

Littleton Consumer Cooperative Society
Board of Directors
Meeting Minutes: Regular Board Meeting
January 22, 2017

Meeting convened at the Co-op Break Room @ 5:05 pm.

Members Present: Patricia O'Brien, Tom Southworth, Mark Hollenbach, Marcie Hornick, Laura Walls, Charlie Wolcott, Luther Kinney, and Marni Hoyle.

Staff Present: Ed King, Kristina Zontini, Jessy Smith, Rodney Mitton, Chris Whiton, Melissa Bridges, Minnie Cushing and Charise Baker

Agenda Items

1. Housekeeping & Governance:

- a. The December meeting minutes were amended to update the name of the 401(k) company to Edward Jones. Laura motioned, Marni seconded and the amended minutes were accepted by a unanimous vote.
- b. Melissa presented two shares that had been requested to be cashed in as the member is moving. Tom motioned, Marcie seconded and this refund request was approved unanimously.
- c. Voting for acceptance of the Q42017 financials will be held at the February meeting, allowing all board members time to review before voting.

2. General Manager's Report:

- a. Year end financials include sales of \$11,381,000 which was \$139k over budget with \$109k from Q4. Margin for the year was -.46% and +.84% for Q4. Net income was -\$47k for the year and -\$20k for Q4. These figures were very close to budget. Labor was 1.7% over budget for the year. Cash is at \$614k with \$417k in the operating account. Impacts on cash were +\$86k in inventory and +\$26k in AR. Depreciation was low due to delay of starting dep. on the new building.
- b. The town evaluation has not been updated and should be completed by April. This will impact taxes.
- c. Sales were strong at the end of the year with a record Christmas week of \$304k. Several departments had record weeks as well.
- d. The transition to the 401(k) is complete without any complications.
- e. The Market Match program has shown solid growth with \$762 redeemed in December.
- f. There will be a NFCA Audit of our Healthy Food Access program at the end of January.
- g. The Co-op plans on hosting an NCG audit in June. Areas being looked at include merchandising, marketing and education.
- h. The Berlin Co-op is showing real progress, has applied for several grants and now has 15 members on its steering committee.
- i. Upcoming NCG trainings include Marketing Matters in Oregon and a GM/Board Relations meeting the end of February in Florida.
- j. The Co-op is working closely with Gallagher Flynn to gauge any impact from tax changes. The auditor plans to present debt figures with and without the impact of the NMTC.

- k. Planning for the annual meeting will begin soon with hopes of a day long meeting in the store café. Ideas include a video on loop. Participation from the board would be appreciated. The date for this event is Wednesday April 25th.
- l. Ed reported on section B1 of the governance policy. Two areas of this report were outside of compliance. These non-compliance issues were long term debt and net income.
- m. The Revolving Loan Fund with Grafton County has monies available for use in the agriculture area if anyone knows of an interested party.
- n. The move to a livable wage has impacted the labor budget. Focus continues to be on sales per labor hour and productivity. The higher starting wage has led to lower turnover. 2018 looks positive with stabilization expected in 2019.

3. Board Issues:

- a. Ed conducted the Board education piece for January. The topic was Food Trends. Ed stated that home delivery and curb side pickup are the two biggest trends. Other trends include the buying out of small companies by larger corporations, new flavors of spiced coffee, colorful foods such as those flavored with beets or turmeric, the increased popularity of plant based diets, a new look on fats, transitional organics, and using plants from 'root to stem'. Ed stated he uses the New Hope Network, Forbes and Google to research new trends in the food industry
- b. Trish encouraged other board members to join in the Leadership Training calls conducted monthly with Michael Healy. These conference style calls take from 30-60 minutes each. Trish will send out the date of the February call once it is established.
- c. The Nominating Committee shared the names of potential board candidates who had returned their packets. Three board positions are available as Trish, Marni and Mark do not plan to run again. There was discussion on how best to communicate the board needs (such as financial experience) to the voting members. It was suggested that board members give testimonials at the annual meeting in support of certain candidates. If employees are interested, they are to complete applications for consideration.
- d. The GM Review Committee will present a proposal at the February meeting. The committee stated they are considering restructuring the review process to include number driven goals. Ed stated that the Co-op's goals were his goals. There were questions around COLA raises this year and Ed stated that COLA raises are yet to be determined.
- e. Marcie stated that she overheard a conversation between a customer and cashier surrounding patronage rebates. It was decided that a universal message for all employees was needed.
- f. Chris told the board that there is a cashier incentive program being created about the Round-up program for community partners. This program will encourage cashiers to ask all customers about rounding up.
- g. Charlie suggested a Diabetic Section to make those items easier to find. It was suggested that the marketing department create a product identifier that would fit into the shelf channel to highlight those items within their original sets.
- h. The Cooperative Grocer currently sends five copies to the store every month. If you would like to receive a personal copy, please notify Laura. An online issue is available.
- i. The board was tasked with reviewing sections C: Global Governance and D: Global BoD Management of the governance policy.

4. Other Topics:

- a. Kristina and Jessy presented an update from the Marketing team. The Spring Radish is due to go to press by March first. Content for this edition will include information about meeting board candidates and the voting process. A letter from the board was requested. Anyone who would like to submit content for the Radish should have that information to Jessy no later than February 14th.
- b. Melissa informed the board about an upcoming audit of the HFA program scheduled for Tuesday January 30th at 11:00 am. A request was made for someone to join the audit team. Melissa also invited any board members who would like, to join us for the scheduled harassment training on Wednesday January 24th.
- c. There is confusion on how to obtain board documents on Google Drive. Ashley is to create a best practices guide on how groups/individuals can access these documents. Minnie offered to conduct a training class and to send a link via email that could be bookmarked to help with accessing the drive. Minnie stated she would continue to send documents as attachments to emails for two more months to give time to learn Google Drive.
- d. Future meeting dates were established. They are:
 1. February 19th at 5:00 pm at the Coop
 2. March 26th at 3:30 pm with location TBD.
 3. April 23rd at 5:00 pm at the Coop
 4. April 25th – Annual Meeting

Marni motioned and Laura seconded to adjourn the meeting at 7:07 pm. This motion passed unanimously.

The next scheduled meeting is February 19th in the Co-op break room to begin at 5:00 pm.

Respectfully submitted by:
Charise Baker