

**Littleton Consumer Cooperative Society**  
**Board of Directors**  
**Meeting Minutes: Regular Board Meeting**  
**April 22, 2019**

**Meeting convened at the AHEAD Conference room @ 03:06 pm.**

**Members Present:** Marcie Hornick, Wayne Ruggles, Laura Walls, Luther Kinney, Deb Sullivan, and Alyssa Sherburn.

**Staff Present:** Ed King, Chris Whiton, Annie Stuart, Minnie Cushing, Dani Shaw and Charise Baker.

**Guests Present:** Chris Driscoll, Garth Allen and Frank Wilich

**Agenda Items:**

1. The auditors from Gallagher Flynn began the meeting with their annual presentation. The 2018 audit did not have significant findings. All financial areas were reviewed. The board went into executive session to discuss the audit results.
2. **Housekeeping & Governance:**
  - a. The regular board session began at 4:45 pm.
  - b. Wayne motioned, Laura seconded and the board voted unanimously to accept the audit with one recommended change. That change was to alter the patronage payout to 100% instead of the 50% reflected in the report.
  - c. Laura motioned, Alyssa seconded and the board voted unanimously to distribute 100% of the patronage rebate amount of \$42k instead of holding 50% in equity.
  - d. Wayne motioned, Luther seconded and the board voted unanimously to accept Ed's compliance with Executive Limitations sections B1 and B4 of the Governance Policy.
  - e. Laura motioned, Wayne seconded and the board voted unanimously to accept the March minutes as presented.
  - f. Minnie presented the D&O insurance policy renewal for a board signature. Marcie signed this document.
3. **General Manager's Report:**
  - a. Ed informed the board about his annual NCG meeting. Highlights from that meeting include:
    1. C.E. Pugh was introduced as the new CEO. Mr. Pugh has visited our Co-op. He spoke about the direction and vision for NCG.
    2. The NCG Advocacy Report is available to read on the Board Drive. This is the committee that Ed is on and focuses on lobbying efforts both at federal and state levels.
    3. Tiffany Jana from TMI was the guest speaker. She spoke about Diversity, Equity and Inclusion. Ed recommends you visit YouTube to see some of her presentations.
    4. Jonah Sachs is working with NCG on a new Brand Guide which should be helpful to us going forward.
    5. Working groups at the meeting worked on a 5 year vision which includes more shared services, educational support, start-up and expansion support, more flexible buying contracts and sustainability and diversity. This vision work could be a topic for a future board retreat.
    6. While our Customer Experience Survey is delayed, early feedback from currently participating co-ops suggest that the biggest issue is product availability. Causes for out of stocks include supply chain issues, operations and product mix. Currently UNFI is running an out of stock percentage of 7-10%, well above the 3% standard.
    7. Negotiations have begun with UNFI on the next supply contract. NCG is looking at KeHe as a reliable secondary supplier to help reduce the number of out of stocks issues.
    8. NCG did have a profitable year and as a result the Co-op will receive a small rebate.
    9. The Co-op's JLF percentage was reduced from 25% to 8%. This will involve a rebate to the store of approximately \$20k.
  - b. Jon Steinman will be promoting his book "Grocery Story" April 30th in the cafe.
  - c. The Co-op is participating in a Produce pilot program with NCG that should bring some new ideas to the department over the next year. The produce department is one of six chosen nationwide. Produce Manager Brian LaBonte will be attending a three day seminar for this program.

- d. Discussion was had about allowing a member to table in support of NH House Bill 560 which phases out one time use plastic bags. Dani Shaw offered to represent the Green Team during this tabling event.
- e. The 2019-2020 Board calendar is available on the Board Drive. Board members are encouraged to notify Ed with any necessary changes.
- f. Gallagher Flynn recommended that the depreciation threshold be raised to \$2,500 and the Co-op has adopted that change. This will move a number of purchases from capital expenditures to expenses, impacting net income.
- g. Going forward, all P&L statements will include the interest from the LFM account. This will allow the LFC P&L to accurately reflect financial performance on a quarterly basis, instead of annually as previously reported.
- h. Discussion was held concerning the Annual Meeting Agenda. Timelines and speaking order were ironed out.
- i. Minnie informed the board about a payroll issue with ADP. Employees who cashed their checks on March 20th had their checks bounce. ADP has refunded the Co-op for this @ \$6k issue, as store checks were generated to get the employees their funds. The board was also informed about a new payroll company that will be coming soon. Paylocity will become the new company near the end of May. It is anticipated that the many features of Paylocity will transition into time and labor savings.

#### 4. Board Issues:

- a. Board Candidates Dani Shaw and Frank Wilich took a few minutes to state why they were interested in serving on the Co-op Board. Dani, as an employee, likes what the Co-op stands for and would like to be involved in many ways. Frank stated that he appreciates that the Co-op supports local producers and the local economy and would like to be able to give back to the community by serving on the board.
- b. Marcie took a few minutes to outline to the candidates about how the board works. She informed them that the board meets once a month for approximately two hours, how there are committees to serve on, and how information is available via the Board Drive.
- c. The board reviewed section D-1 of the Governance Policy.
- d. Saturday October 12th was chosen as the date of the annual Board Retreat with Michael Healy.
- e. The board requested an update on Rodney. Rodney has been transferred to a rehab center in Salem NH, which is much closer to home. His recovery is going very well, but he is not quite ready to return home.
- f. The board requested an update on the Androscoggin Food Co-op in Berlin, NH. Ed is still a member of their steering committee and informed the board that the group was currently working on their by-laws, that a membership drive will begin soon, that their infrastructure was in place and fundraising will begin soon.
- g. The May meeting will include voting on a slate of officers.

#### 5. Other Topics:

- a. Annie spoke about the Candidate Meet and Greet event scheduled for 5/3. There will be a Facebook Live Stream during this event. Candidates will be given a few questions ahead of time in preparation. This is a very informal process. The Annual meeting will be videotaped.
- b. Future dates are:
  1. Election dates are 5/1 to 5/14
  2. Meet the Candidates 5/3 at 5:00
  3. Annual Meeting/ Member Meeting 5/8
  4. Cake Cutting Ceremony 5/11 at 11:30 am
  5. Tenth Anniversary celebration May 10/11/12

Alyssa motioned, Luther seconded and the board voted unanimously to adjourn the meeting at 6:00 pm  
**The next scheduled meeting is May 20th at the Coop breakroom to begin at 5:00 pm.**

Respectfully submitted by:  
 Charise Baker