

Belfast Co-op Board of Directors Meeting

June 25, 2020, 6:15 pm; Virtual Meeting via Web Conference

Directors Present: Annie Bussiere (secretary), Evans Goff, Kate Hanson, Crystal Howard-Doliber (vice-president), John Krueger, Matt McConnell, Buck Sawyer, Heather Selin, Edward Sheridan (president).

Absent: David Balicki (treasurer), Liz Moore

GM: Doug Johnson

Staff: Emily Berry

Owners: Carisa Carney, Lynne O'Connor, Laura Skauge

Facilitator / Timekeeper: Edward Sheridan

Agenda

The BOD approved the agenda by consensus.

Minutes of the Previous Meeting

The BOD approved by consensus the minutes of the May 28, 2020 meeting.

Owner Comments

Laura is a new owner who will be moving to Belfast in the fall. She shared that her initial experience with the Co-op has been very impressive. She noted that the BOD was organized, put together, and thoughtful and she looks forward to being part of the Belfast community and the Co-op in particular.

Lynne seconded Laura's sentiments and said that the community is fortunate to have the Co-op, it's Board, and it's management. She expressed her thanks to all!

GM Reporting

Alignment

The quarter end inventory will take place this weekend (June 27 - 28). This will be the first physical inventory done in six months.

The NCG Cooperative Development received an R&D grant from NCG which will help move their projects forward remotely. They are using the grant in part to take scans from which they can create 3D maps of the sites they are working with, which includes the Belfast Co-op. Scans have been done of our Co-op and the map should be sent to Doug by the week of June 29th.

GM Update Report

In the GM Update Report financial data is usually compared for several years, 2017 through the current period of 2020. Recently, gross sales have dropped below those of previous years due to COVID-19, but as a bright spot Doug noted that gross sales for week 25 rose above those for 2017.

The customer count remains far below that of 2019, whereas basket size remains significantly larger than the same period of 2019. This has been the continuing and expected shopping pattern during the COVID-19 restrictions; fewer people in the store, buying more at one time.

There is a virtual all staff meeting scheduled for June 30th to discuss allowing more shoppers in the store at one time. Governor Mills has been slowly lifting restrictions and the Co-op would be allowed to have up to 35 shoppers in the store at a time. Management would like to ensure that the community and staff feel safe and comfortable and would like to set a soft goal of 20 customers in the store by July 1st and slowly build to 27 or so.

The number of Co-op owners in good standing has been dropping and can be tied in part to people not coming into the store and people not coming in from out of state. Recently, Marketing and Owner Services has launched an online application for ownership which allows people to sign-up and pay their equity without having to physically come into the store. This program can be refined and expanded to help address inactive accounts.

Doug noted that with the restrictions on the number of shoppers there is usually a handful of customers waiting to be let in during the Co-op's busy hours. The wait time is generally short but some people still walk away and others have walked away because of the mandatory face covering or hand sanitizing. The Co-op tentatively plans to begin expanding its operating hours in the first week of July, from 10 am - 8 pm, and hopes to expand further by mid-July, from 8 am - 8 pm.

Doug has been running bad, worse, worst case scenarios for the Co-op's finances, for instance, right now in June sales are down 13 -14% from last June. If those numbers remain the same through July, August, & September, the Co-op still comes out net positive for the year. If the Co-op can get that number down to 12% (by expanding hours, etc.) then we will definitely be net positive at the end of the fiscal year.

Doug received a pro forma for expansion from the NCG Development Co-op in early March, which he shared with the BOD. He indicated he is leaning towards renovating the current facility instead of building a new structure on site; all the experts and the community agree that moving locations would be a mistake. From his perspective renovation makes sense given that the pro forma estimates that it would be roughly \$2.5M compared to new construction costing roughly \$7M. The pro forma also forecasts that 10 years out from a renovation the Co-op would see \$400K in positive income compared to 10 years out from a new build resulting in \$1M of negative income. The BOD discussed receiving updates around expansion, knowing that this work will continue in the background, but did not solidify a go-forward schedule for communication. The new directors suggested a tour of the facility to better understand the inefficiencies and safety issues would be useful.

B1 - Financial Condition & Activities

This B1 - Financial Conditions & Activities monitoring report covers Q1 (January, February, March).

Compliance with B1 is determined by comparing financial data from the Belfast Co-op with other NCG co-ops of a similar size. All participating co-ops submit their financial data to NCG's CoMetrics platform and processing this data is time consuming and results in the lag in B1 reporting. As an aside, Doug suspects that not all co-ops submitted their Q1 data due to COVID related poor performance.

Doug noted that "The data provided for the Q1 2020 report is only an estimation of financial performance in some categories due to our inability to perform a physical inventory at the end of March due to the COVID-19 pandemic. The inventory estimate that I made at the conclusion of the quarter was based upon historical margin performance as well as my presumption that the disruption in business would negatively

affect some departments greater than others.” After June’s physical inventory, revised numbers should be available to directors by mid-July.

The Finance Committee looked at the key indicators in the B1 monitoring report in an involved manner during their June meeting, diving deeper into the areas where non or partial compliance was reported.

They recommended that the BOD accept the B1 monitoring report as submitted.

The BOD accepted by consensus the B1 - Financial Condition and Activities monitoring report as in partial compliance with the global B1 statement and sections B1.1 and B1.2, full compliance with sections B1.3, B1.4, and B1.6 - B1.13, and non-compliance with B1.5, with a plan for compliance.

Board Administrative Matters

Executive Committee

The Executive Committee discussed the BOD’s annual calendar. This calendar is very structured and touches on all the facets of Board and GM monitoring but leaves little room for open discussion. The ExecCom talked about consolidating BOD monitoring so that it would happen every other month and organizing committee reporting to free up space for discussion topics. It was also suggested that the monthly meetings could be lengthened. The committee will continue to discuss how to reorganize and present a formal proposal to the full board at the July meeting.

The BOD agreed by consensus to have all committees, aside from Finance, meet on the first or second chosen day of the week of each month and standardize committee meeting minutes, flagging decision points in particular.

Expansion Readiness Workgroup

The ERW reminded all directors that anyone who wants to participate can. They will work on clarifying the BOD’s responsibility and the GM’s responsibility in regards to expansion.

Finance Committee

The FinCom let the BOD know that only half their FY 2020 budget has been used thus far and if they want to spend some on additional education or training that would be feasible.

FinCom is still working on finding a meeting time that works for all committee members.

Board Development Committee

BoDev is recommending that the whole Board take the following Columinate trainings: Strategic Leadership on October 7, Policy Governance Deep Dive on July 15 (also offered on Sept. 16), and the Financial Training Series starting on November 5.

BoDev is floating three possible topics for the Annual Retreat Part 2: setting annual priorities - what are we doing and how are we getting it done, expansion, and policy governance - what does it mean for a board.

BoDev recommends accepting policies D3 - Delegation to the GM and D4 - Monitoring GM Performance as in compliance based on polling feedback. They are committed to reviewing all comments on policy polls to help inform their recommendations for education and trainings.

Self Monitoring Policy: D3 - Delegation to the GM

The BOD accepted by consensus D3 - Delegation to the GM as in compliance.

Self Monitoring Policy: D4 - Monitoring GM Performance

The BOD accepted by consensus D4 - Monitoring GM Performance as in compliance.

Owner Engagement Committee

The BOD had no objections to sending the thank you letter to the owners that outlines ways they can support the Co-op. The letter will be updated to reflect recent changes but no radical revisions will be made.

In regards to the bylaw revisions, Heather spoke with Dave Swanson of Dorsey & Whitney LLP, who is an expert on abandoned equity. He will be working pro bono initially and if the Co-op doesn't get the answers it needs they can contract further. OEC has scheduled forums on the bylaw changes for July but it was suggested that they be pushed out. No decision was made during this discussion.

Homework

Full BOD

1. Take C6 poll
2. Review & add to [Board Guidelines](#)
3. Send owner comments to Emily for compilation
4. Think about *Rootstock* article topics
5. Review [Owner Comments](#)
6. Respond to the annual retreat part 2 topics email
7. Register for [Financial Training for Directors](#)

Doug

1. Look into CORE re-enrollment numbers
2. Send public policies to OEC

Heather/Doug

1. Post re: suspension of bylaws rollout

Heather

1. Coordinate Zoom meeting re: bylaw changes

Annie/Emily

1. Create FAQ for google calendar

Annie

1. Send out docs re: Expansion Readiness

Executive Committee

1. Formalize calendar proposal

Finance Committee

1. Review charter re: membership

Board Development Committee

1. Review strategies for board recruitment
2. Review language of policy C1.3 re: clarity
3. Discuss requiring comments on policy polls
 - a. Notify Emily of decision
4. Review different polling systems for policies (ex. numerical scale)

Owner Engagement Committee

1. Discuss bylaw forum dates

Emily

1. Add Columitate trainings to google calendar

Debrief

Edward noted that the meeting went over time and took responsibility for that. He thanked everyone.

Heather commented that it was a good meeting with good discussions

Kate told Edward that he did a good job on his first meeting as facilitator.

John appreciated the opportunity to do strategic planning. He also commented that sitting through the meeting was hard on his body, implying that he is not in favor of a longer meeting.

Next Meeting: July 23, 2020

End of minutes. Submitted by Emily Berry, scribe.