

## Belfast Co-op Board of Directors Meeting

September 24, 2020, 6:00 pm; Virtual Meeting via Web Conference

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

**GM:** Doug Johnson

**Staff:** Emily Berry

**Facilitator / Timekeeper:** Edward

### Agenda

The BOD agreed to add item *i. Ratifying the Bylaw Voting Results* under the Owner Engagement Committee discussion. With this adjustment, the BOD approved the agenda by consensus.

### Minutes of the Previous Meeting

The BOD approved by consensus the minutes of the August 27, 2020 meeting.

### Announcements

Edward participated in the Columinate training *Policy Governance Deep Dive*. He found it worthwhile but not as deep as he had hoped.

John participated in the Columinate training *CBL 101*. He reported back that it had useful information but again, did not delve as deep as he had hoped.

Crystal participated in the Columinate training *Being a Great Employer* and found it to be decent. She will be sharing the link to the replay.

### GM Reporting

#### Alignment

There will be a virtual All Staff Meeting on October 6th from 7 pm - 8:30 pm. The BOD is invited to attend and is welcome to give a Board perspective end of the year recap if they choose to. During the meeting, Doug will be able to report on year's sales growth but he will only be able to project the end of year numbers because inventory will not be finalized by then.

Carisa Carney has accepted a job closer to her home and will be leaving her position as Marketing Manager in mid-October. The Co-op will post for this position in the coming week.

Doug received a finalized proposal from Pica Design for the Co-op's rebranding project, which he plans to accept and move forward with. The rebranding process is slated to take the entirety of 2021.

The produce department will conduct a reset prior to the holidays, which will include new shelving and merchandising options. This reset is built out of the expansion/remodel plan put together by the Development Cooperative's produce specialist.

The BOD generally helps bag groceries on the Tuesday and Wednesday before Thanksgiving, but this year they will forgo that due to COVID. Doug will be thinking of ways the BOD can pitch in. Directors suggested helping with traffic flow in the parking lot or sanitizing carts.

## **GM Update Report**

In order to accommodate the increased number of expected shoppers for the three days leading up to Thanksgiving, the Co-op will be open from 8 am - 8 pm and will be renting a 30 ft x 30 ft tent with heaters, which will be installed in front of the doors. The Co-op will also be exploring ways to make the Shop for Me program a more attractive option, such as building a meal kit for 2, 4, 8 people, etc. and thereby potentially reducing the number of in-person shoppers.

The store's hours of operation will extend from 9 am - 8 pm starting October 1 and will once again offer coffee and breakfast sandwiches. The goal is to make this adjustment by shifting labor, not increasing it. The number of owners in good standing is back over 4000, due in part to increased leniency with equity due dates. Doug also reported that the amount of total equity paid in is still on the rise.

Doug mentioned that Pica Designs does work on capital campaigns and when it comes time, they could be paired with a Columinate consultant to work on the Co-op's capital campaign.

## **B1 - Financial Condition and Activities**

The September B1 - Financial Condition & Activities monitoring report looks back at the previous quarter, Q2.

Due to the PPP loan, this B1 report shows a significantly higher amount of cash-on-hand compared to previous quarters and years. Having a large amount of cash on hand tends to hurt the debt-to-equity ratio, but in this instance, once the PPP loan has been forgiven the resulting cash will be transferred to income, evening out those key indicators, as well as other ratios that have been thrown off.

Doug reported non-compliance with B1.5, which deals with owner equity. The equity numbers were artificially inflated in the past, but since the 2019 change in equity structure, the numbers are more accurate and are expected to slowly come into compliance.

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

## **B2 - Business Planning and Financial Budgeting**

Doug presented the BOD with the FY 2020-2021 Business Plan as a part of the B2 - Business Planning & Financial Budgeting monitoring report, which shows that the Co-op will be net positive at the end of the next fiscal year. He did not however, put together a capital plan. When he revises the budget in April it will include a capital budget. The Business Plan is reviewed by the Co-op's department managers and Columinate consultants; and once approved by the BOD will be made available to staff.

The BOD and Doug talked about policy B2 in regards to expansion. Doug did not account for any expansion costs in the 2020-2021 budget. The Co-op's expansion is expected to take place in the next five years and there are several benchmarks that have been identified as areas where immediate action would have long term benefits. The Co-op does not need to meet these benchmarks in order to expand but they are what the Co-op is striving for so that by the time the project begins the Co-op can be in the best financial place possible. These same benchmarks may change in the future, what works now might not fit the needs of the new store.

With the increased retail space in the expanded store, Doug anticipates incorporating up to 30% conventional product mix. With this plan, it is expected that the same financial goals can be met in the 4th year following expansion that were met in the 10th year of the previous plan, which did not incorporate

increasing the amount of conventional products. Incorporating conventional products into the expanded retail space will not take away from the current product selection and it can help more of the community interact with the cooperative model. Doug spoke to the BOD about how cooperatives exist to meet the needs of the community, not to sell natural and organic foods. The goal should be a cooperative enterprise that everybody can participate in. The rebrand can help with changing attitudes and perceptions around the

Co-op, hopefully eliminating the feeling of exclusivity and making the motto “All are Welcome” ring true. The BOD accepted by consensus the B2 - Business Planning and Financial Budgeting monitoring report as in partial compliance.

## **Board Administrative Matters**

### **C8 - Governance Investment**

The BoDev committee recommends the BOD accept C8 as in compliance and that the FinCom’s reports include the quarterly treasurers meetings with the GM when they occur.

The BOD’s 2020-2021 budget is slightly more than the Co-op’s projected net income for the next year. The BOD should continue to be prudent, not just in their own spending but also in looking at all the dollars that they have purview into.

The BOD accepted by consensus C8 - Governance Investment as in compliance.

### **Officers’ Meeting**

The BOD agreed by consensus to re-enroll in Columinate’s CBLD program at the ‘CLBD Regular’ level.

The officers proposed not renewing the meeting space contract with the UU Church and directing those meeting space funds toward the Zoom fee. The BOD agreed by consensus to reserve only virtual meeting space for the fiscal year 2020-2021.

The officers will be bringing the names of potential directors to the next meeting in an effort to advance board recruitment for the 2021 election.

Directors are currently required to serve on two active committees. The officers proposed reducing this requirement to just one active committee, effective immediately. Directors can choose to remain on multiple committees if they wish. The BOD approved this proposal by consensus.

### **Finance Committee**

The Finance Committee reported having a robust September meeting with great discussions. They have added a pro forma review to their notes template and will be adding the treasurer’s quarterly meeting with the GM in the future.

The Co-op began using the new credit cards with the points reward system in May and currently they have accrued over 110,000 reward points that roughly equates to \$1,100.

### **Board Development Committee**

BoDev presented three owner outreach plans to the BOD for approval. The first was a letter to new owners who have expressed interest in Board committee work. The BOD approved by consensus the letter drafted to new owners and the creation of an email list for distributing agreed upon communications. The second was an invitation to owners to participate in Columinate trainings. The BOD agreed by consensus to invite owners to trainings and to do so via email instead of social media. And the third was a blurb at the end of the bylaws change announcement, encouraging owners to serve on the Board, which the BOD approved by

consensus.

BoDev proposed substituting the word “submit” in place of “present” in sub-policy C8.4. The BOD approved this substitution by consensus. C8.4 will now read “We will *submit* the Board’s annual budget no later than one month before the Co-op’s annual budget.”

#### Owner Engagement Committee

Voting on the bylaws revisions concluded on September 22; 539 votes were cast, 529 approved of the proposed changes, 5 rejected the proposed changes, and 5 abstained from voting.

The BOD accepted by consensus the results of the 2020 Bylaws Revision vote, thereby ratifying the vote. The BOD agreed by consensus that the revisions will go into effect immediately and that Evans will serve out the remainder of his term as staff rep.

OEC will be discussing preliminary planning for the 2021 Annual Meeting during their October meeting. OEC would like to make a series of short video clips featuring Directors talking about any co-op topic of their choice. Hopefully these will spark interest in serving on the Board as well as getting Directors’ faces (and words) out there.

OEC also encouraged Directors to submit articles of any length, on any co-op topic, for inclusion in *Rootstock*.

#### Homework

##### Full BOD

1. Take D1 survey
2. Review & add to [Board Guidelines](#)
3. Send owner comments to Emily for compilation
4. Think about *Rootstock* article topics
5. Look at [BoDev notes](#) and register for agreed upon trainings
6. Determine primary committee & secondary if applicable; send to Emily

##### Doug

1. Push out Ends Report early
2. Share PICA proposal with BOD
3. Brainstorm ways the BOD can help during Thanksgiving shopping
4. Remove Matt from BoDev email list

##### Doug / Edward

1. Sign & submit Columinate CBLD agreement by Oct. 15

##### Crystal

1. Share *Being a Great Employer* link with BOD

##### Heather

1. Send final Bylaws document to Emily

##### Annie

1. Determine date for OEC Oct. meeting

##### Officers

1. Consider agenda planning re: November BOD meeting

##### Board Development Committee

1. Review strategies for board recruitment
2. Discuss where to house officer job descriptions
3. Develop communication to the Owners re: November BOD meeting cancellation

##### Owner Engagement Committee

1. Discuss encouraging owners to pay equity, taking capital campaign opportunities into account

##### Emily

1. Update Bylaws in all relevant places
2. Update C8.4

## **Debrief**

Crystal feels that the BOD is getting a lot of work done in the committees. The updates, the decisions, etc., are really coming together and she appreciates the work people are doing.

Edward agreed, it seems like there is a lot happening and people are very engaged and very productive. It's impressive.

Crystal circled back to the fact that a lot of this meeting belonged to Doug. This meeting was a big deal for closing one year, and looking to the next year - which is hard to do in COVID times. She appreciated the insight, thoroughness, and the dialogue that came with it.

Heather thought it was a well run meeting with time for detailed conversation and she appreciated that.

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End of minutes. Submitted by Emily Berry, scribe.