

Belfast Community Co-op Board of Directors Meeting

June 16, 2022, Public meeting commenced at 6:00 pm; hybrid meeting at Belfast Community Co-op Administrative Office and via Zoom teleconference

Directors Present: Sasha Breus, Kristin Clements, Ernie Cooper (vice president), Susan Cutting (president), Cris Gil, John Krueger (treasurer), Charlie Pattavina, Buck Sawyer, Edward Sheridan, Valerie Tate (secretary), Collin Thompson

Absent: Elaine Mack

Staff: Doug Johnson (GM), Emily Berry (scribe)

Owners: Annie Bussiere, Jamie Cermak, Leo Coronado, Patty Duffy, Gina Ferendo, Naya Flanzala, Denise Horton, Alessandra Martinelli

Agenda Review

Items *viii. BOD Gear*, *ix. Producing educational video*, *x. Applying for Common Ground Fair presentation*, *xi. 50th Anniversary planning*, were added under *a. Consent Agenda*. With these adjustments, the BOD approved the agenda by consensus.

Minutes

The BOD approved by consensus the minutes of the May 19, 2022 meeting, which included a section from the executive session following the public meeting.

Executive Session

The BOD held a meeting in executive session on May 31, 2022. During this executive session meeting, the BOD discussed matters relating to the code of conduct.

Announcements

The directors' Meet & Greet program will begin on Friday, July 1st. Directors can sign up to participate with Alessandra.

Columinate will be holding a Virtual CBL 101 on Saturday, July 16th. This is one of the trainings that directors are required to attend within their first two years of service.

Owner Comments

Patty Duffy attended in an attempt to follow the work being done to assess and begin expansion. She strongly recommended allowing owners time to comment at the end of the meeting. She appreciates all the work being done by all the parties involved to keep the Co-op going. She also strongly encouraged meeting face to face and stressed the importance of involving members and providing more information.

GM Reporting

Alignment

The cooler situation is being remedied but the repairs and maintenance needed are more extensive than originally planned. Hopefully, the two coolers that are currently down will be up and running by early next week.

GM Update Report

The Co-op has implemented a brief twice daily, all-hands-on-deck freshening of the sales floor. All staff, including administrative departments, spend 5 to 10 minutes fronting product, participating in light cleaning tasks, and interacting with customers. It has been a lot of fun for staff.

Doug reported on the "Your Future Co-op" video series which has been released during June, along with the recording of the live Q&A session. Directors were excited to see all this information made available to owners.

Susan commented on the budgeting that Doug has done throughout the year; she is impressed with how the projections are congruent to the actual, particularly with the fluctuations in the economy.

Board Administrative Matters

Consent Agenda

The BOD accepted by consensus:

- The BI - Financial Conditions and Activities monitoring report as in partial compliance with Global BI, BI.1 - BI.4, and full compliance with BI.5 - BI.13;
- The resignation of Michael D'Amico;
- Policy D3 - Delegation to the GM as in compliance;
- Policy D4 - Monitoring GM Performance as in compliance;
- The revision to D4.2:
 - In every case, the Board's standard for compliance will be any reasonable GM interpretation (as described by operational definitions and metrics) of the Board policy being monitored. The Board is the final arbiter of reasonableness but will always judge with a "reasonable person" test rather than with interpretations favored by individual directors ~~or by the Board as a whole.~~
- The revision to D4.3:
 - The Board will accept that the GM is compliant with a policy if ~~they [the GM]~~ present[s] a reasonable interpretation and adequate data that demonstrate accomplishment of that interpretation.
- The revision to D5.2d:
 - Any director who is also a paid employee has the same duties and responsibilities as any other director, and has the additional duty of clearly segregating staff and Board responsibilities. ~~Any director who is also an elected staff representative will resign from the Board if and when their employment ends.~~ If any director who is also an employee leaves their paid position at the Co-op, the remaining directors will make an independent determination regarding the individual's continued service on the board.
- The OEC recommendation to submit an ORF for ordering Co-op BOD gear;
- The OEC recommendation to submit an ORF for the production of an owner education video on the inner workings of the Co-op and its BOD and committees;
- The OEC recommendation to submit an ORF for applying to make a presentation at the Common Ground Fair;
- The OEC recommendation to submit an ORF for beginning the Co-op's 50th Anniversary plans.

Finance Committee

The BI - Financial Condition & Activities monitoring report addressed the 2022 Q1, which showed that the Co-op had less net income than preferred, which was consistent with co-op peers for the same quarter.

May showed significant improvements, however there are challenges ahead: dealing with the inflationary impact on the cost of goods, managing margins is becoming critical, also there is inflationary impact on the livable wage of Waldo County.

Most of the June FinCom meeting was spent discussing expansion issues. There are several banks competing for loans. Doug and the BOD are still waiting for final construction and architecture estimates. One of the most exciting aspects of the project is the modern refrigeration equipment in the renovation's fixture plan, which are compact and efficient (opposite of the current refrigeration equipment). FinCom also touched on the pro forma, which is the tool used to determine if the renovation will be successful. As costs go up, the Co-op will have to take into account its ability to secure loans and its income.

The FinCom unanimously agreed that the Co-op is ready to move forward with the first step in developing a capital campaign and recommended that the BOD hire Patti McKenna as the Co-op's capital campaign coordinator.

- The BOD agreed by consensus to hire Patti McKenna as the capital campaign coordinator.

As shown in the BI report, there is a net loss for the year but projections into 2022 Q2 show positive net income. The majority of problems have come from difficulty staying on top of price changes and managing margins but the Co-op is improving.

Board Development Committee

BoDev recommended appointing Cris Gil to the BOD.

- BOD agreed by consensus to appoint Cris Gil as an interim director for the remainder of this term.

During the June BoDev meeting, Sasha was appointed as committee chair.

In July, BoDev will be looking at the language of policy D3 - Delegation to the GM.

CCMA Conference Recap

Doug

Doug traveled with John to Sioux Falls, SD to attend the first in-person CCMA conference since 2019. The conference offers a few tracks for attendees and Doug followed a more operations-based track, while John followed a more governance-based track, with some overlap. Doug attended sessions on diversifying cooperative businesses, merging cooperatives, striving to be a better employee (which our HR Manager, Naya Flanzala, was a panelist!), and ways expansion projects can be financed.

Valerie

Valerie attended CCMA virtually and highlighted a session called “Do we really understand the co-op enterprise model? Your business model is your best friend.” This session covered the philosophy, the values, and the identity of a co-op, and stressed that it’s really a co-op’s identity that gives it a competitive advantage. This session also touched on the concept of ownership as stewardship, and using the term “member-owner” reinforces the value of community and shared well-being, whereas the term “owner” reinforces the idea that what the individual wants is paramount. Valerie also touched on some of the other topics that were discussed in the sessions she attended, such as a scorecard structure; navigating dynamics between the GM, the Board, and owners; and using the cooperative identity as a tool.

John

John found the conference invigorating and full of a lot of positive energy. He particularly enjoyed a session called “Food Sovereignty: Reclaiming Indigenous Foodways” which described the cooperative way as not the easy way but an important way to change a system that really needs fixing. A mantra that came up several times and was a key takeaway for John was “progress travels at the speed of trust.” He also discovered that many co-ops are expanding, not their original store but into a 2nd store. John was able to meet the Co-op’s auditors, workers from several banks, and hang out with people from Rising Tide. An interesting session John attended was about innovation; one example was from a co-op that held a competition to create exciting to-go deli foods, the winner was a Chicken Shawarma Sandwich, selling 125,000 per year.

Collin

Collin was asked about Marquette Food Co-op, on whose board he served. Marquette had been highlighted in one of the CCMA sessions about diversifying businesses as a growth strategy. Collin said that while he was on the Marquette board, the GM would constantly pitch ideas on how to diversify the business and it was very inspiring. Many ideas were very different from the traditional food co-op model, such as a credit union, bakery, and convenience store.

Homework

Full BOD

1. Take C6 policy poll
2. Consider consultant vs consultants

Doug

1. Submit a broad project management plan
2. Look into the effects of parking on income from pro forma or early market study
3. Look into cause for rise in March occupancy costs

All Committees

1. Send items for consent agenda to officers
2. Draft and send committee budgets to FinCom

Officers

1. Discuss expenditure parameters
2. Discuss in-person meeting opportunities
3. Discuss capital campaign team

Board Development Committee

1. Process for violations to the code of conduct
2. Review BOD guidelines & policies re:
 - a. Responding to employees
 - b. Communication norms (esp. email)

Owner Engagement Committee

1. Plan BOD work for the 2023 Annual Meeting

Ad Hoc Committee

1. Schedule a time to meet
2. Draft an expansion committee charter
3. Choose a committee chair

Emily

1. Update the C5 & D4 policies
2. Follow up with BOD on how Common Cent recipients are assigned months
3. Provide BOD materials to Cris Gil

Debrief

Each director was asked for a short evaluation of the meeting.

Many of the directors were happy to have the consent agenda which felt productive and efficient.

There was also a lot of excitement about hiring Patti McKenna and appointing Cris to the BOD.

Several directors thanked Doug and John for attending CCMA in person, mingling with other co-op folks can be invaluable.

John specifically noted how pleased he was to feel like the BOD was working together as a team.

The public meeting concluded at 7:25pm.

Executive Session

The BOD adjourned to executive session to discuss board policy issues.

End of minutes. Respectfully submitted by Emily Berry, scribe.