



CONCORD FOOD COOPERATIVE

BOARD OF DIRECTORS

BOARD MEETING MINUTES

Wednesday, August 21, 2019, 5:30 PM, Nature Conservancy, Concord, NH

Cathy Menard, President, called the meeting of the Concord Food Cooperative Board of Directors to order at 5:33 PM.

Attending: Cathy Menard, Finis Williams, Jim McConaha, Pete Engel, Krista Helmboldt, Traci Komorek, Tracie Sponenberg, Chuck Gilboy and Gary Janinda. Staff: Chris Gilbert (General Manager), Pete Deleault (Controller), and Melanie Waldvogel (Board Administrator).

POLICY GOVERNANCE:

I. FINANCIAL CONDITION (B1)

Pete Deleault presented the FY2019 summary financial statements. Steady sales growth throughout the fiscal year slowed somewhat during the summer, especially in June. Chuck Gilboy drew the board's attention to a cash basis measure of results called Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) which is \$364,634 for FY2019. Cathy Menard noted that Net Operating Income is \$121,620 which is ahead of budget. This measure of results takes into account all operating expenses and depreciation but excludes interest expense and taxes.

Chris Gilbert was happy to report that Sales for the fourth quarter were up by 1.89% compared to prior year, and that Sales for the entire year were up 3.97% versus last year. The fourth quarter ended with a loss due in part to the turnover in Human Resources and the loss of all frozen product in New London after a cooler failure. This pushed results for the year to a Net Loss of (\$4,277) for FY2019.

II. ASSET PROTECTION (B3)

Chris noted a pending switch in companies for Directors and Officers insurance. The Board continued to discuss the technology noted in the Co-op's Marketing plan for 2020, presented by Greg Lessard last month.

BOARD VOTE: Accept Policy B1: Financial Condition and Policy B3: Asset Protection as submitted.

(Motion by Finis Williams, seconded by Krista Helmboldt, approved unanimously).

BOARD SELF-EVALUATION SURVEY

Finis Williams presented the results of the board survey, an evaluation of board work in accordance with our C&D policies. Areas of special focus and discussion:

1. **Accountable Empowerment:** The Board holds committees accountable for meeting expectations set in committee charters. Current board committees are Finance and Nominating. These committees will research what is required in the bylaws and develop an articulated statement of purpose.

2. **Strategic Leadership:**

- a) The Board understands the capital needs of our co-op. Chuck suggested that the Co-op's depreciation schedule could be used to identify aging assets.
- b) The Board knows that our Co-op has enough management depth that losing our current GM would not create a crisis. To mitigate this challenge, the board is committed to the work of Succession Planning (Policy B9).

3. **Democracy:** Our Co-op has robust Board elections. Tracie Sponenberg suggested in the interest of having measurable goals that we set a target number of board candidates.

BOARD VOTE: The Board has completed an evaluation of its own board work in compliance with its C and D policies.

(Motion by Finis Williams, seconded by Gary Janinda, approved unanimously).

BOARD VOTE: Maintain the current data layout of the Board self-evaluation with one column for just Board data and one for Board and GM data combined.

(Motion by Jim McConaha, seconded by Gary Janinda, Vote 4/4 tie, motion does not pass).

BOARD VOTE: Create a new Board self-evaluation report with one column of Board member compiled data, and a robust discussion with General Manager input.

(Motion by Krista Helmboldt, seconded by Chuck Gilboy, approved unanimously).

QUARTERLY CONVERSATION WITH GENERAL MANAGER

For the Round-it-Up Program, Jim McConaha recommended the following criteria for selecting community partners:

- * Organization should be a charitable not-for-profit
- * Efforts should be focused locally in New Hampshire
- * Organization should be socially and environmentally responsible
- * Organization should do work that is complementary to the Co-op's mission

The new employee handbook is scheduled for release in mid-September. Recent Anti-discrimination and Anti-harassment training was a success for managers and will be offered to all employees.

Pete Engel is interested in a robust discussion of areas of tangible opportunity going forward into the new year and he suggested several ideas. In response, Chris described a recent switch from overnight to morning re-stocking which means more personnel will be able to assist customers. Ceiling signs are coming to help direct customers to products in the aisles. In New London, store hours have been expanded by adding time at the beginning and end of the day; produce offerings have been increased with success.

BOARD VOTE: Approve the July 17, 2019 minutes as submitted.

(Motion by Finis Williams, seconded by Traci Komorek; approved unanimously).

BOARD VOTE: Enter Executive session at 7:48pm.

(Motion by Jim McConaha, seconded by Gary Janinda; approved unanimously).

BOARD VOTE: Exit Executive session at 7:58pm.

(Motion by Finis Williams, seconded by Krista Helmboldt; approved unanimously).

BOARD VOTE: Motion to Adjourn at 7:59PM.

(Motion by Traci Komorek, seconded by Krista Helmboldt; approved unanimously).

The meeting adjourned at 7:59 pm. The Annual Meeting is scheduled for Saturday, 09/14/19 at 2:30 pm at Hotel Concord. The annual board retreat is Saturday, October 5th at 8:30 am at Canterbury Shaker Village. A focused board meeting is scheduled for Wednesday, 10/16/19 at 5:30 pm at the Nature Conservancy.