

BELFAST COOP BOARD MEETING – June 25, 2009 DRAFT

PRESENT: Russ Barber, Jeanne Gail, Allen Ginsberg, Wayne Kraeger, Debbi Lasky, Bindy Pendleton, Kip Penney, Phil Prince, Paul Sheridan, Peri Tobin, Zafra Whitcomb. Absent: Jerry Savitz, Jerome Weiner. Staff: Erica Buswell, Goldy Goldstein.

FACILITATOR: Kip. Scribe: Paul. Timekeeper: Debbi. Vibewatcher: Peri.

ANNOUNCEMENTS: co-op will close at 2 PM on July 4th. US Senator Max Baucus put forward a proposal for health plan co-operatives; learn more at a forum at the Belfast Library, Thurs. 7/13.

MINUTES: of May 28, 2009 were accepted (8 Yes, 0 No, 2 Abs) after numerous corrections in spelling, and the proper date was recorded. Additionally, titles for some staff were used instead of their names. Minutes were also approved for web posting (10 Yes, 0 No, 1 Abs) with no further changes.

GENERAL MANAGEMENT TEAM (GMT) REPORT: written report was received. Questions/comments:

- member survey results distributed include the “impressions”—the final, and whole survey will be linked on our website.
- staff anxiety over GMT transition(s) was discussed; e.g. code of conduct is being drafted and vacation coverage policy changed, but not implemented. Making the transition process as short as possible will help. Some of the problem is simply the “fear of the unknown” and the economic downturn. Pepper took one week of paid vacation; his leave of absence is unpaid.
- possibility of delaying the 25¢ charge for bags, scheduled for Aug. 1st, until after tourist season was discussed. Bags cost store 10-15¢ each. Give cashiers discretion to waive fee? Maybe do not make a “profit” on the bags? Cashiers need coaching to not ask, “would you like a bag?”

BUSINESS PLAN: a set of goals is needed by the end of July to be reflected in the budget. Working from the notes from the staff brainstorming session:

- bulk discount possibilities and pre-order catalog?
  - several educational/outreach/marketing costs identified
  - buyer’s assurances re: GMOs?
  - need to combat our “expensive” image, but can we/should we combat any accusation of “elitism?” Healthy food IS different and will cost more. We cannot compete with Perdue!
  - better utilization of the basement, until we get to a warehouse situation (or rent a warehouse).
  - possibility of online catalog (w/limited choices to start) with Islesboro, Blue Hill pickups.
- We should be doing this brainstorming in May, using a blank form, at the same time as the staff work on their versions, aiming towards a July/August completion. To revisit next month, with Erica at the easel, using the business plan process to prioritize our thinking.

MEMBER’S COMMENTS: Bindy reported on a member’s question to her—Should employees park in the front parking lot? Answer is no, but there are occasional exceptions for personal or legal reasons. Question re: parking lot drainage-- some work was done by City on the Beaver St. runoff, but otherwise it is status quo unless/until we are redoing our lot. From a Dept. Mgr meeting: place a co-op info table outside the front door?

ELECTION of SECRETARY: Peri said she would take on the job; she was elected (10 Yes, 0 No, 0 Abs). Committee sign-ups were passed around again.

FINANCIAL REPORT: April to May income to wage statements received, both months’ sales were down: –5.4% in April, and –6.2% in May. The wage/sales ratio is going higher. If we can keep hours down while sales grow in summer we may do well. If trend continues however, the patronage dividend may be in jeopardy. No major projects are foreseen, possibly the parking lot in spring of

2010? Beer/wine and general merchandise are down, as these are discretionary purchases. We were fortunate that the economic downturn took awhile to catch up with us (about Nov. 2008). In June 2008 we were up 15% from the prior year. We are now in negative growth, but trend could change. The Deli/café is doing better than last year, still in the positive, even though gross deli sales are down, net income is up. We have built-in increases in wages. The month of May saw 142 fewer hours worked compared to May 2008, but our \$/hour went up, due to wage raises. How to translate this into the workings of the co-op? Seek to add as little labor as possible in summer, so we can afford raises. Current industry wage standard is 22.5 to 23% (ratio of labor costs to sales, including benefits). We may have to allow our ratio to go up if we want to give raises. Likely to be closer to 24% ratio if we are seeking to meet “livable wage” standards. We aim towards the low numbers and work from there. If we choose to give more in wages, we may have to change the health care deductibles (new health insurance renews in February). Debt refinance? We have a low-ish rate, maybe we should look at this as a possible savings source?

**BOARD BUDGET:** seem to have enough set aside for food and location rental for Annual Meeting. Need to calculate in: retreat and resource person(s); conference fees and travel; one-time booklet purchases; MOC expenses for hiring is part of board budget? We went over our allotted amount by double.

**FOCUS QUESTIONS:** discussed differences between Mission, Vision and Values statements. One possible vision: “Co-op could be the organization that sets the tone for doing business in Waldo County.” None of our statements require that we be a “bricks and mortar” operation—should we be adding that, or is the store one means to an end? Good mission statements are somewhat general. Proposed: to empower the Long-Range Planning Committee to work on this. Accepted by consensus.

**HOMEWORK:** Board members to forward to Erica our answers to the five budget questions as well as a sixth: what can we do to increase wages AND reduce overall costs? Finance report on the costs of board’s discounts, and on refinancing possibilities of our debt. Consider proposals for the board budget.

Board adjourned into Executive Session for personnel discussion.

**NEXT MEETING:** Thursday, July 23, 2009, 6:30 PM at Waterfall Arts, with Bindy facilitating.