

**Littleton Consumer Cooperative Society**  
**Board of Directors**  
**Meeting Minutes: Regular Board Meeting, April 18, 2016**

**Meeting convened at the AHEAD Conference Room @ 4:06 pm.**

**Members Present:** Patricia O'Brien, Marcie Hornick, Luther Kinney, Marni Hoyle, Tom Southworth, and Charise Baker

**Staff Present:** Ed King, Chris Whiton, Minnie Cushing, Melissa Bridges, Mikaela Allen, and Kristina Zontini

**Agenda Items**

**1. Housekeeping & Governance:**

- a. Charise motioned and Luther seconded to accept the March 2016 minutes as presented. The March minutes were accepted with a unanimous vote.
- b. Melissa presented requests for share transfers and redemptions for approval. All were approved and Patricia signed them.

**2. General Manager's Report:**

- a. Ed reported on the first quarter of 2016. Sales were over budget by \$11k for the quarter. Margins (.72%) and Labor (.77%) were both over budget for the first quarter. The savings in margin offset the cost in labor. Net income was \$22k, \$10K over budget. Cash level is \$19k below budget at \$603k. Major variances include equipment maintenance, labor and utilities. Overall, it was a challenging quarter with growth barely meeting budget. Soft sales appear to be a region wide issue due to the poor winter conditions. Performance of quarters one and four have shown a history of poor performance and quarters two and three make up for this.
- b. Ed reports compliance with B1 of the Policy Register concerning the Co-op's Financial Condition. This compliance is based on the recent Audit Report from Gallagher Flynn and that systems and performance meet GAAP principles.
- c. Ed reports compliance with B5 Treatment of Customers of the Policy Register. Ed states that the Co-op communicates well with the customers, is responsive to customer concerns, meets customer expectations on product requests, and provides a safe shopping environment. Ed believes it is a good idea to conduct a Customer Satisfaction survey to be done in 2017. Waiting until then allows the Co-op to meet new NCG reporting guidelines while saving costs of conducting multiple surveys.
- d. The As Built appraisal came up short of expectations. The appraised value came in at \$3.7 million and is under review. This leaves a gap of \$600k with the loan from Mascoma. Meetings are being held with NCIC and GCEDC for gap funding. Increased member loans could help fill that gap.
- e. The first construction meeting was held with Trumbull Nelson and GBA. The focus was staging the construction. An anticipated start date of May 9<sup>th</sup> may need to be postponed until financing is finalized. A separate refrigeration meeting is scheduled with TNC and Vermont Mechanical to go over phasing, as this is a more complicated process. The next construction meeting is scheduled for 5/03. Construction costs are over bid due to additional work required on the existing building, with this work adding an additional 3k square feet. A buffer of 5% has been factored into the construction budget. Allen Brown will be hired as the Construction Inspector based on a recommendation from TNC.
- f. A conservative Performa was distributed which shows a five year plan of slower growth. This Performa will allow for worst case scenario planning.

- g. Tim O'Neal from Berkshire, Hathaway and Guard will be the new insurance broker. The quote from this firm came in as the best value, with only a slight increase from the previous insurance carrier.
- h. Increased professional development will be a focus this spring. Ed's recent NCG conducting a three part seminar for the management team with a focus on communication, team building and leadership. Kristina will be attending a marketing conference hosted by NCG later this spring.

### **3. Board Issues:**

- a. Luther motioned and Marni seconded to accept the first quarter financials as presented. The first quarter financials were accepted with a unanimous vote.
- b. Minnie provided the board with an update on Member Loans. To date loans total \$467K with a shortfall from the goal of \$145K. The second round of member loans has a June 1<sup>st</sup> closing. Sixteen pledges have been made, 28k in lender agreements has been received and \$13k in payments have been made. Several lenders from round one have expressed an interest in loaning more if needed. The average interest percentage on the member loans is 3.85%
- c. The BOD calendar for April calls for monitoring of section C3 of the Governance Policy – agenda planning. The agenda is sent out prior to the meeting. Anyone who has requests for additions to the agenda should contact Trish or Ed.
- d. The BOD calendar Board Education piece for April asks to review the Rochdale Cooperative history. Trish provided the board with many interesting facts about the Rochdale Cooperative and how its model impacts the global economy to this very day. Melissa states that some of this history is part of new employee orientation. It was suggested that Trish write about the Rochdale Cooperative for the next edition of The Radish.
- e. The August Retreat date was set for Saturday August 6<sup>th</sup>. A time will be confirmed at a later date. This retreat will focus on Strategic Leadership and Planning.
- f. Luther and Marci are still working on finalizing an Online Voting Policy for the board. This will be presented at the May meeting.
- g. Melissa reminded the board about the annual employee appreciation event usually scheduled for July. This event is hosted by the board. The challenge this year will be a location that is easily accessible for employees to attend during their work shifts, since the green space used in the past will be under construction.
- h. Changes to the BOD calendar for 2017 can be recommended. Consider additional educational pieces.
- i. The board is tasked with reviewing the Pillars for Success from CBLD 101 for the May meeting.
- j. The board is tasked with writing an article for the second edition of The Radish. Melissa will send out any theme inspired ideas.
- k. The board would like to take this opportunity to thank Minnie for her outstanding work. Her dedication to details and proactive stance made the annual audit a success.

### **4. Additional Information and Upcoming Dates:**

- a. Melissa handed out information about the Annual Meeting and Celebration scheduled for Wednesday April 27<sup>th</sup> at the Colonial Theater. Time frame is 5:00-7:30 pm. There will be live entertainment, snacks, a cash bar, raffle prizes, and a slide show during social time. This is an open attendance event and there will be opportunities for people to become members and current members to upgrade to full membership. The event will be promoted with radio ads.

- b. Earth Day celebrations will take place on Sunday 4/24 to include free tree seedlings, and UNH Master Gardeners there from 11-1.
- c. The Caledonain Record and Courier ran a nice article concerning the expansion.
- d. It was suggested that links to the meeting minutes be a facebook post after the meetings. Kristina will do a check to see how many hits the minute's link gets on the website.
- e. Future dates include:
  - 1. Voting for Annual meeting is 4/24 – 4/30.
  - 2. Annual meeting is 4/27
  - 3. Construction meeting is May 3<sup>rd</sup>.
  - 4. The Radish second quarter planning meeting is 4/29 at 3:00 pm in the Admin offices.

The meeting adjourned at 6:00 pm

**The next scheduled meeting is May 23rd at the AHEAD conference room to begin at 4:00 pm.**

Respectfully submitted by:  
Charise Baker, Secretary