

Belfast Co-op Board of Directors Meeting

February 28, 2019, 6:15 pm; UU Church, Belfast ME

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

GM: Doug Johnson

Staff: Emily Berry (scribe)

Owners: Dan Avener, Annie Bussiere, Jamie Cermak, Leo Coronado, Karen Doherty, Willow Gibson, Evans Goff, Judith O'Donovan, Phil Prince, Edward Sheridan, David Smith, Michael Walter, Tom Winslow

Guests: Wegner CPAs (via conference call): Bruce, Kyle, & Mitch

Facilitator / Timekeeper: Shannon Grimes

The BOD opened their meeting by acknowledging that they were conducting their business on historic Wabanaki tribal lands.

Agenda Review

The BOD agreed to switch the approval of the January minutes and owner comments. With this adjustment, the BOD approved the agenda by consensus.

Announcements / Check-in

David G. has been helping the Sierra Club to organize a climate change conference at the Hutchinson Center in Belfast on May 4th.

Andrew has been reading several relevant books: *The World Without Us* by Alan Weisman, *Doughnut Economics: 7 Ways to Think Like a 21st-Century Economist* by Kate Raworth, *Radical Brilliance: The Anatomy of How and Why People Have Original Life-Changing Ideas* by Arjuna Ardagh, and *The Gandhian Iceberg: A Nonviolence Manifesto for the Age of the Great Turning* by Chris Moore-Backman.

Shannon will be attending the workshop *Undoing Racism in the Food System* held by Soul Fire Farm at the University of Southern Maine.

Heather, who has temporarily relocated to Ottawa, said she misses the Co-op and the local food system is not as good in her new community.

Alessandra is looking forward to the Annual Meeting, saying it will be a fun, sweet, Co-op loving party.

Owner Comments

Tom Winslow let the BOD know that he cares about the Co-op, he is for the Co-op and for the people who work at the Co-op, however, he disagrees with eliminating the senior discount and he is concerned about the continued harassment of Co-op employees by members of the management team. Additionally, as a former Co-op employee who still has ties to the organization, he is continually being stopped in the "real world" to have lengthy conversations about changes that are happening in the Co-op.

Phil Prince told the BOD that he supports the elimination of the senior discount and understands the logic of the decision but perhaps the total elimination is a little too harsh and requests the BOD seek alternatives, as there are probably seniors who will miss it. Phil also mentioned the op-ed in the Republican Journal proposing a new buying club cooperative. He stated that the premise of the op-ed was not coming from the right place, the purpose of the Co-op is not to save members money, and he does not agree at all with the author's opinion.

Dan Avener attended the meeting in hopes of learning more about the decision to eliminate the senior discount.

David Smith presented the BOD a proposal which outlines his vision for Co-op growth while staying in the current building. He also commented that seniors could think of the elimination of the senior discount as a small contribution they can make each week to get important renovations done.

Karen Doherty, current grocery buyer, wanted the BOD to know that she supports the discount changes.

Leo Coronado, current beer & wine buyer, agreed with Tom's concerns about the Co-op management and was also attending to learn more about the elimination of the senior discount so he is better able to respond to owners' concerns.

All other attendees were there to observe and provided the BOD with no additional comments.

Andrew spoke with an owner who would like to see the deli serve fish and corn chowder during the winter, and another owner who requested the deli stop serving bread end pieces.

David B. talked to an owner who was in favor of eliminating the senior discount and who also spoke to him about cooperatives, particularly in Australia, which focus on less traditional services such as healthcare. Shannon recapped the many emails the BOD has been receiving regarding the discount changes, both favorable and unfavorable and highlighted the one email written about the CORE change - the owner is okay with the change and had been wondering how the Belfast Co-op could offer higher discounts than other co-ops.

Minutes of Previous Meeting

The minutes of the January 24, 2019 BOD meeting were approved by consensus.

Board Administrative Matters

The BOD financial review with Wegner CPAs was scheduled for 6:50pm via conference call. The BOD was able to receive the Finance Committee and Expansion Committee updates before the scheduled call and the minutes will reflect this shift in the agenda.

Finance Committee

The Finance Committee reviewed the financial figures for January 2019 and no significant items of concern were noted.

The Committee discussed the change to the Co-op's discount structure and affirmed that it was the right choice to eliminate the senior discount and agreed to review the impact of other discounts in 6 to 12 months.

Expansion Committee

The Expansion Committee discussed property acquisition during its February meeting. The Committee also worked on their presentation for the Annual Meeting. The BOD expressed concerns that the discount structure conversation could overshadow the expansion portion of the Annual Meeting. It was thought that the meeting facilitator, Deb Burwell, could help with this concern.

The next Expansion Committee meeting will take place on April 8th at the UU Church. The meeting will include a presentation from Caleb Johnson and Frank Carr of Caleb Johnson Studios.

Wegner Financial Review

The Wegner team began the review with a statement that made clear that they were unable to observe a physical inventory and that it was not possible to get documentation for some of the equipment on the Co-op's books. These points are minor in relation to what they are looking for in an audit. The audit was conducted for the fiscal year ending September 30, 2018, a financial review was conducted for the prior year.

The CPAs walked the BOD through the balance sheet and income statement noting in particular that the Co-op is in a good position to take on more debt but the personnel costs as a percentage of sales is close to a full percentage point higher than the typical range for a co-op. The audit found five areas which, if addressed, could strengthen internal controls and operating efficiency. The CPAs have already been in contact with Rosemarie, the finance manager, with tools for implementing their recommendations.

The BOD discussed monitoring the areas Wegner mentioned and it was determined that Doug will include these issues in the BI monitoring report. The BOD also asked the Finance Committee to update BI.13 to include language that clarifies when the BOD will review the GM's credit card purchases.

Board Development Committee

The BOD discussed whether to change the date of the March BOD meeting due to Shannon's absence. The BOD agreed to hold the meeting on Friday, March 29th. (It was later determined by email that the UU Church was not available for that date and the scribe would be absent. The BOD identified that the Belfast Creative Coalition "Offices" at 26 Spring Street will be available for the meeting on 3/29.)

The Board Development Committee asked the BOD if they should write monitoring reports for policies that they self-monitoring that have quantifiable data. The response from the BOD was relatively noncommittal and BoDev decided to give writing monitoring reports a trial run.

BoDev submitted a proposal to offer BOD meeting attendees a binder which would contain a policy register, a BOD calendar, and a packet for the current meeting. The binder would be a way to help guests more fully understand what is happening during a meeting as well as ensuring documents are returned after the meeting.

CI - Governing Style

The BOD acknowledged that they knowingly do not obey all the bylaws, however, they do follow all the Maine State Cooperative law. The BOD accepted by consensus CI - Governing Style as in partial compliance with a plan for compliance.

Owner Engagement Committee

The Owner Engagement Committee has been preparing for the Annual Meeting and has asked the BOD to help with set-up beginning at 10am and to plan on staying late to help clean-up. Ernie and David G volunteered to act as scribes during the Annual Meeting.

The OEC has also been discussing how to honor older adults in the community and along with other suggestions they plan to reach out to Spectrum Generations, Waldo County Triad, and Senior College.

Bylaws Committee

The Bylaws Committee should be able to present its recommendations to the full BOD at the April meeting. They will also give a brief presentation at the Annual Meeting.

2019 Ballot Approval

With a few minor edits, the 2019 Ballot was approved by consensus.

GM Evaluation

Doug's contract as GM of the Belfast Co-op is up for renewal in 2020, no action was necessary for 2019.

Healthcare Letter

Heather and David G. drafted a letter to elected state and federal representatives which outlines the challenges of increased healthcare costs for the Co-op and encourages representatives to support a "Medicare for All" concept. They would like to include healthcare costs data from previous years to show cost escalation. A revised draft will be presented at the March BOD meeting.

GM Reporting

Alignment

Melanie Reid will be in Belfast the week of March 4th to finalize the staff survey and conduct interviews. There will be an all staff meeting Thursday, March 7th to go over the results of the survey and Melanie will be meeting with the management team on Friday, March 8th. Because the store will close early for the staff meeting, owner appreciation week will be extended an additional day.

GM Update Report

The Co-op worked directly with Casella Waste to repair part of the building's wall after it was struck by one of their trucks.

Doug reported that overall the finances for January were okay.

The Marketing Department has been working on a new CORE handout that they will be bringing to the Annual Meeting.

In mid-March, Doug will be travelling with other members of the management team to Massachusetts to take part in the NCG workshop *Creating a Culture of Accountability for Improved Customer Service*. Doug has applied for a Howard Bowers fund grant to offset the costs of travel and accommodations but has not heard back yet.

B9 - Emergency GM Succession

Should Doug become unexpectedly unable to perform his duties, he recommends the BOD reach out to CDS Consulting to hire an Interim General Manager. Doug has been in contact with CDS to get a list of their consultants who can take on Interim General Manager positions.

The BOD noted that they have no policies that include a plan for emergency succession for the board and will be looking into that.

The BOD accepted by consensus the B9 - Emergency GM Succession monitoring report as in partial non-compliance.

Next Meeting Agenda - March 29, 2019

- Annual Meeting Review
- B1 - Financial Condition & Activities
- B4 - Membership Rights & Responsibilities
- C2 - The Board's Role
- Executive Session - Expansion Update

Homework

Doug

1. Create name tags for Heather & David G.
2. Look for current building appraisal (insurance or real estate) information
3. Send out January key indicators

David B

1. Officer job descriptions

Alessandra

1. + Scribe -- put together online ballot
2. Schedule BOD to input ballots

Shannon

1. Send note to BOD candidates re: P6 conference

Expansion Committee

1. Fact based pros & cons for housing
2. Share personal expansion retreat notes

Board Development Committee

1. Create C2 poll
2. Write C2 monitoring report
3. Create proposal for director training/retraining
4. Finalize new director orientation
5. Create a proposal for rotating facilitation

6. Create a proposal for candidate requirements
7. Review policies re: expansion
8. Revisit charter
9. + Scribe -- create guest binder
10. Review policies re: emergency succession

Owner Engagement Committee

1. Discuss how to honor elders in the community
2. Discuss outreach around the owner sign-up process
3. Revisit charter

Finance Committee

1. Revisit charter
2. Contact Wegner re: GM credit card statement for B1.13 policy
3. Propose audit schedule
4. B1 recommendation

Full BOD

1. Take C2 poll

Scribe

1. Update ballot
2. Mention P6 conf in Beekeeper update

Debrief / Evaluate Meeting

Alessandra, Betsy, & Andrew are interested in attending the P6 Conference in April.

Other than the technological snafu with Wegner, Shannon felt the meeting went well and was pleased Heather could participate. Alessandra gave kudos to everyone for coming prepared.

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