

Littleton Consumer Cooperative Society
Board of Directors
Meeting Minutes: Regular Board Meeting
April 27, 2020

Meeting convened via Zoom @ 04:00 pm.

Members Present: Wayne Ruggles, Luther Kinney, Dani Shaw, Alyssa Sherburn, Stephanie Bournival, and Angela McShane.

Members Absent: Deb Sullivan and Marcie Hornick

Staff Present: Ed King, Chris Whiton, Minnie Cushing, Becky Colpitts, Annie Stuart, Melissa Bridges, Ashley Wallingford, Mike Valcourt and Charise Baker.

Guests Present: Garth Allen, Steve Austin, and Chris Howard from Gallagher Flynn, Jim Moore, Penny Keeler and Vanessa Robbins.

Agenda Items:

1. Housekeeping & Governance:

- a. Angela motioned, Dani seconded and the board voted unanimously to approve the March 2020 board minutes.
- b. Let the minutes reflect an online vote dated 4/9/20. The purpose of the online voting was for board approval to allow the Co-op to apply for a Paycheck Protection Program Loan available through the COVID relief fund. Wayne motioned, Marcie seconded and the board voted unanimously to grant approval to apply for the loan.
- c. Let the minutes reflect an online vote dated 4/12/20. The purpose of the online voting was to allow the Co-op to take on the debt of \$550,000 made available to the Co-op by the Paycheck Protection Program Loan from the COVID relief fund. Angela motioned, Wayne seconded and the board voted unanimously to approve accepting the COVID relief funds.
- d. Alyssa motioned, Stephanie seconded and the board voted unanimously to accept compliance with B4:Member Rights and Responsibilities of the Governance Policy.

2. Auditor's Annual Report: Presented by Gallagher Flynn.

- a. The audit results show that there were no adjustments, variances or internal control problems.
- b. The NMTC program was reviewed.
- c. All aspects of the financial statements were reviewed.
- d. All draft reports are available on the Board Drive in the April 2020 folder.
- e. The board went into Executive Session to review the reports and to vote to accept the Audit report as presented.

3. Interim General Manager's Report:

a. General:

- a. Sales in March 2020 were 1.38M, which was approximately 453K over last year (49% increase) and 397K over budget.
- b. First four weeks of April continued the strong trend, 1.28M vs 922K last year (39% increase). 318K over budget.
- c. Pandemic sales trend so far (03/08 through 04/25) +48.7% v/last year (+783k), 696k over budget. Average basket size has almost doubled. (~\$70)
- d. Preliminary labor estimates for Q1 show roughly 26k under budget (-0.70%). Watching outlier Deli/PFD carefully and discussing future plans.
- e. Q1 preliminary margins are a blend of some actual inventories performed (Jan/Feb) and 2019 yearly averages (per NCG recommendation). Q1 store margin shows \$10.5k increase over budget.
- f. All departments with exception of PFD/Deli showing sales increases over last year. Bulk, Bakery and Seafood distributions are down though sales are up. Center grocery, Beer, Meat, Dairy, Frozen and Produce taking additional percentage of store totals.
- g. Many other Co-ops showing downward sales trends. Mandated customer limits, significantly shortened store hours, sourcing and staffing issues contributing to this.

b. COVID-19 Response Update:

- a. Improvements with supply chain since the last board meeting (trucks arriving) but out of stocks still a growing issue (30-50%). AGNE and UNFI state buyers are caught up with new demand trends, but problems now at the manufacturing producing end. Plant shutdowns due to illness, adjusted focus on core items, and difficulty sourcing ingredients / components all contributing to issue. Toilet Paper, flour, yeast, rice, pasta, hand sanitizer and many cleaners/wipes still have ongoing issues. Meat products are starting to show price increases with further price/supply issues on horizon.
- b. Our department managers continue to be innovative when sourcing products, contacting multiple suppliers to lock in needed commodities. Having a large conventional supplier (AGNE) as well as multiple secondary distributors (KeHe, Chex) has been a benefit. Meat concentrating on local sourcing due to concern with packing plant closures.
- c. Sales trends showing spikes in early morning. Busiest day is now Friday, with Thursday often exceeding Saturday sales. Counting customers but do not feel the need as of yet to create a queueing / gatekeeper system.
- d. Curbside program has increased, roughly 20 or more customers daily. New setup in the Cafe with register and phone with two dedicated staff members. Will start using this setup exclusively to track Curbside labor/sales performance. Looking tentatively at WebCart options as several other Co-ops using Catapult are trying it out. Slick but expensive.
- e. Switched our chemical provider from Foley to Cintas. Three of Cintas' chemicals are EPA rated against COVID19 and are used throughout the store. Hand sanitizer stations now set up in ten locations, including each register.
- f. Two hour "sanitation rotation" program set up, administered by the deli department. Structured, visible cleaning every two hours of all common surfaces in store.
- g. Signage and messaging pushing 6 foot social distancing, solo shopping, staying home when sick, glove use in bulk, shop less often for more. Plexi shields installed at registers and service desk. Departments have reconfigured workspaces to keep maximum distance when performing routine tasks.
- h. Referencing CDC guidelines, instituted a mandatory cloth face covering policy for all staff and vendors. We had several members sew and donate cloth masks for all the staff. We have pushed mask wearing signs and messages to our shoppers, falling just short of requiring them outright. Seeing a 95% or better rate of mask wearing by our customers. Most of our customers are very appreciative of this, as this is not the case in other stores. This week, adding additional signage directing customers to the service desk if they forgot to bring a mask. We acquired 1000 disposable masks at no charge to us for this purpose.
- i. Cross training continues as we move staff into other areas of the store that need it. Hiring (2 new employees last month, two more this month). Newly created Dairy Manager position will add one more FT to the Grocery department. New HBC manager.
- j. Night Crew instituted to address crowding issues stocking while the store is open
- k. Bulk department endcaps moved to the interior aisle to allow more space on the perimeter. One end cap removed. Self-serve soup station removed to allow more space at the deli counter.
- l. One-way aisles were discussed - determined they would do more harm than good.
- m. Uptick in shoplifting - looking into adding 10 more cameras to address blind spots.
- n. ARC will be increasing fresh air flow into store.
- o. Weekly all-staff updates held Mondays in the Cafe - recorded and distributed via Paylocity. The Pandemic Response Committee meets every Friday to discuss the week's events and ongoing vision.

- p. Awarded all employees this month with \$50 gift cards to local businesses of their choice.
- q. Advanced plans for May: A month-long 25% employee discount benefit for in-store workers. A floating “member appreciation day” that can be used any day in May for all members. Creating a 2-month member benefit program for members (similar to HFA) experiencing unemployment/closed business hardship. Working with Grafton County Senior Citizen Council to determine donation needs. Occasional sponsor/cook for the Bethlehem Community Dinner.

4. Board Issues:

- a. The Board reviewed section D1- Unity of Control of the Governance Policy.
- b. Marketing is currently working on the Annual Report and would appreciate an article from the Board. Angela volunteered to write an article for the Annual Report.
- c. Wayne received a letter from a member who suggested that all 2020 dividends be donated to the employees for their work during the COVID-19 Pandemic. While a very generous suggestion, there are many complications surrounding that kind of donation. Angela will draft a response letter from the board to send to this member.
- d. The board decided that there will not be a patronage rebate for 2019.
- e. Marketing is creating ‘Meet the Candidate’ videos for the 2020 Board Election. Matt Whiton and Penny Keeler will be next to have their videos recorded.
- f. Ed received a letter from another Co-op requesting that our Co-op join a lobbying effort to promote climate change legislation currently in front of Congress. Ed expressed concern about the political overtones associated with the letter. The board decided to table the issue. A copy of the letter is available on the Board Drive in the April folder.
- g. A suggestion was made that the Co-op actively promote all the cost saving programs implemented during the COVID-19 Pandemic.
- h. There was discussion about how the floating Member Appreciation Day for May would work. Each member will have a one time electronic ‘coupon’ attached to their number. The cashier will be notified when the member number is entered. Once used, the coupon will be nullified.
- i. The 20/21 Board Calendar is available in the Board Drive. It will be completed after the election when new members will be assigned their months for the board education piece.
- j. A question was asked about the return of reusable shopping bags. The state of emergency is set to expire on May 15, 2020 at which time reusable bags can be used.

5. Other Topics:

- a. Franconia Market looking to open mid-June. Manager has been hired (Guy Kerstetter).
- b. Upcoming tourist season uncertain. WMNF announced Friday the closing of many trailheads and facilities. State of Emergency extended through May 15th.
- c. Dirtworks to be repairing two storm drains in the parking area.
- d. Replacement compressor (~7k) and repair to meat grinder (~5k) this month. Repairs to FreeAire system (~3k) to fix product freezing issues.

Angela motioned, Luther seconded and the board voted unanimously to adjourn the meeting at 6:31 pm
The next scheduled meeting is May 18th at 5:00 pm. Location to be determined.

Respectfully submitted by:
Charise Baker