

Belfast Co-op Board of Directors Meeting

November 18, 2021, 6:00 pm; Virtual Meeting via Web Conference

Directors Present: Sasha Breus, Susan Cutting (vice president), John Krueger (treasurer), Charlie Pattavina, Buck Sawyer, Heather Selin (secretary), Edward Sheridan (president), Valerie Tate

Absent: Stephen Brimley (on sabbatical), Matt McConnell

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

Owners: Jane Anderson, Becky Bennett, Annie Bussiere, Jamie Cermak, Ernie Cooper, Nora Curry, Naya Flanzala, Willow Gibson, Cris Gil, Heather Q Hay, Gina Law, Alessandra Martinelli, Jason Mathiason, Jim Miller, Leslie Miller, Ashleigh Russell, Liz Schoen, Michael Walter, Zafra Whitcomb

Facilitator: Susan **Time-keeper:** Buck

Agenda Review

The BOD added the appointment of a new secretary to the Board Development Committee reporting period. With this adjustment, the BOD accepted the agenda by consensus.

Minutes

The BOD approved by consensus the minutes of the October 28, 2021 meeting.

Announcements

Heather submitted her resignation to the BOD and will be stepping down immediately following the appointment of a new secretary. The BOD wished her well and thanked her profusely for her time, enthusiasm, contributions (particularly noted was the bylaws overhaul), and insights.

Owner Comments

Ernie, who stepped down from the BOD two years ago, still has passion for the Co-op and is seriously considering running again for the board. He said it was good to be back at a meeting and getting up to speed.

Leslie said that she loves the Co-op and thinks everyone is doing a wonderful job, however, she would like to see a mask mandate put back in place. She thinks it is a mistake not to require shoppers to wear masks which doesn't match her impression of the Co-op as a safe place.

Alessandra remarked that it was great to be at the meeting and nice to be in a meeting with so many engaged and empowered staff and other passionate and interested owners.

Annie commented via chat that she has seen other co-op boards have owner comments at both the beginning and end of their board meetings. This way owners can respond to what they've heard in the meeting, which could be really great for gathering owner input and helping owners feel heard.

GM Reporting

Alignment

The Co-op renewed its health insurance contract for this coming year which came with a 12% increase in costs over the previous year. Individual premiums are going from \$430 per worker per month to \$482 per worker per month. In response, the Co-op is increasing its contribution toward premiums to \$430 per worker, last year contributions were \$400 per worker.

GM Update Report

Participation in Common Cents voting this year was fantastic, with over 900 owners voting for the 2022 organizations. There was also a high number of responses to the shopper satisfaction survey, both of which can be interpreted as the community being particularly engaged with the Co-op right now.

Renovation Presentation

Doug presented a slideshow highlighting the Co-op's renovation project from its start in 2016 through today. It began with owner forums where owners and directors talked specifically about future development, BOD retreats focused on expansion, consultations with the late Bill Gessner of CDS (Columnate) on expansion feasibility and preparation, and the creation and adjustment of pro forma models. During this preparation and information gathering period, the Co-op's expansion options narrowed and in December 2019, one option became clear: renovate and expand the current building.

Currently, Doug and the BOD are working with the NCG Development Co-operative, Caleb Johnson Studios, and Warren Construction on feasibility. Caleb Johnson Studios recently submitted an architectural design that includes a cafe seating area as an addition on the front of the store, a vestibule that includes a curb-side shop for me program, a 33% increase in total retail square footage, 100 linear ft increase in dry grocery, 100 linear ft increase in refrigerated grocery, a freight elevator, additional updates that improve safety for workers, and a heat pump system, among other things. Doug has been working with Dave Blackburn, of NCG DC, on the pro forma for the project, and because there has been an increase in cost of raw materials, the overall cost of the project has increased as well as the contingency. The price of the total project has gone up but with the Co-op's current financial standing, it can still fund the project.

The initial market study done in 2016 and following revisions to the study showed that the only way to reach the sales goals needed to afford the renovation, would be to increase conventional product offerings by 30% in order to bring in a greater range of shoppers. The most recent revision of this market study shows that this is no longer necessary; if nothing changed in the Co-op's product mix, the Co-op could still afford this project.

A director asked about building for environmental sustainability, involving workers in designing the spaces they will be using, and future proofing. . To address future proofing, Doug assured directors that there is nothing in the design that is limiting the Co-op's future potential, and as a cooperative association the best way to truly future proof the Belfast Co-op is to always be looking for other opportunities to meet more needs throughout the entire community. In terms of sustainability, the partners that Doug has chosen to use -- Pica, Caleb Johnson Studios, Warren Construction, NCG DC -- understand the Co-op, they understand the concept, the values, and the mission. Sustainability is top of mind and they will do everything they can within the budget. And worker input has been consistent throughout the planning phase. Doug has discussed the needs of each department with the various managers, particularly regarding the fixture plan which is key to functionality. The biggest item to change the everyday work life of the workers will be the freight elevator, which is expected to be a huge asset.

A director asked about any structural deficiencies in the building. Caleb Johnson Studios has reached out to structural engineers who will do an analysis of the building before Warren Construction does any of their official work.

Right now the design plans have gone to Peter Warren who will start the work of pricing things out and make sure the actual construction costs fit what is in the pro forma. A director was hoping to meet with Warren construction to discuss the construction process, particularly renovation while keeping the store open. Doug agreed that meetings would be beneficial and also assured the BOD that Warren Construction has done staged projects in the past, as has the NCG DC. Doug expects that Peter's estimates will come back around the end of December.

The current supply chain disruption could affect the renovation process, particularly in terms of ordering items such as coolers, freezers, and shelving before the financing is finalized.

The project cost is estimated at \$4.1M, with approximately \$2M raised from owners (\$1M from the Co-op's reserve and \$1.2M from owner loans) and \$2M from bank loans. Both Bangor Savings Bank and the Cooperative Fund of New England are interested in the renovation project and Doug doesn't foresee any problems securing loans.

Doug would like to see the capital campaign launch in the spring of 2022 and construction begin in the fall of 2022.

Doug will revise the business plan for this project as things become more solidified and Caleb Johnson Studios will be establishing the timeline.

Board Administrative Matters

Finance Committee

FinCom did not have a regular meeting in November due to the earlier date of the BOD meeting, however, they did have a robust exchange with Doug about complexities of the food distribution systems. Overlap exists between 'natural' distributors and 'conventional' distributors who can carry a natural line. Hybrid systems can make a lot of sense, but FinCom doesn't want to dictate how food is purchased, perhaps a policy could be put in place in the future to better understand what it is that the Co-op purchases and who the Co-op purchases from.

They also discussed the capital campaign. Valerie and John met with Ben Sandel, as well as Martha Bjelland, who helped with the YMCA's capital campaign; she is also a Co-op owner. Both Ben and Martha stressed the importance of having everyone involved be in alignment. Martha told them that when those working together are aligned the energy will flow forward, they will set realistic timelines and dollar goals, and board involvement in terms of leadership and financial commitment will come into place. It was clear from these conversations that the BOD is not ready for a capital campaign, they need to be better aligned, but this work needs to start soon.

FinCom also looked at the Shop for Me program. It is not as big as it was a year ago and recently it has leveled out and remains steady. FinCom did get emphatic feedback on the importance of the Shop for Me program from an owner. They also discovered that a number of the Co-op's top shoppers YTD use Shop for Me exclusively.

Valerie chimed in regarding the capital campaign and let the BOD know that Ben offered to hold a mini retreat so the BOD can be in the same conversation together and continue to work toward alignment on the various issues. Ben and Martha are both in agreement that the BOD can take this time to learn, identify the issues, assess where they are now, where they want to go, determine goals, create timelines, assign work, and form committees. With this preparation, when they are ready to launch the campaign it can move rapidly, and the team can use the initial period of time to get core support together, which will allow them to go into the public campaign with 15 - 30% of the funds raised.

The BOD then discussed when they would approve a renovation plan. The BOD is still waiting on feasibility information from the various partners who they contracted with. Right now the BOD will move forward with preparations for the project while they wait for more finalized numbers to come in.

DI - Unity of Control

The BOD accepted by consensus policy DI - Unity of Control as in compliance.

C4 - Board Meetings

The BOD accepted by consensus policy C4 - Board Meetings as in compliance

The BOD acknowledged that modified consensus is not defined in either the policy register or the bylaws and that will need to be addressed.

Board Development Committee

BoDev invited Alessandra Martinelli to talk about when policy governance was adopted by the BOD. Alessandra joined the BOD in 2014 and policy governance had already been found but not yet implemented. It was appealing because it offered badly needed structure and the BOD was able to use it going forward as a framework to learn from and build off of. She relayed the story of how the BOD worked together with Thane Joyal, CDS consultant, to develop policies and when the BOD received its first monitoring report from the GMs in August 2014. Using policy governance provided accountability and a level of accessibility to the information that the full board had not had previously. Alessandra believes that the Co-op is doing as well as it is because the BOD and operations has policy governance as a guiding and flexible structure.

The BOD agreed by consensus to appoint Valerie Tate to the office of secretary for the remainder of this term, effective immediately.

The BOD approved by consensus the addition of Emily Berry to the Board Development Committee.

Owner Engagement Committee

The OEC has set Sunday, March 6, 2022 as the tentative date for the Annual Meeting.

OEC is also working on putting out videos from directors about why they are on the BOD and formulating a plan to reach out to owners about the Co-op's rebranding.

Co-op Rebranding

The BOD accepted by consensus, with one director abstaining, the GM's proposed new name for the Co-op.

Homework

Full BOD

1. Take C5 survey
2. Review & add to [Board Guidelines](#)
3. Discuss ways your committee can lead/contribute to a strategic direction discussion
4. Make 'why I'm on the BOD' videos
5. Sign up to bag Thanksgiving groceries

Doug

1. Submit a broad project management plan
2. Send renovation presentation to BOD
3. Print building design images in large format

Officers

1. Strategic conversation topic: Role of BOD vs operations
2. Discuss in-person meeting opportunities
3. Look into dates for a fall retreat
4. Discuss capital campaign team

5. Discuss making the BOD packet public
Edward

1. Contact Thane re: assistance with policy governance

Board Development Committee

1. Review strategies for board recruitment
2. Review/edit the [2022 monitoring calendar](#)
3. Continue review of policy register
4. Compile candidate nomination packet

Owner Engagement Committee

1. Begin Annual Meeting planning
 - a. Virtual vs. in-person
2. Formulate plan for owner engagement around rebranding, by reviewing responses to the recent survey and reaching out to other co-ops for their rebranding experience with owner engagement. .

Debrief

Directors were given the opportunity to share comments, concerns, gratitude, and insights regarding the meeting. Valerie thanked Susan for facilitating in an upbeat, positive, inclusive, and encouraging manner.

John thanked all the staff and owners for attending the meeting. He is feeling that the directors are more aligned and is thankful for that.

Edward thanked everyone for turning out and thought the meeting was very productive.

End of minutes. Submitted by Emily Berry, scribe.