

Belfast Co-op Board of Directors Meeting

February 27, 2020, 6:15 pm; UU Church, Belfast ME

Directors Present: David Balicki (treasurer), Annie Bussiere (secretary), Evans Goff, Kate Hanson, Crystal Howard-Doliber (vice-president), Alessandra Martinelli, Heather Selin (president), Edward Sheridan, Andrew Watkins.

GM: Doug Johnson

Staff: Emily Berry

Guests: Carisa Carney, Jamie Cermak, John Krueger, Matt McConnell, Buck Sawyer, Michael Walter, Wegner CPAs (via conference call): Bruce Mayer & Mitch Feller

Facilitator / Timekeeper: Heather Selin

Agenda

The BOD approved the agenda by consensus.

Announcements / Check-in

Kate thanked Crystal for taking time out of her schedule to pick up snacks for the BOD meeting and Evans for organizing all the Board Development Committee minutes and notes.

Crystal and Emily will be absent from the March BOD meeting.

Andrew will be reading *A Revolution in Kindness* by Anita Roddick while on his bike trip. He is particularly interested in how kindness fits into the business world. He also pointed out that AARP is encouraging Maine residents to sign their petition and urge lawmakers to support LD 594: A Retirement Savings Program for Maine.

Ernie Cooper submitted his resignation from the BOD by email. The BOD thanks Ernie for his service. Crystal let everyone know she followed up with the owner who brought forward personnel issues at the previous meeting.

Minutes of the Previous Meeting

The BOD approved by consensus the minutes of the January 23, 2020 meeting.

Owner Comments

To address concerns about the coronavirus, Buck suggested a display in the store that promotes immune boosting supplements.

Jamie, the Co-op's Community Engagement Coordinator, is really looking forward to the Annual Meeting, which he thinks will be a really good time.

Michael appreciated how the BOD swapped *Board Administrative Matters* and *GM Reporting* in the agenda. John, a prospective director, was in attendance to observe another meeting before the election.

GM Reporting

Alignment

Doug spoke with Dave Blackburn of the NCG Development Co-op and will have a follow-up conversation with Dave which will also include David Waisman of NCG, who is working on the initial pro forma to determine financial feasibility.

Doug also had a conference call with Todd Bachelder of Mascoma Bank, a northeastern bank that does lending for projects such as the Co-op's desired expansion. They will have a follow-up conversation in May.

GM Update Report

Doug has begun gathering proposals from heat pump installers to replace or enhance the store's existing furnace. Replacing or enhancing the furnace is not an imminent issue but a proactive measure.

In regard to the financial update, Doug explained that due to the seasonality of the Belfast Co-op's business it has historically run in the red for 9 months out of the year. He finds trends a more useful indicator of the financial health of the Co-op than isolating a one month period. Doug also expects to see a bump in net income due to abandoned equity, this will be the second and final year this occurs.

B9 - Emergency General Management Succession

The BOD discussed the difference between a planned leave by the GM (consisting of known dates of departure and return with various members of the management team identified as points of contact) and an emergency leave (the GM is abruptly unavailable for an indefinite amount of time with the BOD determining the next course of action, likely using the most recent B9 monitoring report as reference). If an emergency were to take place, Doug has three members of the management team designated for specific roles, known as the Interim General Management Team (IGMT), which would go into effect immediately. He also encouraged engaging one of the Columinate consultants that currently provide Interim General Management services so that the IGMT can resume their jobs.

The BOD accepted by consensus the B9 - Emergency General Management Succession monitoring report as in compliance.

At this point, the BOD agreed to take their stretch break as they had five minutes before the scheduled conference call with Wegner CPAs at 7 pm.

Wegner Financial Review

Wegner CPAs Bruce Mayer & Mitch Feller joined the BOD via conference call to discuss the FY2019 financial review. During this review, the CPAs pointed out that the Co-op's current ratio of debt to equity is 1.5 which indicates that the Co-op can regularly pay its bills and could borrow more without a problem. The Co-op saw a 7% increase in gross sales over last year, which is great and uncommon for co-ops. They also talked about the personnel percentage, which is at 28%, this is a bit high but not out of the range of other co-ops. The CPAs summed up the review in a few points: the balance sheet is strong (not short on cash, not too much debt), the income statement could be stronger, and overall there were no problems but the Co-op could be doing a little better. This annual review showed no areas of concern.

Board Administrative Matters

Expansion Committee

The ExpCom encouraged the BOD to review the section of their meeting minutes discussing board holism, in preparation for fielding questions at the Annual Meeting. They stressed the point that expansion is more than a building. Doug, Heather, & Edward are willing to field expansion questions at the Annual Meeting if needed.

Finance Committee

All members of the FinCom must be appointed by the BOD in accordance with the FinCom charter. David recommended the BOD add John Krueger, Matt McConnell, and Edward Sheridan to the FinCom. The BOD agreed by consensus to add John Krueger, Matt McConnell, and Edward Sheridan to the Finance Committee.

The FinCom will be updating its onboarding materials for new members and will be presenting these to the BOD at the March meeting.

Board Development Committee

Self Monitoring Policy: C1 - Governing Style

There was concern that modified consensus decision making was not being utilized properly and that directors might be hesitant about objecting to compliance because they don't want the BOD to be out of compliance with a policy. It was suggested that by offering the opportunity to object, they were working within modified consensus decision making. BoDev will be discussing how to gain more clarity when directors are unsure if they are in compliance with any particular policy. All directors were encouraged to use the comments section of the monthly poll.

The BOD accepted by consensus C1 - Governing Style as in compliance.

Owner Engagement Committee

The OEC pinned down a few last minute details regarding the Annual Meeting. It was suggested that in the future cashiers could remind/inform shoppers that the Annual Meeting was coming up, where, and when.

Bylaws Committee

Following Ernie's resignation, Heather will be following up with a lawyer for perspective on the abandoned equity language in the bylaw revisions.

Ballot Approval

The BOD would like to see a differentiating marker between the candidates names and the option to abstain on the ballot. With this edit, the BOD approved by consensus the 2020 ballot.

Next Meeting Agenda - March 26, 2020

B1 - Financial Condition & Activities

B4 - Membership Rights & Responsibilities

C2 - The Board's Role

Ratify Election Results (if quorum is reached)

Review GM Compensation Proposal

Homework

Full BOD

1. Take C2 poll
2. Review & add to [Board Guidelines](#)
3. Send owner comments to Emily for compilation
4. Think about *Rootstock* article topics
5. Send questions re: google drive/forms to Annie

Doug

1. Look into CORE re-enrollment numbers
2. Add John, Matt, & Edward to FinCom
3. Remove Edward from BoDev
4. Add Annie to BoDev

Annie

1. Snacks for March meeting

Alessandra / Evans

1. Record March meeting

Finance Committee

1. Gather / Compile new member onboarding materials
2. Review charter re: membership

Board Development Committee

1. Review strategies for board recruitment
2. Revisit / take action on stated priorities from Annual Retreat (recap document / calendar)
3. Review [2019 Board/Owner Interest](#) spreadsheet
4. Review language of policy CI.3 re: clarity
5. Discuss requiring comments on policy polls
 - a. Notify Emily of decision

Bylaws Committee

1. Reach out to Portland Food Co-op re: bylaws legal review

Owner Engagement Committee

1. Collect forms from front end with public policies included
2. Send emails to candidates re: Annual Meeting
3. Send email to full BOD re: open slots for Annual Meeting tasks

Scribe

1. Edit ballot

Debrief

David apologized for being late, he was dealing with water in his basement.

Edward notified the BOD that he had reserved the Common House at Cohousing for the BOD's retreat.

The BOD adjourned to executive session to discuss personnel matters. No decisions to record.

End of minutes. Submitted by Emily Berry, scribe.

Board came out of the executive session and made the decision by consensus to send Doug a request for proposal (RFP) for 2 year contract renewal.

End of minutes. Submitted by Annie Bussiere, secretary.