

## **Belfast Co-op Board of Directors Meeting**

January 24, 2019, 6:15 pm; UU Church, Belfast ME

**Directors Present:** Ernie Cooper (treasurer), David Gibson (secretary), Betsy Garrold, Shannon Grimes (president), Alessandra Martinelli, Heather Selin, Andrew Watkins (vice-president)

**Absent:** David Balicki

**GM:** Doug Johnson

**Staff:** Emily Berry (scribe)

**Owners:** Annie Bussiere, Jamie Cermak, Willow Gibson, Kate Hanson, Edward Sheridan, Zafra Whitcomb

**Facilitator / Timekeeper:** Shannon Grimes

### **Agenda Review**

The BOD agreed to place the topic of discounts under the Treasurer's Update/Finance Committee as item *i.* with Ernie leading the discussion. With this adjustment, the BOD approved the agenda by consensus.

### **Announcements / Check-in**

Betsy expressed concern for the government workers who are currently furloughed and would like to see the Co-op offer support. The BOD talked about what support might look like, from free coffee or lunch to extending the CORE discount to government workers who present valid government credentials. Doug will create a plan with the Co-op's marketing department.

Heather will be working from Ottawa starting February 20 through the end of June. She would like to participate in BOD and committee meetings remotely. The BOD will work on remote communication methods.

Andrew just finished reading *Organic, Inc.: Natural Foods and How They Grew*, written by Samuel Fromartz. Andrew described the book as a history of organic food as it progressed from a small niche to a movement to a corporate notion.

### **Minutes of Previous Meeting**

The minutes of the December 27, 2018 BOD meeting were approved by consensus.

### **Owner Comments**

Annie, Kate, & Edward all stated that they were in attendance because they are interested in running for a seat on the BOD.

Willow told the BOD that she thought the Expansion Forum, held January 23rd, was excellent and informative. It clarified second hand information and it was good to know where the Co-op is at and where it is going.

Zafra was unable to attend the Expansion Forum and was hoping attending this BOD meeting would bring him up-to-date.

Andrew spoke with owners who share a household and they relayed their spending habits from the past years. They previously spent (per year) \$6000, \$6000, \$8000, \$6000, and \$800 successively, making sure to note the marked reduction in spending in the most recent year. They have decided to shop more frequently at the Marsh River Co-op in Brooks.

Betsy was told by former Co-op owners that they had considered rejoining the Co-op, however, in their most recent transaction they made a large purchase and the cashier did not offer to help bag, or ask if they

were interested in joining the Co-op, or offer them help out with their purchases. They relayed that after their purchases had been rung up, the cashier walked away to chat at the customer service desk.

## **Board Administrative Matters**

### **Expansion Committee**

The BOD had a short conversation about whether the full BOD need to be on the expansion committee. They decided that it was not necessary, although most of the directors have chosen to remain on the committee.

In regards to financing an expansion project, the Blue Hill Co-op has been able to accept donations through a partnership with the Eastern Maine Development Corporation, a non-profit which then extends those funds to Blue Hill Co-op through grants. This is a financing option the Belfast Co-op could also explore in the future.

The Expansion Forum, held January 23rd, gave an overview of the expansion process and the pro forma. By doing this, the committee was able to show attendees the work that has been done thus far and areas that need adjustments to better position the Co-op financially. The directors talked about their takeaways which included needing to expand the breadth of owners reached by having meetings/forums at different times/days, having a structural analysis of the current building done, and getting a real estate appraisal of the current building/property. Overall, it was indicated that the forum was a good dry run for the Annual Meeting.

### **Finance Committee / Treasurer's Update**

The Finance Committee reviewed the financial figures for November 2018 and no significant items of concern were noted.

The committee also discussed the interest rates of savings accounts and potentially investing in short-term CDs whose interest rates are currently increasing. As part of this discussion, the committee has requested that Doug submit an assessment of the interest rates the Co-op receives on its various savings and investment accounts in the B3 - Asset Protection monitoring report.

Doug did receive the draft of Wegner's financial audit, however, it did not arrive in time for the committee to review. The final audit report is expected January 25th, which the finance committee will review at their February meeting. As previously stated, the head of the audit team informed Ernie that there were no serious issues to report.

### **Discounts**

After reviewing Doug's report on the impact of discounts, the Finance Committee formally recommended that the BOD proceed with eliminating the Senior Discount program and reducing the CORE Discount from 15% to 10% on each transaction, effective April 1, 2019. The Finance Committee did not recommend a change to the Member Discount program at this time. The BOD accepted by consensus the recommendation of the Finance Committee.

With Senior Discounts eliminated, low income seniors will be encouraged to apply for the CORE program. Directors would like to see the CORE application process evolve into something that is not demeaning and can happen in a more compassionate, mindful, and meaningful way. NCG has issued best practices for implementing low income programs which operations can utilize moving forward. Current CORE program guidelines: <https://www.belfast.coop/c-o-r-e/>

In conjunction with this recommendation, the Finance Committee requested that Doug research and report back on incorporating a point system, where points are applied to each purchase, rather than a flat discount on a single transaction. The BOD speculated on whether a point system or aggressive promotion of the patronage dividend system would be more appropriate. The BOD will revisit this topic again when Doug submits his findings.

### **C - Global Governance Commitment**

The BOD accepted by consensus C - Global Governance Commitment as in compliance.

### **D - Global Board Management Connection**

Doug provided verbal feedback stating that he feels the BOD is in compliance with policy D and that he would be comfortable speaking to any director who may be trying to connect with Co-op operations in a way that is not through the General Manager.

The BOD accepted by consensus D - Global Board Management Connection as in compliance.

### **Board Development Committee**

The Board Development Committee (BoDev) discussed how they would like to proceed with vetting candidates in the future. Ideally, owners interested in running for a seat on the BOD would be required to attend at least three BOD meetings prior to the election. One director felt that committee meetings should count toward the three as this would give prospective directors a chance to see the work done outside the boardroom, plus it is a better space for getting to know people. Another agreed, adding that other organizations require serving on a committee for a year before running for a board seat and that could be something to consider. While others felt that putting up additional barriers to potential candidates could lower the already small pool of interested owners. BoDev will continue this discussion and bring a formal proposal to the BOD in the future.

BoDev also discussed handing out BOD packets to attendees at the monthly meetings. They recommended not providing attendees with packets, however, they did recommend directors sitting down with owners interested in running for the board and walking them through a packet. The BOD had a variety of opinions, some in favor of handing out packets, some not, and most agreeing that walking candidates through a packet is a good idea. The BOD requested BoDev revisit this topic and bring a formal proposal to the BOD in the future.

BoDev proposed a change policy C4.5 regarding meeting minutes so that it would read:

*Secretary compiles minutes (with help from the scribe as needed) and submits Draft Minutes for Approval to be included in Board Meeting packet seven days prior to the next monthly meeting.*

The BOD accepted the proposed change to policy C4.5 by consensus.

### **Owner Engagement Committee**

The BOD discussed with the Owner Engagement Committee that ballots should not be available to owners attending the Annual Meeting until the meeting ends.

### **Bylaws Committee**

The Bylaws Committee has finished reviewing the current bylaws and could have the recommendations wrapped up and ready for presentation to the BOD by the February meeting. The committee discussed defining a meeting and decided to remain silent therefore leaving meetings to be defined in historic terms. The committee would like to present the finalized and BOD approved bylaws to the ownership for a long period of time before they are expected to vote on the overhaul; therefore they are unsure at this point if waiting until the 2020 election cycle or holding a special vote would be the best course of action.

## **GM Reporting**

### **Alignment**

With the Co-op's Ops Manager out for medical reasons for most of December and part of January, Doug has been doing double duty which has made him rethink the succession plan.

Brittany Baird, of CDS Consulting, approached Doug to team up on a proposal for a CCMA presentation about the cultural shift in the Belfast Co-op's organization. Shannon, Andrew, Betsy, and David G. all expressed interest in attending CCMA in June.

## GM Update

The BOD requested Doug report on the number of fully vested owners in future update reports.

One director asked whether the Co-op will continue to provide health insurance to staff if there is a 59% increase in costs each year. Doug told the BOD that the Co-op will always do its best to offer the best plan for its workers. He is also looking into banding together with other Maine co-ops to offer healthcare for all participating co-op workers under one plan. The Cooperative Maine Business Alliance is also working on combined healthcare coverage.

The BOD also discussed whether it was realistic to expect the Co-op to operate in the black during the winter months. Most expressed the opinion that this scenario is unlikely and most businesses have a period of the year that they operate in the red.

Doug noted that January 19th, the day before a forecasted winter storm, the produce department had its biggest day ever, selling roughly \$7000 in avocados, fruits and veggies.

## B - Global Executive Constraint

The BOD discussed how the current GM is discovering holes in operations and finding out what he doesn't know by conducting voluntary audits on various facets of the operations.

The BOD accepted by consensus the B - Global Executive Constraint monitoring report as in compliance.

## Next Meeting Agenda - February 28, 2019

Wegner CPA financial review

Healthcare

Ballot approval

B9 - Emergency General Management Succession

GM Evaluation

CI - Governing Style

## Homework

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| <p>Doug</p> <ol style="list-style-type: none"><li>1. Create name tags for Heather &amp; David G.</li><li>2. Look for current building appraisal (insurance or real estate) information</li><li>3. Send out NCG's best practices for low income programs</li></ol> <p>Andrew</p> <ol style="list-style-type: none"><li>1. Reach out the Deb Burwell re: A.M. facilitation</li></ol> <p>Alessandra</p> <ol style="list-style-type: none"><li>1. Share Co-op 101 video with full BOD</li></ol> <p>Alessandra &amp; Heather</p> <ol style="list-style-type: none"><li>1. Work on Skype communication</li></ol> <p>Alessandra &amp; Betsy</p> <ol style="list-style-type: none"><li>1. Look for information re: current building's structural analysis</li></ol> <p>David B</p> <ol style="list-style-type: none"><li>1. Historical memory from board minutes re: expansion</li><li>2. Officer job descriptions</li></ol> <p>Shannon</p> <ol style="list-style-type: none"><li>1. Follow up with Simply Voting</li><li>2. Touch base with David B re: conference call system</li><li>3. Provide Simply Voting with owner email list</li><li>4. Touch base with Alessandra re: GM evaluation</li></ol> | <p>Expansion Committee</p> <ol style="list-style-type: none"><li>1. Fact based pros &amp; cons for housing</li><li>2. Share personal expansion retreat notes</li></ol> <p>Board Development Committee</p> <ol style="list-style-type: none"><li>1. Create CI poll</li><li>2. Create proposal for director training/retraining</li><li>3. Finalize new director orientation</li><li>4. Send Nordic Aquafarm info to full BOD &amp; discuss the Co-op adopting a formal position</li><li>5. Create a proposal for rotating facilitation</li><li>6. Create a proposal for candidate requirements</li><li>7. Create a proposal re: distribution of BOD packets</li><li>8. Discuss officer perpetuation</li><li>9. Review policies re: expansion</li></ol> <p>Owner Engagement Committee</p> <ol style="list-style-type: none"><li>1. Discuss how to honor elders in the community</li><li>2. Discuss outreach around the owner sign-up process</li><li>3. Discuss the election process in detail</li></ol> <p>All Committees</p> <ol style="list-style-type: none"><li>1. Revisit charter</li></ol> <p>Full BOD</p> <ol style="list-style-type: none"><li>1. Take CI poll</li></ol> <p>Scribe</p> <ol style="list-style-type: none"><li>1. Update C4.5 policy</li></ol> |
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**Debrief / Evaluate Meeting**

Alessandra offered that it was a good meeting, she felt that everyone was heard from and she likes to know that everyone is thinking and providing input.

End of minutes. Submitted by Emily Berry, scribe. Reviewed by David Gibson, Secretary.