

BELFAST CO-OP BOARD MEETING - Jan. 26, 2012 – FINAL, and web.

PRESENT: Jeanne Gail, Wayne Kraeger, Debbi Lasky, Paul Nyren, Bindy Pendleton, Kip Penney, Phil Prince, Jerry Savitz, Paul Sheridan, Zafra Whitcomb. ABSENT: Russ Barber. STAFF: Chris Grigsby, Joe Jordan, Mylisa Vowles. GUESTS: Mark Dittrick, member, Mike Nickerson, CPA

FACILITATOR: Jerry Scribe: Paul S. Timekeeper: Debbi Vibewatcher: Bindy

ACCOUNTANT'S REPORT: Accountant Mike Nickerson presented his yearly report to the board. We had net sales of \$5,741,226 for year ending Sept 30, 2011. We had a net "loss" of \$47,345. Mike said he had no reservation in stating that "the management has a finger on the pulse of the Co-op." Much of our cash went to repaving the parking lot. On the income statement, we are doing great, net sales are up 7.12% or an additional \$383,000. Customers seems to continue to buy in all categories. Labor costs were up by 12.2%, an additional \$175,000, due to projects. The deli dept had the highest gross profit. Most departments saw growth, except two with small losses, wine/beer and HABA, which are often discretionary purchases. Meat/cheese saw the biggest increases in gross profit, seafood sales have contributed to this. Gross profit decreased in produce, bulk and frozen foods. Theft in some of the high-profile areas, like wine/beer and HABA, seem slightly down or stable. Note that even simple steps, like dusting of products, e.g. in HABA, does increase sales. Consider using cost/benefit analysis, e.g. board idea re: composting in deli is a great idea, but infrastructure and labor costs could outweigh deli's profits.

On the subject of Ratio Analyses, our liquidity ratio is good, could be a bit better. The "quick" ratio could be better, but not of concern right now. On the debt ratio: we are doing a good job paying down our debt. We did issue patronage dividend cards last year with a deadline of Sept. 15, which was a positive move.

On Current and Prior Year comparisons, we showed a trend of increasing sales, up \$1.6 million over 6 years. The difference between net sales and cost of sales is growing nicely. Labor costs are growing, but not alarmingly. Inventory was up this year, and cash was down, with receivables stable.

Questions/comments: while recruiting new board members, we were told: "This place is managed great!" Note: increased meat/cheese sales.

ANNOUNCEMENTS: MPBN doing a new midday radio show, w/podcast online; latest was on the Emerging Cooperative Economy, can be heard at: <<http://www.mpbn.net/OnDemand/AudioOnDemand/MaineCalling/tabid/288/ctl/ViewItem/mid/3682/ItemId/19825/Default.aspx>>. Also this Saturday, a meeting on the Occupy movement, in Augusta.

MINUTES: from Dec.15, 2011 were accepted, 9 Yes, 0 No, 1 Abstain, with these changes: list Phil Prince as present only once; under GMT report on Third Thursday, the \$ amount should be "about \$175" and not \$500; under Member Comments, re: Chris Groden, Purchasing Policy Committee, should read "...we suggested he could petition..."

MEMBER COMMENTS: received letter from a Hope Elementary School student, writing about a business at which she shops: The Co-op is a good experience and she had positive comments. Also reported is that that the computer screen at the deli register blocks the vision of the cashier and they cannot see how long the line is getting; screen needs to be lower, or turned, or both. Management is aware of problem, and a solution is in progress.

GENERAL MANAGEMENT TEAM: written report received. Questions, comments:

-are growers and producers aware how much local food we move? Yes, they are invited to regular meetings of producers. Also, Russell Libby of MOFGA posted comments about this on our Facebook page. Can we have a separate line for local food sales in the monthly financial report? Joe will work on this. Local product is now about 25% of total sales.

-where is Coastal Farms (Belfast processing/storage facility) in their timeline for opening? They

have secured all their loans and permits and are moving forward.

-reminder that committee reports for the Annual Meeting report are needed absolutely no later than 2/15, but earlier is better for proofreading, thank you.

FINANCE COMMITTEE: written and chart reports received. Notice new lines in December report, in Sales/Income: "sales per square foot" and in Compensation-to-Sales: "sales per paid hour." A ten-year-old comparison with other co-ops listed sales per paid hour at about \$600-100 per sq. ft; we now are doing \$1258/ sq. ft. Can the date when the board's stipend shows up on our cards be moved from the first Monday of the month to the last working days of the month? Yes; and thank you. Also request to add to monthly reports a running balance of the board's budget line.

PURCHASING POLICY COMMITTEE: according to Bylaws, petitioner must get 10% of membership to sign a petition to bring a ballot vote. If the petitioner on the tobacco sales issue delivers sufficient verifiable (i.e. members in good standing) signatures by close of nomination period, Feb. 13 the question will be on this ballot. If not, a future balloting will occur. Wording of the question is up to the petitioner, though committee has previously made suggestions for clarity. Committee plans to organize an educational forum during voting period when issue is on ballot.

BOARD DEVELOPMENT COMMITTEE: please see/read the retreat notes in January's packet for next month, as well as review of the Federal and State of Maine statues on cooperatives. Zafra and Joe will be meeting with Mike Nickerson on several specific topics.

ELECTIONS and NOMINATIONS COMMITTEE: written report received. Action item: incumbents with expiring terms, state their intention to run again or not: Yes: Wayne, Jeanne. No: Paul S., (and subsequently) Russ. Bindy asks that members please write up 25 words on "Why I am on the Board" for the website, to gather attention for nominations and the election, and forward to Chris Grigsby.

ANNUAL MEETING COMMITTEE: planning is on track. Bindy is discussing with Jane Haskel many ideas to fine-tune and and tighten the agenda.

MEMBERSHIP COMMITTEE: written report received. The new "Board Contact" e-mail address <board@belfast.coop> will be set to forward messages to Debbi.

MANAGEMENT OVERSIGHT COMMITTEE (MOC): written report received. Wayne passed along reading recommendations: Reinventing Fire, by Amory Lovins and Third Industrial Revolution, by Jeremy Rifkin.

LONG RANGE PLANNING COMMITTEE: written report received; committee presented a resolution, and its wide dissemination in the community for board approval, using language from the NCBA website, as below. vDiscussion about the NCBA offering webinars on "Reverse Auctions with Suppliers" (aka, the Wal-Mart model) as a very poor business practice for a cooperative association to be promoting. The resolution, was adopted, 7 Yes, 0, No, 2 Abs :

RESOLUTION on the International Year of Cooperatives

Whereas, The United Nations General Assembly Resolution 64/136 on cooperatives in social development proclaims the year 2012 as the International Year of Cooperatives (IYC);
Whereas, The theme of the International Year is "Cooperative Enterprises Build a Better World";
Whereas, The Resolution recognizes that "cooperatives, in their various forms, promote the fullest possible participation in the economic and social development of all people, including women, youth, older persons, persons with disabilities and indigenous peoples, are becoming a major factor of economic and social development and contribute to the eradication of poverty";
Whereas, The Resolution encourages all relevant stakeholders to take advantage of the IYC to promote cooperatives, to raise public awareness of the contribution of cooperatives to social and

economic development and to promote the formation and growth of cooperatives;
Whereas, The National Cooperative Business Association (NCBA), a membership association representing cooperatives in the United States, has advocated that the United States and its government participate in the International Year;
Whereas, NCBA is preparing tools and materials to enable cooperatives to take advantage of the IYC to promote cooperatives;
Whereas, The cooperative business model has empowered people around the world to improve their lives through economic and social progress;
Whereas, Cooperatives are a major economic force in developed countries and a powerful business model in developing countries, employing 100 million people;
Whereas, Millions of cooperatives operate in every nation of the world, owned and governed by more than one billion members;
Whereas, The economic activity of the largest 300 cooperatives in the world equals the 10th largest national economy;
Whereas, More than 29,000 cooperatives operate in the United States;
Whereas, U.S. cooperatives generate 2 million jobs, make a substantial contribution to the U.S. economy with annual sales of \$652 billion and possessing assets of \$3 trillion;
Whereas, Cooperatives are the people's business, and for more than a century have been a vital part of the world economy. Now, therefore, be it
RESOLVED, That Board of the Belfast Co-op, convened at its January, 2012 meeting, commits to:
• Join with NCBA and its members in supporting and celebrating the year 2012 as "the International Year of Cooperatives";
• Recognize the vital role cooperatives play in the economic and social wellbeing of the United States;
• Celebrate the year by engaging in efforts to raise the profile of cooperatives and demonstrate how cooperatives build local wealth, generate employment and provide competition in the marketplace.

REVIEW AND HOMEWORK: how do we want to best and most fairly organize pre-meeting snacks? So far, work has been done mostly by Jeanne and Bindy, with food and supplies paid for by them. Sign-up sheet? Potluck? 1-2 volunteers assigned each meeting? No resolution. Next month, Zafra will be on vacation until the Monday (2/20) before meeting, so packets may be late.

HOMEWORK:

- for all Board members: please write up a short (25 words?) "Why I am a Board Member" and e-mail to Chris <chrisg@belfast.coop>, for Newsletter, asap
- Finance: discussion on "Discounts in General" and a reference to p.13 of Mike Nickerson's report
- Board Development: Retreat Review
- Joe: please add a summary of Board's budget balance to monthly GMT report
- PURCH POLICY: Tobacco petition followup
- ALL: Board nominees--- remember recruitment work, thanks!
- Joe: send around the NCBA webinar link on "Reverse Auctions," for our critique as a poor business practice
- add "Annual Meeting" onto next month's agenda
- ALL COMMITTEES: deliver electronically, to Chris <chrisg@belfast.coop> by Feb. 1st your committee' summary report for the Annual Meeting Report.

PARKING LOT:

- adding local sales into monthly financial report?
- ongoing discussion over IRS/ME state co-op statutes--meet with accountant?
- urge NCGA to lobby NCBA that "reverse auctions" are a poor business practice?

NEXT MEETING: Thursday, February 23, 2011, at Waterfall Arts. Kip to facilitate and bring board box, Bindy and Jerry to coordinate snacks.