

Belfast Co-op Board of Directors Meeting

February 23, 2017 6:00pm Waterfall Arts Building, Belfast ME

Directors Present: Ron Braybrook (vice president), Betsy Garrold, Alessandra Martinelli (president), Bindy Pendleton, Lindsey Schortz (treasurer), Andrew Watkins, Zafra Whitcomb (secretary)

Absent: Justin Howard

GM: Doug Johnson

Staff: Emily Berry (scribe)

Owners: Shannon Grimes, Violet Jastram

Facilitator: Alessandra **Time-keeper:** Zafra **Vibe Watcher:** Ron

Agenda Review

The BOD agreed to table CI – Governing Style until the next meeting, March 23. With this adjustment, the BOD approved the agenda by consensus.

Announcements

In April, the Bangor Savings Bank Foundation will give more than \$100,000 to 40 local non-profit organizations. Ballots can be cast at www.bangor.com/cmm, in the month of February to help BSB decide how to best distribute these funds. Timelines Community Inc, is hoping for your vote to support their efforts in rural renewal. Zafra will be traveling to Milwaukee March 8-11 to attend the Cooperative Grocers' Network board retreat, and the Up & Coming Food Co-op Conference 2017.

Minutes of Previous Meeting

The minutes of the January 26, 2017 meeting were approved by consensus.

Owner Comments

One owner recommended bringing back corn and fish chowders during the colder seasons, and commented that the soups are becoming overly spicy.

An owner commented that the senior discount policy change is confusing.

Another owner commented that the Saturday morning breakfast was awful, especially the bacon, and would like to see the weekend brunch menu return.

GM Reporting

Alignment

On February 14th an anonymous complaint was made to OSHA regarding furnace fumes in employee workspaces. The GM responded promptly by sending a formalized report to OSHA the following day, documenting reaction times to internal complaints and that the Co-op has had zero instances of the CO₂ detectors going off. In addition, a survey of the store done on February 14th, with a commercial CO detector, registered 0ppm throughout all the heating vents in the building. OSHA has not requested any additional follow-up.

Issues with the furnace and hot water systems have been addressed by management throughout January and February and should now be resolved. The GM will keep the BOD updated if anything changes.

The reset of the center store, condensing aisle 2, 3, and 4 into two aisles, is scheduled to take place at the end of March. The Co-op has contracted with Tom Snyder of NCG to help with this reset. Tom has been working with center store employees remotely to guide preparations and will be in Belfast March 28-30 for the actual reset. Tom's contract will cost the Co-op approximately \$2,000.

Wegner CPAs has not completed the final review of the Co-op's finances because they discovered the Co-op overpaid Federal and State taxes over the past three years by a total of roughly \$11,000. They do expect to finalize the report soon.

The first group of employees to participate in Non Violent Communication Training will have their final class February 27th. The GM sees this training as beneficial in respect to creating a cultural change in the Co-op. In

March, a smaller group of employees will participate in third-sider training. Management is considering adding another training provided by Clarity Services LLC, which focuses on receiving criticism.

Operations Update

In February, the Co-op was visited by a consumer protection inspector from the Maine Department of Agriculture Division of Quality Assurance and Regulations. The inspector identified three non-critical deficiencies, which are easily remedied and will remain part of the Co-op's maintenance process going forward.

B9 – Emergency GM Succession

The BOD accepted by consensus the B9 – Emergency GM Succession monitoring report as in compliance with a request for revisions in the next reporting cycle. Discussion of future revisions included ensuring the designated Interim General Manager is proficient in conflict resolution and that he/she attends more than one BOD meeting per calendar year. Also, it will be noted that in the absence of either the GM or Store Operations Manager, the Human Resources Manager will assume the role of Interim General Manager.

In addition to having a succession plan in place, the BOD discussed purchasing a life insurance policy for the GM that would provide compensation to both the family of the GM and the Co-op.

Board Administrative Matters

Treasurer's Update / Finance Committee Report

In the first quarter, the Co-op operated at a loss, but not as much as projected by the budget. The largest cost was labor, which is expected to have a 5-10% reduction in February. There was also a \$32,000 reduction in inventory during the first quarter and additional reduction is expected in the second quarter. Looking forward, the Co-op will be paying off one of its remaining loans by the end of this fiscal year, leaving the mortgage as the Co-op's only long-term liability.

The Finance Committee formally recommended that the BOD allocate 100% of eligible profits for patronage dividends for the Fiscal Year Ending September 30, 2016, distributing 30% of dividend to the membership.

The BOD accepted by consensus the Finance Committee's recommendation for 100% allocation and 30% distribution of eligible profits for patronage dividends for FY2016.

GM Compensation RFP

The BOD agreed by consensus to a resolution that continues the GM's current contract until a new contract can replace it.

The BOD examined a boilerplate RFP and found they are generally in favor of using this with adjustments to meet the needs of the Belfast Co-op. The BOD created a RFP Drafting Committee to formalize and present the RFP to the GM. Although industry standards point to the GM proposing a two-year contract, both the BOD and GM are comfortable with a one-year contract given that the RFP process is new to both parties.

2017 Ballot

The BOD approved by consensus the final draft of the 2017 ballot with the addition of a line that specifies that the full language of the bylaw changes and explanatory summaries are available in-store and online. The BOD agreed that the number of current owners, which determines the number of necessary validated ballots, would be pulled from the February GM Update Report.

The BOD will approve the final draft of the bylaw changes via email.

Board Development Committee Report

The Board Development Committee recommended that the Monitoring Summary be available to owners on the Co-op's website. This committee also recommended investing in carbon offsets which would be included in the BOD travel budget.

Membership Committee Report

The Membership Committee has secured the Waldo County Shrine Club in Belfast, as the venue for this year's Annual Meeting, March 19. The meeting will run from 2-5pm and all directors are encouraged to participate in either the set-up or clean-up.

Homework

RFP Drafting Committee

- create survey re: boilerplate RFP and contingencies
- create RFP by March 3

GM

- respond to RFP

Full BOD

- complete surveys re: RFP, C1, C2
- sign-up for either set-up or clean-up at Annual Meeting
- review and approve bylaw language
- submit suggestions for Annual Retreat topics & venue to Board Development

All Committees

- submit reports to the GM for the Annual Report

Board Development Committee

- create survey for C2
- compile results from surveys C1 & C2
- edit ballot

Scribe

- create in-store bylaw poster
- update bylaw worksheet in-store and online

Membership Committee

- send out set-up & clean-up sign-up sheet
- create formalized list of needs from the store for the Annual Meeting, submit to GM
- reach out to BOD candidates re: Annual Meeting

Next Meeting March 23, 2017 – Agenda

C1 – Governing Style

C2 – The Board's Role

B1 – Financial Conditions and Activities

B4 – Membership Rights and Responsibilities

GM Compensation Proposal

End of minutes. Submitted by Emily Berry, scribe.