

## **Belfast Co-op Store General Managers' 2006 Annual Report**

2008 was an exciting year for the Belfast Co-op, our Nation, and the World. On the food front of things, we saw growing enthusiasm for a locavore diet; major recalls on spinach, tomatoes, and peanuts known to be contaminated with strains of *e.coli* and *salmonella*; and consumers banded together to convince retailers like Kraft, General Mills, and Campbell's to ban the use of ingredients coming from cloned animals in their products. Belfast Co-op Members came together to celebrate and enjoy local foods at 2 Eat Local Challenge celebrations, and our economy crashed, opening the door to a perfect and timely opportunity for individuals to take back ownership of needed goods and services by creating and patronizing co-operatives.

We were quite successful in meeting the major goals outlined in our Business Plan for 2008, identified by the Board and Management to be 1) A focus on tightening up operations/identifying repeating crises, and getting a plan in place to prevent them from coming up again, 2) Continuing with our ongoing effort to strengthen relations with local vendors and growers, and 3) Continue to improve the promotion of local products with a focus on community building between our growers and producers and our customers and identified major goals for the fiscal year 2009 to be as follows:

- To reach out to the underserved populations of our community—the uninformed, the unaware, lower-income, and any other category of community members who don't already shop here for various reasons—to draw them into the life of our Co-op. We hope to be able to both strengthen our co-operative by meeting a larger portion of our community's needs, as well as to respond to the current economic crisis by helping to offer our community healthy and affordable food options.
- To increase our store-wide sustainability, both by reducing the amount of waste which we produce as an institution, as well as reducing the amount of energy that our store consumes.
- To inspire in our membership an increased sense of responsibility and participation in our store. Success would look like an increased sense of ownership on the part of the membership, higher voter turnout, more member participation at Board meetings, and an understanding on the part of the membership that members have responsibilities, both financial and communal.
- To reduce our expenses—utilities, packaging, contracted services, etc—in order to both promote long-term financial success as well as to make more dollars available for wage increases in order to move us closer to paying livable wages.

With the goals of 2008 behind us, and 2009 in our midst, here are some highlights for your consideration.

### **Membership Matters**

- We gained a total of 449 new members during the fiscal year 2008, (a new annual record!) up from 330 from the previous year. That's an average of 1.2 members a day. At year's end (Sept. 30), we had a total of 2,324 members in good standing. At the writing of this report (2/20/09), we had gained an additional 409 members, bringing our total membership count to 2,733 strong. Go co-op!
- Belfast Co-op members generously donated \$1,217.90 to our Equity Assistance Fund, and we gifted memberships to 15 individuals who would have been otherwise unable to join the co-op due to financial hardships.

## Personnel Matters

- The Co-op experienced some turnover in key department management positions over the past year. In July, we promoted deli salad cook Donna McNamara to the Assistant Manager position, left vacant by the departure of long-time deli employee and then Assistant Manager Carly Paradis.
- In July, we were also looking to replace long-time beer and wine buyer Eric White, who took a new position as a vendor with one of our long-time suppliers. We were fortunate to find extensive wine knowledge and a spirit of co-op dedication in Ron Poirier, who is presently leading us in this department.
- With the produce department humming along efficiently, the management team was able to respond with an enthusiastic “yes” when the department pitched the idea of moving to a co-management structure. We happily promoted Chris Grigsby to Produce Co-Manager, alongside Co-Manager Tom Luther. The department continues to look clean, fresh, and inviting.
- In November, we happily promoted Mylisa Vowles to the position of Front End Manager, previously attempted to be staffed by GM Erica Buswell in addition to her other store responsibilities. It was a pleasure to pass the torch to Mylisa, who has dedicated over 3 years of service to the co-op as a Floor Manager, who has been able to give the department the time and attention it deserves.
- In April, we were able to raise the payscales of some of our lower-paid and key positions—cashiers, stockers, and deli cashiers—by moving to a pay-for-performance system of compensation, allowing us to creep ever closer to our goal of livable wages for all staff members.
- In January of 2008, staff from all levels and departments pitched in time to clear out space in our crowded basement for a new and much needed employee breakroom where staff can enjoy breaks and access to a personal computer.
- All floor managers and department managers with responsibilities for supervising staff successfully completed our newly developed 13-week training course on co-operative leadership and management.

## Equipment Upgrades

- In March, we got a new set of refrigerated cases for our Deli and Meat and Cheese Departments, allowing us to provide customers with expanded self-service options in both departments, and an option to purchase fresh fish on a regular basis.
- The Deli dept. enjoyed additional improvements with the installation of a new floor in the kitchen, additional space behind the cash register, and additional storage space in the kitchen, register, and packaging areas.
- The General Merchandise area was (finally!) moved to a more accessible location allowing customers to peruse our wares on the way in instead of on the way out.
- The old “castle” area continues to undergo renovations in order to become a customer service/member education area. Keep your eye on it because it looks different every week! We were able to install an additional cash register in this area just before Thanksgiving, allowing us to provide more efficient register service during peak sales hours.
- The Meat Department gained a new sausage maker in order to allow our sausage artist, Rich Slez, to continue to bring you a delicious and innovative variety of house-made pork, lamb, chicken, turkey, and beef sausages.
- We were able to open a new duct for heat in our receiving room, just in time for the 4<sup>th</sup> coldest winter on record, much to the relief of our hard-working stocking staff.
- Annual fees collected over the course of the year helped us to offset the cost of installing a new and improved telephone system before the old system quit entirely. We are enjoying additional telephones and the possibility of a night-time answering service with this new system, and you might have noticed background music for your listening pleasure when you are patiently waiting on hold.

## **Sustainability Measures**

- In February, we underwent an energy audit conducted by the State's energy program. The auditor really loved our heat reclamation unit in the compressor room, as well as our efficient lighting system, and our energy-star rated office appliances. The report also made some suggestions for how we can gear future projects and plans in the operations department for increased energy efficiency, including coming up with a regular maintenance plan for our coolers, as well as replacing our single-paned front windows.
- We transitioned to reduced hours of operation on Sundays for the winter of '09, with the hopes of reducing the energy outputs needed—including utilities and labor—to keep the store functioning during hours of particularly low customer flow.
- We brought in a new line of low cost, re-usable plastic bags and discontinued the practice of making plastic bags available for grocery carryout in order to encourage our shoppers to think about the sustainability of their shopping habits and to get in the habit of bringing our own bags.
- The Co-op developed a Recycling Committee comprised of Board, Staff, and Members to tackle the big question about how we might reduce our contribution to the wastestream and help the community to become more educated about existing and needed opportunities for recycling.

## **Signs of the Economic Times**

- We had a very busy summer with high sales and an impressive number of new faces coming through our doors. It appears that Belfast is becoming a hot bed of tourist activity, with events happening in the community nearly every weekend. We suspect that folks are scaling back their international travel plans to visit less expensive destinations like the Maine Coast. Good news for us!
- The anticipation of a slowing economy was yet another good reason to shift to reduced hours of operation for the Winter season, and we are again seeing our usual seasonal slump in sales. We did address the possibility of low cash flow during the winter months, but the financial statements still make us nervous this time of year.
- We continue to see new faces in the store on a regular basis, and the holiday season in particular brought in hordes of new customers looking for those much needed “weird” ingredients they would have expected us to have when faced with the prospect of preparing meals for guests with dietary preferences and restrictions.
- In June, we implemented a new in-store “subsidy” program for locally-grown items. Our goal is to make local products more affordable than their counterparts “from away” to make it easier for our customers to contribute to a new economy based on local foods by choosing the local option when given the opportunity.
- Our Education Department developed a new program called “Eating Healthy on a Budget” which encourages customers to save money by cooking from whole, seasonal foods. Maybe you've seen us on BC-TV (Channel 2) preparing potato salad and chicken soup? We developed this program in response to the growing trend of convenience cooking, which relies heavily on overly-processed and priced ingredients, and we hope to share with our customers some basic cooking techniques and ingredients to prepare tasty, healthful, and inexpensive meals.
- On a positive economic note, the new co-operative economy is growing. The statewide organization Co-operative Maine hosted the annual Changing Maine conference at the end of February 2009, and we heard about many and diverse co-operatives that are continuing to serve their members and communities despite the present economic climate. Together we are doing what we couldn't do alone given the circumstances, and co-operators will continue to thrive regardless of what's happening in the mainstream.

## **Outreach Opportunities**

- We continue to network with many other community organizations and individuals to share our passions for healthful eating, local foods, and a co-operative economy. Throughout the course of the year we've been helping to co-facilitate a discussion along with Belfast City Councilor Jan Anderson about the possibility of bringing a shared-use kitchen to Belfast. A shared-use kitchen could bring not only an economic boost to our community by providing more local jobs, but also contribute to the development of much needed infrastructure to get more local foods into the hands of more consumers.
- We participated as a vendor in the Belfast Farmers' Market during the 2008 season, preparing items for sale produced from local and seasonally-available ingredients, and offering up the recipes so that market visitors could patronize other vendors to re-create these tasty treats at home. While we were warmly-received, we were also pleased to discover that the Market didn't really need our help to develop deeper relationships with their very loyal following.
- We helped our customers to connect with another local co-op, the Port Clyde Fisherman's Co-operative, to improve access to another local food source: our oceans! This community of fisherfolk has adapted the Community Supported Agriculture model to their fishery, and was/is making nearly weekly visits to Belfast to deliver shares of fresh groundfish and shrimp to their members. Look for the pick-up with the enormous green cooler in our parking lot on Sunday afternoons.
- We've been working with the health co-ordinator for SAD 34 to teach basic cooking skills and the idea of seasonal, local foods to kids at the Nickerson School in Swanville. Who knew that a bunch of 2<sup>nd</sup> graders were capable of roasting root vegetables for nearly 80 people?
- You should be seeing the new edition of the Belfast Co-op cookbook on our shelves by early summer. It's been almost 25 since the first edition was published, and our eating habits have changed a lot since then. It's been fun to look back into our archives and reminisce about the "good old days" and see how much we have grown and changed throughout this process.
- Our Eat Local Challenge continues to be an activity gaining in popularity, and has grown and morphed from challenging customers to prepare at least one meal made from entirely local ingredients to committing to spending at least \$10 a week on local ingredients. Russell Libby, of MOFGA fame, estimates that if every family in Maine could commit to this benchmark, the Maine economy could gain an additional \$270.4 million dollars annually. Won't you join us?

## **Other Local Foods News**

- We were saddened to hear of the unexpected death of Jim Cook, founder of Crown O'Maine Co-op, a distributor of entirely local products. We procure many of our local products from COM, and they have been pioneers in the Eat Local Movement. Jim's daughter Marada has very capably taken over the reigns, and we look forward to continuing to work with them to bring the bounty of Maine's harvest to her hungry bellies.
- The Eat Local movement is here to stay, and Mainers are working hard to build a new economy based on local foods. There's talk at the state policy level of creating better systems for distribution, more facilities for food storage and processing, and lots of youthful energy buoying up the again face of farming. We're participating in many of these discussions and advocating for co-operative organization on all levels of this new economy.

## **Departmentally Speaking**

### **Produce—Tom Luther and Chris Grigsby**

- Eliminated turnover and established a dedicated core team
- Improved overall department appearance and arrangement.
- Established standardized and coherent signage.
- Established more controlled margins to help keep pricing reasonable.
- Expanded our list of local vendors.
- Increased sales and profitability while controlling overall costs.
- Spread labor out over a greater percentage of the open hours to ensure quality customer service.

### **Grocery—Caryn Knudsen**

- New adjustable shelving was installed on Aisle #2.
- 3# brand new candy racks were donated from another local store, allowing for a better display of products, and improved visibility of available cashiers.
- The addition of at least a dozen new products from local companies we already did business with.
- The addition of at least half a dozen new local companies to our Co-op family.
- The continuation of buying through brokers as much as possible to maintain the deepest discounts, for best possible pricing.

### **Dairy—Mike Jacobs**

- Caldwell's Dairy Farm ceased production of pasteurized milk in order to produce raw milk only.
- The amazing fact that we sold 5932 bottles of GTA Kombucha! That's an average of 494 bottles a month, or 17 a day!!
- Locally made items such as Dickson's Butter and White Gold Yogurt continue to be some of our most popular items, oftentimes making it hard for the producers to keep up with demand!
- The continuation of buying through brokers as much as possible to maintain the deepest discounts, for best possible pricing.

### **Frozen—Mike Jacobs**

- The addition of a sustainably grown USA made fruit and vegetable line, replacing items previously carried that we produced out of the USA.
- The addition of at least a dozen new products.
- The consolidation and lessening of overstock in our basement freezers, allowing us to turn off one chest freezer.
- The amazing fact that we sold 2, 527 pounds of Blue Barron's Maine Blueberries!
- The continuation of buying through brokers as much as possible to maintain the deepest discounts, for best possible pricing.

### **Bulk—Finn Moulton**

- It must be a sign of the times. Bulk sales have increased by over 10%.
- We will very soon be able to print ingredients on our repacked bulk products.
- We now stock locally made tofu from Heiwa tofu.

### **Beer/Wine/Brewing Supplies—Ron Poirier**

We have introduced many new beers from smaller production breweries. These beers are unique in styles and enjoyed by the most discerning beer enthusiasts.

In the wine department, my efforts have concentrated on maintaining appropriate levels of inventory for our popular wines, while continuing to introduce new wines of exceptional quality at an attractive price. I have recognized and reacted to the increased demand for wines less than \$15.00.

A wine guide has been created to help our members locate desired wines. The guide is located by the loose tea area and is designed to help direct the user to the area where the wine is displayed. A list of favorite wines, with brief descriptions and price is also included and a food and wine pairing guide will soon be added.

We have experienced steady traffic in our brewing supply department, with many first time brewers seeking us out for ingredients and equipment. I continue to maintain an acceptable inventory level of most brewing supplies, but encourage special orders for products with expirations dates such as whole grain malts and liquid yeasts.

### **Deli Department—Amy LoBiondo**

- The deli department became more organized in the areas of productivity, ordering, and various paper chores, id: pricing and costing recipes, filing, and signage.
- The compressor in our walk-in was replaced.
- We took on a new line of high-quality deli meats from a company called “Garrett County;” they don't contain any preservatives, additives, rBGH, or other hormones.
- We brought in an organic bread for our deli, and are now serving all sandwiches on Barowsky's organic breads, baked in Auburn, Maine.

### **General Merchandise—Cheryl White**

In the past year the general merchandise department area in the front of the store has become completely Fair Trade. Products that support different communities around the world are sold at the co-op. Local products are also an interest for us. We purchase local when we are able. We carry local cards and have carried local pottery items. The co-op pet food department is going through changes. We will not be able to carry Merrick brand any longer as Merrick has changed distributors. New products are being looked at that are the same quality and price point.

### **Recycling Report—Phil Prince**

We continue to recycle an array of materials, with help from working members. On a weekly basis, we recycle:

- 6 banana boxes of paperboard
- 1 banana box of flattened aluminum cans
- 1 (75) gal. bag of brown paper
- 1 (75) gal. bag of office paperboard
- 3 banana boxes of newspapers/catalogs/magazines
- one half (75) gal. bag of #2 plastic jugs, bottles, and containers
- 1 tub glass bottles and jars (monthly)
- 1 dumpster of cardboard (Pine Tree pick-up)
- 2 banana boxes of paperboard produce packers

In addition, we have been composting nearly all the food scraps and wastes from the deli and produce departments. We collect all incoming packing materials and redistribute them to local vendors for the use in shipping their own products. We are also reclaiming cooking oils from “empty” jugs from the deli and various soap products from the bulk department. Through the Recycling Committee we are beginning to work with the City of Belfast to add to the plastic types that the city transfer station will accept.