

Belfast Co-op Board of Directors Meeting

February 24, 2022, Public meeting commenced at 6:10 pm; via Zoom teleconference

Directors Present: Sasha Breus, Stephen Brimley, Ernie Cooper, Susan Cutting (vice president), John Krueger (treasurer), Matt McConnell, Charlie Pattavina, Buck Sawyer, Edward Sheridan (president), Valerie Tate (secretary)

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

Guests: Joel Kopischke

Owners: Becky Bennett, Annie Bussiere, Jamie Cermak, Michael Damico, Patty Duffy, Gina Ferendo, Naya Flanzala, Cris Gil, Heather Q Hay, Patricia Kaplan, Alessandra Martinelli, Lynne Silvia O'Connor, Collin Thompson, Michael Walter

Executive Session

This meeting was convened at 5:30 pm in executive session to discuss three matters: 1) a HR issue, 2) board leadership, and 3) an expansion update. At 6:10 pm the executive session adjourned and the public meeting commenced.

Agenda Review

The BOD discussed board leadership in its executive session, which was not listed on the published agenda. Additionally, the BOD added *d.iii. Decision from Executive Session under Preliminaries*. With these adjustments, the BOD accepted the agenda by consensus.

Minutes

January 27, 2022

The BOD approved by consensus the minutes of the January 27, 2022 meeting.

February 17, 2022

The BOD determined shortly before February 17 that they needed to meet in executive session to discuss confidential matters. They did not notify owners that the meeting would be taking place. Although the meeting was only open to the BOD and the GM, the Co-op's bylaws require notice of any meetings, as does the cooperative value of transparency. The BOD offers their apologies to the owners and assures that it won't happen again.

The BOD approved by consensus the minutes of the February 17, 2022 meeting.

Decision from Executive Session

Following the discussion in executive session, The BOD agreed by consensus to transfer the duties of president from Edward to Susan. Edward will remain an officer and retain the title of president for the remainder of his term.

Owner Comments

Patty thanked the BOD and staff for everything that they do to assist with local farmers and producers. She commented that the leadership was doing a great job and everyone at the Co-op is doing a great job!

Heather Q thanked the directors for serving. She also spoke as a process oriented person and encouraged the BOD to take time during the new director orientation process to discuss the scope of what the board handles and how they make decisions to ensure everyone is on the same page.

Lynne also thanked the directors for all that they have done/are doing. She applauded the BOD for taking more time with the new information they received regarding the cost increases on the proposed renovation project. She appreciated the support the Co-op is offering Songbird Farm. She also found the Annual Meeting plans to be very inviting.

GM Reporting

Alignment

There were a number of qualified and talented candidates for the Operations Manager position, and those that stood out were the internal candidates, Michael Walter and Gina Ferendo. Michael Walter has accepted the position of Ops Manager and Gina Ferendo has accepted the position of Store Service Manager, which will oversee some of the store's operations teams.

Early bird registration for CCMA opened this week and ends April 14. Participants can join in person, in Sioux Falls, SD, June 9 - 11, or can attend virtually.

Doug has written a renovation business plan with input from the most recent pro forma. He has reached out to lenders and set up meetings with three at this point, where he will share this renovation business plan. Previously, the BOD had asked Doug to get a second professional opinion on the renovation project, and so he has shared the plan with both Don Moffit and Brittany Baird of Columinate. As feedback comes in, he will share that with the BOD.

GM Update Report

The BOD clarified that the Annual Meeting is scheduled for 2pm on March 6 and noted the Co-op's impressive performance.

B9 - Emergency General Management Succession

The BOD questioned whether two people as opposed to the previous three people were adequate for the Interim General Management Team (IGMT). Doug expressed his confidence in those chosen to hold positions on the IGMT and that the current plan is indeed adequate.

The BOD accepted by consensus the B9 - Emergency General Management Succession monitoring report as in compliance.

Board Administrative Matters

GM Compensation & Evaluation

Sasha and John agreed to lead the compensation and evaluation process, with Valerie's help as needed. They will be tasked with organizing and drafting materials to bring to the board, such as the RFP or evaluation comments in narrative form. The recommended process includes time for the BOD to think and discuss strategically and make a conscious choice on criteria / inclusions in the RFP, not simply rubber stamping what has been done in the past. This may require a special meeting before the regularly scheduled March meeting.

BOD Guidelines

The BOD would like to review their policies and guidelines in order to ensure they are adequate in responding to outreach from employees and BOD communication norms especially in regard to emails. Charlie, Ernie, and Sasha volunteered to lead this process.

Board Consultants

The BOD has recently been working with two consultants, Thane Joyal from Columinate and Joel Kopischke from Seven Roots. The BOD discussed whether to keep working with both or scale down to one. No decision was made. The BOD will look into potential budgetary restrictions and continue this discussion at a later date.

Annual Meeting

The Annual Meeting is scheduled for Sunday, March 6 at 2 pm, and a dress rehearsal will take place Saturday, February 26 at 1 pm. Candidates have submitted their videos and much of the presentation slide deck has been completed. Deb Burwell will be donating her services as facilitator.

2022 BOD Ballot

The BOD approved by consensus the 2022 ballot.

The BOD agreed by consensus to include an owner count on the 2022 ballot taken on March 4.

Process for Electing Officers

The BOD discussed the process for electing officers and as long as they are in accordance with the bylaws, the BOD can choose a process that allows for positive discussions and creative solutions. Joel offered guidance, telling the

BOD that it is best if the process for electing officers is chosen by the iteration of the BOD which includes newly seated directors. Another suggestion was to have a facilitator for at least that portion of the meeting.

Board Orientation & Retreat

After some discussion, the BOD will wait to set dates for an orientation/retreat.

May Meeting Date

The BOD agreed by consensus to change the date of the May meeting to Thursday, May 19.

Finance Committee

In this month's Finance Committee meeting, they discussed the January financial statement and the ups and downs of inventory.

Wegner CPAs submitted their full financial audit report with no negative findings! FinCom noted that in FY 2020/2021 there was a net profit of 3.5%, this is without PPP funds, entirely the result of the Co-op's efforts. The BOD accepted by consensus the results of the financial audit.

FinCom also discussed patronage dividends. 65% of the Co-op's net income comes from owner sales; this portion can be either retained and taxed or at least 20% returned to owners in the form of a patronage dividend to avoid taxation on the entire amount. FinCom recommended retaining 80% of the \$241,065 (FY 2020/2021 net income from owner sales) and paying out 20% or \$48,213 in patronage dividends. This is down from the previous fiscal year due to the prior inclusion of PPP funds.

The BOD agreed by consensus to distribute 20% of Belfast Co-op owner net sales for FY 2020-21 as patronage dividends.

The BOD agreed by consensus to add Gina Ferendo to the finance committee.

Owner Engagement Committee

Jon Steinman is available to do a presentation and Q&A with owners, Sunday, April 10 and the BOD will need to finalize details.

The BOD approved the suggestion that operations compile a regular board update for owners. Charlie volunteered to look these updates over before they are sent out.

Homework

Full BOD

1. Take Global C1 & C2 surveys
2. Contact Doug if you are interested in CCMA
3. Review most recent market study
4. Review officer election materials
5. Consider consultant vs consultants

Doug

1. Submit a broad project management plan
2. Follow up with BOD on how Common Cent recipients are assigned months
3. Look into the effects of parking on income from pro forma or early market study
4. Add Gina Ferendo to FinCom email group

Officers

1. Since the BOD recently restricted the role of the Executive Committee to setting the agenda for BOD meetings, the following Homework needs to be reassigned:
 - a. Strategic conversation topic: Role of BOD vs operations

- b. Discuss in-person meeting opportunities
- c. Look into dates for a retreat
- d. Discuss capital campaign team
- e. Discuss making the BOD packet public

Edward

1. Contact Thane re: assistance with policy governance
2. Send sociocracy materials to BOD
3. Send BOD previous RFP

Sasha

1. Contact Doug re: IGMT questionnaire

Sasha & John (Valerie)

1. Lead GM evaluation & compensation process

Charlie, Ernie, Sasha

1. Review BOD guidelines & policies re:
 - a. Responding to employees
 - b. Communication norms (esp. email)

Susan & Valerie

1. Annual Meeting prep

Board Development Committee

1. Review strategies for board recruitment
2. Review/edit the [2022 monitoring calendar](#)
3. Continue review of policy register
4. Create new director orientation

Owner Engagement Committee

1. Annual Meeting planning
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.

Meeting adjourned at 8:14 pm. Minutes submitted by Emily Berry, scribe.