



CONCORD FOOD COOPERATIVE

BOARD OF DIRECTORS

BOARD MEETING MINUTES

**Wednesday, February 21, 2018, 5:30 PM, New England College,
Concord, NH**

Cathy Menard, President, called the meeting of the Concord Food Cooperative Board of Directors to order at 5:37 PM. A quorum was present.

Attending: Cathy Menard, Pete Engel, Jim McConaha, David Marshall and Krista Helmboldt. Tracie Sponenberg joined at 5:45. Guest: Gary Janinda. Staff: Nick Schneider (Operations Manager). Absent: Finis Williams, Derek Owen, Tedd Evans, Chris Gilbert (General Manager) and Melanie Waldvogel (Board Administrator).

PRESIDENT UPDATE

Cathy opened the meeting by noting Derek's absence due to his wife being in the hospital. Jim wrote a letter to New England College thanking them for the use of their excellent facility. The Sensitive Men, a co-op band formed by fellow employees Ethan Archer, Pat Gale and Vincent Ardizzone, performed on National Ukulele Day at the Co-op and were well received.

POLICY GOVERNANCE - B1 FINANCIAL CONDITION FY18

Nick presented the B1 Financial Condition report through the 2nd quarter of FY18:

- Gross margin at 39.8% remains above the peer median of 38%.
- Sales growth is positive at 1.6%, building on 5.22% growth in the first quarter to continue a solid improvement over last year.
- Combined Net income is \$3,716 for the 2nd quarter. For the 6 months ending December 31, 2017, combined Net Operating Income before interest expense is \$8,648 year-to-date (YTD). With other income & interest expense included, the YTD Net Loss is (\$44k).
- Current portion of long term debt (related to the store expansion) continues to impact 3 ratios where we are out of compliance. Management has an approved debt restructuring plan in place for June 30, 2018 to address this:
 - A. Current and quick ratios, B1.1.3 are below goals of 2.0 & 1.0 respectively (out of compliance).
 - B. Debt to equity ratio, B1.1.4 is above goal of 3.0 (out of compliance).
- Membership growth is 5.6% over same quarter last year and 2.1% over the year end number. Growth is well above the 2% goal, reaching a record high of 7,112 owners.

BOARD VOTE: Accept Policy B1: Financial Condition FY18, noting out of compliance B1.1.3 and B1.1.4.

(Motion by Krista Helmboldt, seconded David Marshall; approved unanimously).

Genetically Modified Organism (GMO) PRESENTATION

David outlined risks associated with GMO products including increased pesticide use and

contamination of non-GM and organic crops. He distinguished between conventional plant breeding and GM engineering for pesticide tolerance, i.e. the deliberate introduction of toxins.

David described an effort being taken by Whole Foods to supply their customers with a list of “Non-GMO Verified Products” available in their store. These are non-GMO products that have been verified by an independent nonprofit organization as free of GMO ingredients and carry the “Non-GMO Verified” label. David proposed that we request our GM report on the feasibility of the co-op providing information on the benefits of non-GMO products (choice, information and sale of non-GMO products within practical restraints).

BOARD VOTE: Authorize David to prepare a specific proposal on this matter for consideration by the Board at its next meeting.

(Motion by Krista Helmboldt, seconded by David Marshall; approved unanimously).

CLEAN ENERGY STATEMENT

Cathy presented a request from Donald Kreis, N.H. Consumer Advocate and Co-op member, that the Co-op sign on, and offer our logo, in support of a clean energy statement for N.H. This is an initiative sponsored by N.H. Businesses for Social Responsibility and Ceres, a Boston based organization that advocates solutions to world sustainability challenges. The letter will be used to encourage state legislators to advance clean energy policies. Jim expressed his view that public policy advocacy was not in the mission of the CFC, its governing policies, nor the duties of the board members or the GM and urged the board to decline the request. Other members expressed support for signing on, believing it was part of the co-op mission and would be an appropriate action of the board.

BOARD VOTE: Notify the NHBSR to add the Concord Food Co-op’s name and use of logo to the Clean Energy Statement.

(Motion by Krista Helmboldt, seconded by David Marshall; 5 members for, 1 opposed)

GENERAL MANAGER’S REPORT

Nick presented the General Manager’s report, noting upward FY18 trends in Items per Customer, Average Basket Size, and Customers per Week. Cathy celebrated the improving trend in customer count, contrasting it with the flat or slightly negative trend nationally as reported by National Co-op Grocers (NCG).

MEMBERS

Jim reported that the Nominating Committee has been looking at ways of promoting board interaction with members. The board will be participating in the upcoming customer survey March 11 – March 24 and members are being asked to sign up for hours they are willing to hand out surveys to members during store hours.

Krista has drafted a February message to members and received feedback from the board.

BOARD VOTE: Approve the January 17, 2018 minutes as submitted, correcting the spelling of Pete Engel’s name.

(Motion by Krista Helmboldt, seconded by Pete Engel; approved unanimously).

EXECUTIVE SESSION

BOARD VOTE: Enter Executive session at 7:30pm.

(Motion by Cathy Menard, seconded by David Marshall; approved unanimously). **BOARD VOTE: Exit Executive session at 7:40pm.**

(Motion by David Marshall, seconded by Krista Helmboldt; approved unanimously).

ADJOURNMENT

BOARD VOTE: Motion to Adjourn at 7:45PM.

(Motion by David Marshall, seconded by Jim McConaha; approved unanimously).

The meeting adjourned at 7:45PM. The next meeting is scheduled for Wednesday, March 21, 2018, 5:30PM at New England College in Concord.

