

Littleton Consumer Cooperative Society
Board of Directors
Meeting Minutes: Regular Board Meeting, February 15, 2016

Meeting convened at the Conference Room @ 4:04 pm.

Members Present: Patricia O'Brien, Mark Hollenbach, Tom Southworth, Luther Kinney, Marni Hoyle, Tim Wennrich and Charise Baker

Staff Present: Ed King, Minnie Cushing, Melissa Bridges, Katelyn White and Chris Whiton.

Guest Present: Rodney Mitton

Agenda Items

1. Housekeeping & Governance:

- a. Tim motioned and Luther seconded to accept the January 2016 minutes as presented. The January minutes were accepted with a unanimous vote.
- b. Let the minutes reflect the on line quorum vote to reimburse share costs to a terminated employee.
- c. Melissa presented a share transfer request that was approved and signed by Trish.

2. General Manager's Report:

- a. Sales, Margins and Net Income were over budget for January. Labor continues to be over budget. Sales growth of only 5% is attributed to poor winter conditions which have impacted tourism regionally.
- b. The Co-op did not qualify for the New Market Tax Credit. Several reasons include strong competition among applicants and our strong financial performance. Our application also included a high level of refinancing which the IRS has been limiting in NMTC's. There is another round of Tax Credits in August and the Co-op could be considered then.
- c. Financing packages are being assembled by Mascoma and WGSB. An appraisal will be conducted by one party that is accepted by both banks, providing the Co-op with a cost savings. A handout comparing the two possible proposals was presented. Final proposals will be given after the appraisal and when the final plans are given by the architect. This should happen by the end of February.
- d. The denial of the NMTC removes the need for some by-law changes. There are issues surrounding retained capital, which will need to be clarified before moving forward with any changes in that area.
- e. The Co-op is looking at raising/adjusting pay to come more in line with livable wages in Grafton and Coos County. This will be done over the course of three years, adding between .5-1.0 percent to labor costs. Discussion included the benefit of the employee discount, currently at 15%.
- f. There is some concern that the \$2.5 million budgeted for the expansion might not cover all expenses. If construction bids come back over these figures, it was recommended that the pavilion portion of the expansion be removed until a later date. The removal of the pavilion would reduce the amount of solar panels planned. There will be some changes needed to meters and transformers to support the solar panels. A REAP grant will be sought to support the cost of the solar panels.
- g. The construction company selection process has begun. Currently, four companies are being considered. These companies are waiting to receive the final plans from the architects, with instructions that bids must be received in a 2-3 week time frame. Ed will send an email with a date for making the final selection, prior to the March meeting.

- h.** Ed reported on Section B-9 of the Governance Limitations Policy concerning Succession Planning. Chris Whiton is the person most qualified to fill the GM position if Ed were to leave suddenly. Ed is in compliance with this Limitations Policy.

3. Board Issues:

- a.** The Board reviewed the information provided on Emilia Romagna and Mondragon Coop regions as their February educational portion of the Annual Calendar.
- b.** The By-Laws Committee provided an update. The need to change by-laws looking at retained capital has been removed. The concern for differences between full and other members continues to need clarifying, and changes will not be able to be completed in time for this year's annual meeting. It is suggested that the committee remain active over the next year and work to complete these changes by the 2017 Annual Meeting. The final concern being addressed is patronage rebates of small amounts. A 'de minimus' option is being considered. In this option, a minimal amount will be established, and any rebates less than that amount will be retained until it reaches that amount before being paid out to the member. The by-law committee will finalize the wording on that change and email to all board members prior to the March meeting. Doing so will expedite the vote at the March meeting, which has a full agenda.
- c.** The Nominating Committee provided an update. There are currently eight applicants for three positions. These applicants include two employees (of which only one could be a board member, if receiving enough votes), three current Board members and three other interested persons. All applications were given to Katelyn, who will provide bios at the March meeting. At that time the slate of candidates will be voted on.
- d.** Minnie provided the board with a Member Loan fundraising update. As of February 1st, the Co-op has received \$376,500 in loans. These funds have begun to accrue interest. The second round of loans has received over \$60k in pledges. Pledges for this round must be received in April with funds received at the end of May. A cap of \$600k is optimum for Member Loans.
- e.** It was recommended that the Board research and adopt best practices for how we should conduct on line votes. The board is to research options for future discussion.

4. Marketing Update and Upcoming Dates:

- a.** Katelyn presented the first draft of the new quarterly newsletter. The first printing will include 1000 copies, to be distributed in store. The option of sending a PDF version electronically will be researched. Suggestions include adding a link to a survey for feedback on the edition. The second edition is scheduled for June 1st. Katelyn will be looking for more board input for that edition.
- b.** Winterfest is scheduled for Saturday February 20th. There will be over 15 vendors attending, which should make for an exciting event. Board members are will to come and assist.
- c.** The next Member Appreciation weekend coincides with Winterfest, making for a very busy weekend.
- d.** Future dates include:
 - 1.** NFCA Annual meeting is 3/5/16 in Greenfield MA. This will be Ed's final meeting as a NFCA Board member.
 - 2.** CDS Cooperative Café in Keene, NH on 03/12/16
 - 3.** Annual Meeting is scheduled for April 27th.

4. CCMA in Amherst, MA is June 9-11. Ed will be presenting at this event.

Charise motioned and Luther seconded to adjourn the meeting at 6:26 pm. This passed unanimously.

The next scheduled meeting is March 21st at 3:00 pm. This meeting is scheduled earlier to allow time for the audit presentation by Gallagher Flynn.

Respectfully submitted by:
Charise Baker, Secretary