

Belfast Co-op Board of Directors Meeting

April 23, 2020, 6:15 pm; Virtual Meeting via Web Conference

Directors Present: David Balicki (treasurer), Annie Bussiere (secretary), Kate Hanson, Crystal Howard-Doliber (vice-president), John Krueger, Alessandra Martinelli, Matt McConnell, Liz Moore, Buck Sawyer, Heather Selin (president), Edward Sheridan.

Absent: Evans Goff

GM: Doug Johnson

Staff: Emily Berry

Guests: Carisa Carney, Thane Joyal

Facilitator / Timekeeper: Heather Selin

Agenda

Annie informed that she would lead the Owner Engagement Committee discussion. The BOD agreed to add an executive session following the public meeting to discuss COVID compensation. With these adjustments, the BOD approved the agenda by consensus.

Minutes of the Previous Meeting

The BOD approved by consensus the minutes of the March 26, 2020 meeting.

GM Compensation

The BOD accepted by consensus the GM Compensation Agreement that the modified Executive Committee negotiated with Doug.

Seating New Directors

The BOD formally seated and welcomed John Krueger, Matt McConnell, Liz Moore, and Buck Sawyer to the Belfast Co-op Board of Directors.

It was recorded previously that in addition to the 4 three-year term seats, the BOD had 1 two-year term and 2 one-year terms available, however, the BOD actually had 2 two-year terms and 1 one-year term.

Matt graciously agreed to accept the available two-year term.

Announcements / Check-in

David is on the board of the Ecology Learning Center, a charter school in Unity. They are currently working on purchasing a building and are seeking new students for enrollment. Buck offered his services as a real estate broker pro bono to assist with the building purchase.

Thane announced that Brittany Baird, friend of the Belfast Co-op, along with Michael Healy will be leading the webinar "Supporting your GM during a Pandemic" on April 30, 2020 at 2:00 PM. For more information or to sign-up go to: https://columinate.coop/upcoming_events/supporting-your-gm-during-a-pandemic/

GM Reporting

Alignment

The Co-op has recently changed its operational hours so that it is now open from 10 am - 11am for seniors and at-risk customers, 11 am - 6 pm for the general public, and closed on Sundays. Staff will be fulfilling shop-for-me orders in the mornings and stocking in the evenings. The overall intent is to limit the number of people on the sales floor at any given time. Although customer count is down, basket size has increased and the sales are up 7.2%. Starting this week (4/19) Doug and HR implemented new ways to support staff: the discount was increased to 25%, the Co-op will be covering 100% of worker's healthcare premiums for the base plan through the end of June, and a new PTO pool has been created for staff to draw off should they need to. The Co-op has also been selling gift cards for downtown businesses and making regular donations to the Belfast Soup Kitchen.

GM Update Report

The gross sales have varied wildly from previous years which will make budgeting for next year difficult. With the change in store hours and public safety policies, i.e. limiting the number of shoppers in the store, customer count is currently about a third of what it was for the same period last year and basket size has tripled.

The Co-op was approved for a Payroll Protection Program loan from the Small Business Administration that will be used to offset payroll expenses for the next eight weeks. The loan will be forgiven if at the end of the eight week period if the Co-op is able to prove that at least 75% of the funds went towards payroll and that headcount was not lowered. Doug intends to use the full amount and if that does not happen, the remainder will roll over into a loan. He would like to limit the amount of debt the Co-op takes on, but if needed, the Co-op could increase their line of credit through Bangor Savings Bank or CFNE (Cooperative Fund of New England).

This has been a challenging month. Across the cooperative grocer sector sales have been down 5%. The fact that the Belfast Co-op's sales are still good is most likely due to several factors: a rural location, no major competition, the Co-op's commitment to the community, and the Co-op's commitment to the people who depend on it.

Doug will be taking a leave of absence when his wife gives birth to their child, most likely in the next 4 - 6 weeks. As with all babies the exact date is yet to be determined.

B6 - Staff Treatment & Compensation

As a staff member, Annie opted to abstain from this conversation and compliance decision.

Doug noted that he was missing the Rising Tide staff turnover rate datapoint for this B6 - Staff Treatment & Compensation monitoring report.

The BOD discussed staff wage increases in the past year. In previous years, staff raises had been based on job performance but in this past year increases were based on a percentage which was related to the new minimum wage. Going forward there should be opportunities for performance based increases.

The staff surveys that were included in this monitoring report were conducted in February and do not therefore reflect the current COVID situation.

The BOD also discussed staff turnover rates. Blue Hill and the Portland Co-op reported a lower staff turnover rate than the Belfast Co-op. Doug noted that Blue Hill and Portland are smaller stores with fewer staff and less of the seasonal shift that Belfast experiences. A 50% turnover rate is standard for co-ops of similar size to ours.

The BOD questioned the role of the staff reps (the board holds two seats for directors elected by the staff, only one is filled at this time). The staff rep role is the same as all the other directors. The BOD as a whole has a fiduciary responsibility to the ownership and therefore every board member, whether they are elected by the ownership at large or the staff, has that same responsibility. The staff rep does not represent the staff but the entire ownership.

The BOD accepted by consensus the B6 - Staff Treatment & Compensation monitoring report as in compliance.

Board Administrative Matters

Expansion Readiness Workgroup

The ERW did not hold an April meeting. All interested directors are invited to participate in the May meeting where the ERW will be going through the policy register to see how the policies fit with expansion or not and what ERW needs to be looking at.

Finance Committee

The FinCom discussed the SBA Payroll Protection Program loan (see GM Update Report above).

David expressed his appreciation for the new members of the FinCom.

Doug explained that due to the increased safety protocols, the Co-op did not perform a physical inventory in March as scheduled. Between inventories, Doug estimates the margin for the store based on historical margins and this was also done for March and adjusted for the current situation. These estimates will continue until the next inventory at the end of June. He also reduced the projected margin for the fresh departments, assuming that the crisis will have hit them harder than more shelf stable departments. With that being said, the reported financials are not definitive until a physical inventory is done.

In early May, NCG will be distributing some of its retained patronage dividends from previous years. The Co-op's share will be based on UNFI purchases.

Board Development Committee

BoDev did not hold a formal meeting in April but did have some email discussions. They have scheduled the annual retreat on May 16, as scheduled, but only for a half day and through a virtual platform.

Self Monitoring Policy: C3 - Agenda Planning

The BOD discussed whether setting the agenda should be a more formalized process and tasked BoDev with discussing a less ad hoc agenda planning schedule.

The C3 policy allows the BOD to use a consent agenda but this has not been done since before any of the current board members were elected. The BOD discussed how a consent agenda is a tool that they could use as a time saver. The consent agenda would allow the BOD to approve/accept many items together as one giving them time to work on a bigger project that required more of their focus.

One director noted that the biggest issue with this policy is that it suggests the BOD will be engaged in strategic planning and the BOD's annual calendar does not fit the criteria for a strategic multi-year workplan. The BOD would like to add strategic planning to the May retreat agenda.

The BOD accepted by consensus C3 - Agenda Planning as in compliance.

Owner Engagement Committee

The OEC has been working on ways to express their appreciation to the staff and will be asking all directors to participate in various schemes.

The OEC has also been brainstorming ways to engage owners and would like to implement virtual "Bulk Bin Chats". As many have noticed, the bulk bins are a section of the store where shoppers tend to catch up with each other as they fill their bags. This would be a way for owners to catch up with each other and directors virtually. The OEC will continue to find ways of engaging with the community from a respectful distance.

Committee Assignments

Crystal - Owner Engagement, Board Development

Heather - Board Development, Expansion Readiness, Bylaws

Annie - Owner Engagement, Board Development, Expansion Readiness

Matt - Finance, will check out Board Development & Expansion Readiness

Buck - Owner Engagement, Expansion Readiness

Edward - Finance, Expansion Readiness, will check out Board Development

Evans - Board Development, other(s) TBD

David - Finance, will check out Board Development

Kate - Owner Engagement, Board Development

John - Finance, will check out Expansion Readiness & Board Development

Liz - Owner Engagement, Expansion Readiness

Conflicts of Interest

Heather - Co-owner of a farm that sells produce to the Co-op.

John - None.

Matt - None directly, he is friends with producers that sell to the Co-op.

Annie - A staff member of the Co-op, her husband is also on staff, so all of their finances are tied to the Co-op

Edward - Linda, his wife, had been in conversations with Doug regarding sociocracy training for the management team.

Liz - Her fiancée is a staff member of the Co-op, so their finances are tied to the Co-op. She is a former staff member.

Buck - Has clients of his real estate agency who are on staff at the Co-op.

Crystal - Works at Bank of America, should the Co-op pursue a relationship with, she would abstain from those conversations / decisions. She is also involved with the VFW and associated entities which have been Common Cents recipients.

Kate - Her daughter is a producer for the Co-op.

David - A branch manager at Bangor Savings Bank, which the Co-op does business with & the treasurer of the Ecology Learning Center, a Common Cents recipient.

Next Meeting Agenda - May 28, 2020

D2 - Accountability of the GM

B3 - Asset Protection

Election of Officers

Homework

Full BOD

1. Take D2 poll
2. Review & add to [Board Guidelines](#)
3. Send owner comments to Emily for compilation
4. Think about *Rootstock* article topics
5. Send questions re: google drive/forms to Annie
6. Self reflection: is Board President a roll for you?
7. Fill out the code of conduct form
https://docs.google.com/forms/d/e/1FAIpQLScWdjUsDmkSrDPle-VbXLb_cP7gPi4fH-_Wac6eGwAEqJUkwA/viewform?usp=sf_link
8. Send ides for the virtual retreat to BoDev

Doug

1. Look into CORE re-enrollment numbers
2. Add new directors to email list
3. Send public policies to OEC
4. Update committee email lists

Heather/Doug

1. Post re: suspension of bylaws rollout

Heather

1. Send out monthly NCG emails to new directors

David

1. Send contact info for William Card to Doug

Buck

1. Send contact info for Miles to Heather

Finance Committee

1. Gather / Compile new member onboarding materials
2. Prep for equity drive
3. Review charter re: membership

Board Development Committee

1. Review strategies for board recruitment
2. Revisit / take action on stated priorities from Annual Retreat (recap document / calendar)
3. Review [Board/Owner Interest](#) spreadsheet
4. Review language of policy C1.3 re: clarity
5. Discuss requiring comments on policy polls
 - a. Notify Emily of decision
6. Review different polling systems for policies (ex. numerical scale)
7. Discuss agenda setting
8. Add 'strategic planning' to the retreat agenda

Bylaws Committee

1. Reach out to lawyer re: bylaws legal review

Owner Engagement Committee

1. Brainstorm & help execute staff appreciation

Debrief

John is looking forward to digging into all the info on the BOD Google drive.

Edward is excited to have fresh faces on the BOD and is looking forward to working with everyone. The rest of the BOD agreed!

Executive Session

The BOD adjourned to executive session to discuss COVID compensation. No decisions to report.

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End of minutes. Submitted by Emily Berry, scribe.