holding and a place for moderated posting. Ms. Thunberg will update her chart and redistribute it to the Board.

BOARD NOMINATING COMMITTEE

Andy Duncan contacted all Board candidates except for one and circulated his comments regarding Conflict of Interest and the current slate to the Board. The Nominating Committee, consisting of Andy Duncan, Marcia Thunberg, Betsy Black and Nancy Girard, met to discuss the candidates and conflict. A discussion regarding conflict ensued, and the Board's role regarding its obligation to the membership with eligibility of candidates and disclosure of potential conflict. Andy Duncan saw three groups: those with no conflict, those who may potentially have conflict but fully disclosed this, and those of a more serious nature where a conflict exists, but the candidate disagreed or refused to disclose or acknowledge that conflict. After identifying the conflicts, the

Nominating Committee could reach no agreement on if these conflicts disqualified these candidates from running. Andy Duncan distributed the individual's candidate sheet to those candidates that were in attendance. John Warner felt that as Finance Chair, he could not discuss private financial details of Co-op business with a direct competitor to the Co-op, such as with candidate Jonathan Gregory. Andy Duncan did mention that this Board candidate was aware of his ethical responsibility should he be elected and that his background could be beneficial to the Co-op. Marcia Thunberg noted that conflict should be self-raised by the candidate or member, and that anyone with a conflict should or should be asked to leave that discussion. The way the application was set up for this election year, candidacy was a self-vetting process. Anne Renner felt that the Board's authority was not appropriate to determine candidacy given that process and that the membership would need disclosure to vet these candidates. Conflict of interest would directly affect a Board member's ability to do their job as an effective member. The membership would only be getting part of that candidate's abilities as a member, which would not be fair to the membership or to the Board. Ms. Renner further mentioned Board functionality as of utmost importance. John Warner noted that this type of conflict is unacceptable what with the relationship deterioration over the past year and the hard work around the renovation. Nancy Girard mentioned that the Board will either need to vote on a revised slate or make it clear that the membership will be informed that the candidates in question did not disclose their conflict of interest and that these conflicts will be made public should they choose to go forward with their candidacy. Andy Duncan made these three points: 1) a bylaw change slated for next year will mention the disqualification of former employees serving on the Board (this would affect the next election), 2) the cost of the candidate ballot, and 3) the opportunity to hear from the candidate, Karina Giordano, on her perspective on this. Betsy Black said that the Board decided to adopt this process to encourage candidates to run, and that due to the scrutiny and in the spirit of transparency, the Board needs to follow what was agreed upon, and any friendly amendments need to not compromise the process as established.

Nancy Girard asked Karina Giordano for her response to this issue. Ms. Giordano responded that she was forthcoming with her disclosure of conflict and that she has a great deal to offer the Co-op in terms of ideas and background knowledge. She did write and send out a letter addressing her concerns with the Co-op after leaving her position, which caused Steve Hengen to ask whether she would be able to exhibit un-conflicting loyalty to the Co-op and its General Manager. Ms. Giordano stated that she would. Anne Renner apologized on behalf of the Board for the unclear process, and outlined that conflict could prevent her from participating in any discussion to do with the General Manager due to objectivity. John Warner mentioned that conflict would cause her to have no authority as a Board Member in discussions regarding the General Manager. Karina Giordano had not realized the scope of her limitations as a Board Member. She withdrew her candidacy and left the meeting at 8:22pm. Anne Renner also left the meeting at 8:22pm and returned at 8:24pm.

John Warner said that where Karina Giordano would not have had any authority as a Board member in discussions regarding the General Manager so would Jonathan Gregory not have any authority in discussions regarding Finance. Andy Duncan will have a conversation with Mr. Gregory and explain in a neutral way the limitation and potential difficulty of his participation as a Board member.

Anne Renner and Steve Hengen left the meeting at 8:27pm.

Patty Dann felt that as a candidate she wants to know if the Board approves of her candidacy. She feels that the Board opinion is very important and Board endorsement of a candidate is key. Jim Leon felt that the Board could have handled the issue of conflict in a better way to avoid negative feelings and Nancy Girard stated that the Board has tried and is trying to put the process into place.

Marcia Thunberg left the meeting at 8:32pm. The Board no longer has a quorum. Patty Dann left at 8:38pm, Jim Leon at 8:39pm and Finis William at 8:39pm.

The ballot for candidates was discussed by the Board. Betsy Black recommended that the ballot itself will need a creative approach to be put together. Ideas included an introductory explanation to give members all of the information on conflict they would need to make an informed decision, as well as included all of the statements made in each application. Paula Harris noted that including all of the statements on the ballot would incur an additional \$4,200 in costs. She suggested a shorter ballot with a bio and photo, and full application statements on the web and in the store. Andy Duncan felt that the statements were important to how the Board needs to complete its work on obtaining a successful governing body, and felt that any additional expense should come out of the governance budget. Nancy mentioned that Marilyn Scholl felt that it would be reasonable to ask candidates to write a 250 word bio and to post the complete applications on the web and in the store in the interest of acting reasonably and saving money. Betsy Black worried about the

Board opening itself up to an attack if the Board didn't incur the additional cost and submit the ballot exactly as it said that it would. Andy Duncan read part of Policy D8: The Cost of Governance, outlining how the Board is able to use its governance budget to cover expenses as it sees fit to lead the Co-op. It was agreed that paper ballots should be distributed to all member owners in the hopes of increasing the vote from the 128 votes received last year. Len Bomba felt that the Board should proceed with the mailing as it has said it would. Board members ultimately felt that the mailing should go as planned, while valuing the General Manager's voice and opinion. Paula Harris requested that Andy Duncan let her know by tomorrow if there would be any more candidate withdrawals from the ballot.

OTHER BUSINESS

Betsy Black read a letter to the Board, with sadness resigning her position from the Board. She will remain on the Finance and Member Loan Committees. Nancy Girard, Andy Duncan and John Warner all gratefully thanked Betsy for her service and applauded her work.

Nancy Girard mentioned the need to appoint a new member for September and suggested Marie Colbath. She will send this request to the Board and inform the Board of Betsy Black's resignation.

ADJOURNMENT

The meeting adjourned at 9:17pm. The next meeting is scheduled for Wednesday, September 21, 2011.