

BELFAST CO-OP BOARD MEETING Feb. 23, 2012

PRESENT: Jeanne Gail, Wayne Kraeger, Paul Nyren, Kip Penney, Phil Prince, Jerry Savitz, Paul Sheridan, Zafra Whitcomb.

STAFF: Chris Grisby, Joe Jordan, Mylisa Vow

ABSENT: Debbi Lasky, Bindy Pendleton

MEMBERS: Mark Dittrick, Chris Groden, Susan Lauchlan, Janis Stone

FACILITATOR: Kip; TIMEKEEPER: Paul N; VIBE: Phil; SCRIBE: Jeanne; SNACKERS: Russ and Wayne

ANNOUNCEMENTS: 1) Fedco deadlines: March 9 tubers, March 16 trees, March 23 seeds by mail  
2) Waldo County "Occupy" General Assembly, Sunday Feb. 26, 3 - 6 p.m. at Unity College

MINUTES: Accepted as amended: 7+, 0 - , Abst 0. OK as is for web. In the Finance Committee report, second sentence, delete "sales per paid hour" and replace it with "sales per square feet." Also correct the figure \$47.345 to read \$47,345, and correct the range \$600 - 100 to read \$600 - 1000. In the Long Range Planning report, separate the first paragraph on the "reverse auction" from the next section on passing the resolution on International Year of Co-operatives, and reverse the sequence of these two paragraphs.

MEMBER COMMENTS: A member is here to air her perceived lack of response by dept. managers to requests about pricing and stocking. As a self-described "long-term, dedicated Co-op shopper," she has repeatedly requested that mark-ups in HABA be lower or special discount prices be offered occasionally, since low-price options are available from online competitors. Also, she noted repeated requests for restocking of produce, bulk, and dairy items that fly off the shelves on Tuesdays, such as low-fat yogurt. Kombucha, particularly "gingeraid" flavor, is another popular item that she misses on Tuesdays, even early in the day. She also remarked that kombucha, a healthy drink, should not be placed at floor level in the far back of the reefer, in contrast to beer, within easy arms' reach.

GENERAL MANAGEMENT TEAM: Written report received. Impressive numbers for our slowest time of the year: in comparison with last year, sales and customer count are up, and compensation to sales ratio is down due to diligence of the team in watching labor and inventory costs. Local sales were also up 23% relative to January '11. The WiFi will be running on a trial basis, except for peak times. HABA is replacing a stocker, likely from in-house. The team received a negative comment from a staff who thought the emphasis on bottom line was out of balance with "community of staff feeling."

FINANCE COMMITTEE: Written report received, including multi-year discount data in chart form. First, as to key indices and numbers in general: our seasonal loss is half of what it usually is for the lean first 3 months of the fiscal year. Compare to the summer quarter of the year, which produces a third of our income, due to more customers and their more high-end discretionary spending. Now our cost of goods is tracking our income, and our cost of labor vs. labor as budgeted is down a bit compared to last year at this time. Second, on the topic of discounts. Concerns have been raised about rising discount numbers as a percentage of sales. Historically, starting in 1999 we initiated multiple discounts: senior, member, staff and super sales days. Over this period, discounts as a percentage of sales have increased 4-fold. Gross sales increased about 2 ½ times in this interval. Sales discounts and member discounts have been flat for the last few years, while senior discounts have risen. But senior discounts have raised gross revenue over \$400,000. This is an example of how analysis of discounts shows that they are worth the investment. The finance team will deconstruct data for the MAP (Member Advantage Plan) dual-level pricing specials in the future.

PURCHASING POLICY COMMITTEE: No official meeting: no written report received. The tobacco sales member initiative did not obtain enough signatures to go on this spring's ballot. Chris Groden, author of the initiative, opined that the Co-op doesn't have a sufficiently well-designed process to address selling specific products, particularly with regard to communicating to members via social electronic media. We currently have 1500 Facebook participants, which is more than the number who receive our newsletter. Others pointed out that the Co-op by-laws are quite adequate and clear. A third view is that the process is fine, but the Purchasing Policy Committee has tasked itself to write up a check-off policy on how to evaluate the merits or demerits of selling problem items: this is a procedure, separate from the member ballot process, that would aid the committee's decision and precede the committee's recommendation on whether to sell the item.

BOARD DEVELOPMENT COMMITTEE: Brief written report: retreat review; next steps including "conversations," and committee assignments resulting from the retreat. The committee will collate several retreat notes to present to the Board for next month's review.

MEMBERSHIP COMMITTEE: Written report received. There appears to be a discrepancy of views

on whether the results of our retreat actually assigned the Membership Committee to work on survey(s), or whether the Board will make such assignments, possibly after a review of the retreat. This review is tabled until next month. Meanwhile, our new Board member candidates are urged to think of the Membership Committee as the key link between the members and the Board, and consider working on the Membership Committee.

**ELECTION AND NOMINATING COMMITTEE:** Written report received. Ballots will be ready for election starting Feb 15th. We have 2 incumbents and 5 new candidates running. There are 8 open seats, so if elected these people will make the Board only one less than the number allotted in the by-laws. A ballot will go out with the president's letter by mail to members, as well as a pdf form on the web. The election is also publicized via our newsletter, our website and our Facebook page, and press releases to the newspapers. Our volunteers will be herding members to the ballot box at the store on Super Sale Day, March 1st. The smaller ballot box now resides on the shelf in the member corner. A brief discussion ensued about how the staff rep Board member could continue seamlessly on the Board if he were to retire as a Co-op employee. In that event, he could be appointed to the Board, and serve without probation, given his years of service as a Director. Alternatively, the purpose of the probation period is to allow members to voice any opposition to appointed director(s).

**ANNUAL MEETING COMMITTEE:** A lot of behind-the-scenes work by the committee has resulted in completion of the annual report, coordination with Jane Haskel the facilitator, catering plans by Goldy, and a pared down agenda, to be printed on cards for deli tables and check-outs. BOD members will be responsible for set-up, clean-up, reading the annual report beforehand, bringing their ID badges. The Board's Membership and Long Range Planning committees will review the questions to be asked those attending the meeting. Jeanne will serve as scribe with Jane's Haskel's student volunteer. Members will bring pot-luck desserts. The Annual Meeting will be Sunday, March 25th at 2:30 p.m. at St. Francis RC Church hall.

**MANAGEMENT OVERSIGHT COMMITTEE:** a brief meeting: no significant problems to report.

**LONG RANGE PLANNING COMMITTEE:** Written report received. We have access to "Co-op Metrics" from NCGA because of our status as applicants. We learned that we fall in the top 25%-ile for size, and could improve in some financial metrics. Our outlook is good for refinancing our loan that is due for a balloon payment, and may result in lower debt payment. The committee has several potential projects on the to-do list: market/feasibility study by CDS or other consultant; do our own study with the help of MBA students from Colby or U of ME, or local entities such as Coastal Enterprises, SCORE, Cooperative Extension, SARE grant; form a non-profit arm of the Co-op to fund educational activities; change our visioning strategy to an aspiration-based, goal oriented method; meet regularly with other regional Co-ops. The very rough estimate of up to \$50,000 savings in education and outreach and other costs to the Co-op, resulting from a non-profit, came from what we are now spending from general funds. For now, The LRPers will plan how to lead the Annual Meeting discussion on growth issues. Wayne again provides his two must-read books: Amory Lovins' "Reinventing Fire", and Jeremy Rifkin's "The Third Industrial Revolution".

**BUILDING AND GROUNDS COMMITTEE:** The committee met with Danny Piper, of Sundog Solar, to see about solar hot water.

**MEETING REVIEW, HOMEWORK, PARKING LOT, FACILITATOR, BOXER, SCRIBE, SNACKER**

Homework: Zafra, Bindy, and Jeanne have notes from the retreat to compile.

LRP and Finance committees: equity payment

By-laws: does every membership qualify for one vote? Is there a minimum age for voting?

Agenda: A representative from Blue Hill Co-op will attend

Retreat review

Parking lot

We need to have a systematic way of assigning the "snacker(s)", or do we? We have spent \$1598 from our Board budget of \$6600. Up until now, "snackers" have been providing out of their own pockets.

Scribe: Paul - his last gig: Thanks Paul for all your excellent scribing!

Facilitator: Zafra

Boxer: Phil

Snacker: Paul s

Submitted by Jeanne Gail, co-scribe