

APPROVED



**Council meeting minutes  
November 12, 2024**

**Present:**

Council: Carl Etnier, Eva Schectman, Steven Farnham, Jeff Roberts, Lauren Antler, Dvora Jonas, Catherine Lowther, Tyler Strange

Staff: Alison Goyette, Jess Knapp, Mary Mullally, Rowan Sherwood, Tim Wingate, Elly Wood, Tom Wright

Guests: Bruce Mayer, Deb Robinson, Laurie Veatch

**Facilitator:** Elly Wood

**Note taker:** Alison Goyette

[Minutes and recording available here.](#)


 **Time stamps LINK directly to that section of the audio recording.**

**1. Welcome: Meeting Ground Rules, Agenda Review (5:31PM/00:00:00 part 1)** 

Carl announced 1) Joshua Youngblood was unable to attend the meeting, so Agenda Item #7 (Council self-evaluation) will be postponed, and 2) Old business of approving the Ballot Committee charter and appointment of its members has been included in this month's consent agenda. Carl invited council members to request these items be removed from the consent agenda if they want to discuss them. No requests were made.

**2. Cooperative Community Comments (5:35PM/00:03:45 part 1)** 


None were presented.

**3. Consent Agenda: Minutes; Equity Refund Requests; Voting Policies and Procedures; Ballot committee charter and appointees (5:36PM/00:04:50 part 1)** 

**Eva moved to approve the consent agenda. Dvora seconded.**

**Ayes 6, Nays 0, Abstentions 0. The motion passed unanimously.**

Since presenter for Agenda item 4 had not yet arrived, the council proceeded with item 5.

**5. Monitoring Report: L8 Communication to and Support of the Council (5:38PM/00:06:29 part 1)** 

**Steven moved to accept the monitoring report. Eva seconded.**

Mary reported full compliance.

Steven noted that the council's ability to receive input from the membership during council meetings is somewhat restricted due to time constraints.

Commenting on L8.2, Dvora expressed that she'd like improvement in the 4.1 score related to awareness of significant issues and industry trends. Carl asked Dvora if she is seeking a unanimous 5 out of 5 score. Dvora replied yes.

Steven suggested a slight revision of L8.4, empowering the GM to comment on the work relationship between council members.

## APPROVED

Carl noted the Governance Committee could address that, and clarified that this could place the GM in the position of confronting her boss (the council) for its behaviour.

**Ayes 6, Nays 0, Abstentions 0. The motion passed unanimously.**

### **4. FY2024 Financial Statement Review** **(5:48PM/00:16:42 part 1)**

Mary introduced Bruce Mayer, partner with Wegner CPAs, who joined the meeting to discuss their recent audit of the Co-op's financial statements. Bruce reported that the statements are clean, and the Co-op is in a strong financial position. There is plenty of liquidity and no excessive debt. Sales are up 2.5% in the last fiscal year, in line with food co-ops' national averages. Increased competition has slowed the rate of sales growth compared to the numbers from a decade ago, but this is a nationwide trend. While HMC turned an overall healthy profit last year, Bruce reported that many other co-ops saw flat returns or losses. Bruce said the firm is satisfied that this Co-op is managed well, and offered no recommendations for improvement.

Dvora asked for definition of a few financial terms in the statements, and about the Co-op's membership in NCG (National Co-op Grocers). Bruce answered and explained Hunger Mountain Co-op pays membership dues to NCG to negotiate with distributors and secure the lowest prices for its member co-ops. NCG also provides consulting and technical resources.

Steven asked whether NCG Retained Earnings is analogous to the Co-op's retained membership patronage – the money belongs to the members, but the Co-op is retaining it. Bruce confirmed that it is the same.

Jeff asked why the line item for Treasury bills is so much greater this year. Bruce explained that the market value has not increased substantially, but rather the Co-op invested more money in Treasury bills. These are short-term investments that are like a ladder of CDs; they're renewed as they mature. This is safer than investing in long-term bonds.

Carl requested Bruce share some of his background and how he became so well-versed in food co-ops. Bruce said he served as a food co-op bookkeeper before securing his MBA. He has been working with food co-ops ever since becoming a public accountant, currently providing audits and reviews for 50-60 food co-ops, and lower-level services such as tax returns for many smaller food co-ops. He said Wegman works for more food co-ops than any other CPA in the country.

Dvora asked why future minimum debt payments increase as the Co-op's debt diminishes. Bruce explained that interest paid does diminish, but the number Dvora cited increases because of principal payments. Dvora inquired about increasing income tax between 2023 and 2024. This can be complicated, Bruce explained, because of the way income, losses and depreciation are reported and shuffled from year to year. He said he would investigate the details after the meeting. Dvora also expressed concern that 39% of the Co-op's goods are supplied by UNFI. Bruce pointed to other co-ops that receive 25-50% of their inventory from UNFI; this is in line with the national average.

Given 39% is nearly two-fifths of sales, Tyler asked what process the Co-op uses to ensure UNFI's stability. Bruce answered that, UNFI being a publicly traded company, their financial information is readily available, adding that NCG also monitors them on behalf of all of their co-op members.

### **6. Committee charters** **(6:10PM/00:39:18 part 1)**

**Eva moved to approve the Governance Committee charter. Dvora seconded.**

Steven pointed out that there appears to be a typo in paragraph 3 and **moved to replace “with council approves a project” with “and with council's approval of a given initiative.”** Dvora seconded.

**Ayes 6, Nays 0, Abstentions 0. The motion to amend passed unanimously.**

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**Ayes 6, Nays 0, Abstentions 0. The motion to approve the Governance Committee charter passed unanimously.**

**7. Council Self Evaluation**

Postponed.

**8. Executive Session § 7.3(h) Negotiating of real estate purchase or lease options (6:17PM/00:46:04 part 1)**

**Eva moved to enter executive session. Dvora seconded.**

**Ayes 6, Nays 0, Abstentions 0. The motion passed unanimously.**

**Break began at 6:17PM and ended at 6:27PM. (00:00:00 part 2)**

Lauren joined the meeting.

**The group exited Executive session.**

**Steven moved to authorise the Co-op to make an offer as discussed. Jeff seconded.**

**Ayes 6, Nays 0, Abstentions 1. The motion passed.**

Lauren stated she abstained because she was not present for the entire conversation leading up to the vote, but she supports the initiative.

**9. Executive Session §7.3(a) Personnel issues involving a Co-op employee, and...**

**10. §7.3(c) negotiation of a contract (00:01:41 part 2)**

**Eva moved to enter executive session. Dvora seconded.**

**Ayes 7, Nays 0, Abstentions 0. The motion passed unanimously.**

**The group exited Executive session at 8:11PM.**

To engage their services to assist in filling a management position, **Steven moved to authorise the General Manager to sign a contract with Gallagher Flynn. Eva seconded.**

**Ayes 7, Nays 0, Abstentions 0. The motion passed unanimously.**

**11. Wrap-up: Action Items, Calendar, Future Agenda Items (8:12PM/00:03:50 part 2)**

Action	Who	Notes
Wegner to send answers to Dvora's question	Mary	Done, response sent to Dvora
Bring back member sign in sheet for Council meetings	Mary	Can start this at December meeting

The Executive Committee will meet on 11/20.

A special meeting will be scheduled to discuss candidates for appointment to the council.

The Ballot Committee will meet Wednesday, 11/27 from 12-3PM.

**Eva moved to adjourn. Jeff seconded.**

**By show of hands; motion passed.**

**Meeting adjourned at 8:17PM.**