

Belfast Co-op Board of Directors Meeting

March 29, 2019, 6:15 pm; Belfast Creative Coalition, Belfast ME

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

GM: Doug Johnson

Owners: Annie Bussiere, Jamie Cermak, Gloria Gervais, Crystal Howard-Doliber, Edward Sheridan

Facilitator / Timekeeper: Shannon Grimes

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

Agenda Review

Shannon will lead the Annual Meeting Review discussion. With this determination, the BOD approved the agenda by consensus.

Announcements / Check-in

David G let the directors know that Saturday, April 6th is the 25th Annual Rural Living Days, held at Mount View High School. David will be giving a talk titled *Solar Energy & What's on the Horizon*. On Saturday, May 4th the Sierra Club will be hosting a state-wide Climate Summit at the Hutchinson Center in Belfast (<https://www.sierraclub.org/maine/building-thriving-communities>). David will be one of the presenters that day, as will Doug, who will talk about cooperative economics. On Sunday, May 5th, David & Willow will be hosting a permaculture work day at their farm in Morrill from 9am-1pm (<https://www.facebook.com/events/323894664928695/>).

Betsy will be attending the P6 Conference as a representative from Fedco.

Shannon has been traveling a lot this week, visiting graduate schools that she has been accepted to. During her travels she has made a point to visit other co-ops and has stopped into Seward Community Co-op and the Willy Street Co-op. She enjoyed the visits and took photos of fun marketing ideas. She also talked to a co-op customer familiar with both co-ops, who expressed his disappointment in how similar they co-ops looked to each other and how corporate that felt.

Shannon has been involved with Food Solutions New England, which puts on a 21-day racial equity challenge each year in the month of April. This year the racial equity challenge will commence on April 1st and Shannon encouraged all directors to participate.

Shannon gave a presentation at the Universities Fighting World Hunger Summit in Portland, ME for Maine Farmland Trust about nutrition incentives. Betsy presented a slideshow on how the Food Sovereignty Act was passed and presented a panel on the Local Food Sovereignty Ordinance.

Andrew presented the directors with a drawing depicting business model constraints, cultural model constraints, & economic model constraints and how we (the Co-op) live in the middle. Andrew also pointed out an article in the recent issue of *Edible Maine* on survival gardening that he found interesting. He has been reading *The Gandhian Iceberg* and mentioned a particular section on globalism in reverse, referring to localism and localization.

Minutes of Previous Meeting

The minutes of the February 28, 2019 BOD meeting were approved by consensus.

Owner Comments

Annie told the board how she has had the opportunity recently to visit other co-ops and natural food stores in the region and how impressive it was to her to see that the Belfast Co-op's prices are significantly lower in some cases and generally lower overall in comparison.

Jamie made two comments, first that the new guest binders are wonderful and second that he fielded a call, while working at the Co-op, asking for assistance in contacting local representative, Erin Herbig to express support of legislation that would make earned sick time mandatory.

Gloria commented that she liked the really good lighting in the store.

Andrew relayed that one owner wants to have a gathering in the Co-op's cafe in memory of Larason.

Andrew himself, wanted to thank the Co-op's bakers for the blueberry muffins without the sugar on top. He also wondered if changing the digital menu would be easy after asking several times for salad dressing that remains on the menu after it has been discontinued.

Board Administrative Matters

Expansion Committee

The Expansion Committee recommended the BOD undertake a full engineering analysis of the current building in a manner that would result in the committee understanding exactly what the building needs as well as the cost of repair. This analysis would give an apples to apples comparison on renovation versus new construction. The BOD asked Doug gather at least 3 proposals, preferably from in-state firms, for a comprehensive engineering analysis of the current Co-op building.

Finance Committee

The Finance Committee recommended the BOD accept the BI - Financial Condition & Activities monitoring report as submitted, in partial compliance with the global BI statement, and full compliance with sections BI.1, BI.3 - BI. 13, and non compliance with section BI.2 with a plan for compliance. The FinCom expressed satisfaction with the plans for compliance in regards to BI.2.

The FinCom reviewed its charter and would like to update the committee composition section to allow for the Treasurer plus six other members, an increase of two members. The BOD accepted by consensus this revision to the Finance Committee Charter.

The FinCom encourages all directors to attend the Financial Literacy Workshop at the Belfast Library on May 22nd.

The FinCom recommends that the Co-op conduct a full financial audit every three years, subject to recommendation of a longer period after several three-year cycles.

The FinCom agreed that the GM's credit card statements be reviewed quarterly by the Treasurer and submitted the following addition to BI.13 "The GM must not: Fail to meet at least quarterly with the Treasurer to review the status of the budget for the Board of Directors *and to review the General Manager's credit card statements.*" The BOD accepted by consensus the BI.13 change pending feedback from Wegner CPAs.

C2 - The Board's Role

The BOD discussed the GM compensation process, since the GM's contract is renewed every two years it makes sense that not all directors would be familiar with this process. Alessandra will be sharing past compensation proposals and an article outlining the process with the BOD. The BOD also discussed

perpetuating the Board's leadership capacity and there was some uneasiness on this point, one director in particular felt that perpetuating leadership had room for vast improvement but chose not to block compliance. The BOD accepted by consensus C2 - The Board's Role as in compliance.

Board Development Committee

BoDev discussed the importance of committee work and requests every director be on one of the following committees: Owner Engagement, Finance, or Board Development, and encourages anyone who can, to be on a secondary committee: Expansion or Bylaws.

BoDev also discussed officer perpetuation particularly in light of the fact that Shannon, the current BOD president, will be leaving in late June to attend grad school. She talked about how board leadership involves work that is both task driven and cultural. For example leadership tasks would include: agenda planning, responding to emails, facilitating meetings, being available for emergencies, event planning, meeting with other parties, election oversight, etc. And cultural leadership would include: setting the tone for meetings, making sure that people are comfortable, being a host, corralling behavior, encouraging others to step up, etc. The directors took turns stating the work they would be willing to step up to do as well as what might be holding them back. There was also the idea that there shouldn't be a mile long difference between the responsibilities of the president and the rest of the board. Some tasks could be redistributed to other officers or other board members, however, at the end of the day it is the president's responsibility that everything gets done. BoDev will continue to discuss this topic and it will be a part of the Board Retreat in May, which will also include the newly seated directors.

Owner Engagement Committee

The election is still in progress but so far 16% of the ownership has voted, which is a record! The election committee found 21 uncounted votes from 2018. As the 2018 election was uncontested, quorum was reached, and each director received more than 25% of the votes cast, the additional 21 ballots would not have affected the outcome. The OEC presented several ideas to the BOD like sending out a welcome email to all new owners and having community dinners, they also updated their charter.

Annual Meeting Review

There was some disappointment in the communication leading up to the annual meeting. It would be more helpful in the future if all emails regarding the annual meeting went out to the full BOD and not just the OEC.

The food was really good, thank you to the deli!

The presentations were good and the turnout was great.

Bylaws Committee

At this point the committee is finalizing its bylaw recommendations, crossing the t's and dotting i's, and preparing a one page description of what the changes are. They are planning to present the recommendations at the next BOD meeting. There are still some questions that the committee will have to resolve before the recommendations can be submitted.

Healthcare

The healthcare letter topic was tabled until the April 25th meeting.

GM Reporting

Alignment

Larason Guthrie, a long time Co-op member, regular shopper, and previous BOD member, passed away March 24th. Doug suggested one of the directors write a *Rootstock* article in memory of him. There will be a memorial bench in Larason's honor placed in front of the Co-op.

Doug will be attending NCG's Spring DR meeting, held in California this year, and will be away from April 9th to April 12th.

Doug was notified that Belfast could potentially be holding a Deli Summit. Deli specialists from NCG will be coming to Belfast, bringing the teams from all the other NCG co-ops in the state for this education event. No date is scheduled yet but it is expected to be held before summer.

The Belfast Co-op was awarded a Howard Bowers Grant to offset the travel & lodging costs of Doug and four members of the management team attending the NCG workshop *Creating a Culture of Accountability for Improved Customer Service*.

Doug also showed that in the current issue of *Edible Maine*, the cooperative Maine grocers group has not only the back cover advertisement but also a recipe and photo spread inside the magazine. The recipe and photo spread will be an ongoing addition.

GM Update Report

Doug stated that the workshop, *Creating a Culture of Accountability for Improved Customer Service*, was one of the most powerful trainings that he has engaged in and the BOD asked if there was a specific takeaway. Essentially, the workshop leader, Stephanie Merriman, intentionally created an empowering workplace culture at the Sacramento Natural Foods Co-op and shared her views on shaping and supporting workplace culture. The staff that attended have been very proactive about integrating what they learned in their departments.

Next month, Doug expects to report a drop in the number of owners in good standing. When the equity change was made, the grace period on making equity payments was shortened. Those who are out of town or expect a longer grace period will be deactivated until their payment is made.

Due to state regulations, determined by square footage, the Co-op must be closed for Easter, as well as Christmas, Thanksgiving, and New Year's Day.

Occupancy costs were up for the month of February due to plowing.

B1 - Financial Condition & Activities

This B1 monitoring report covers the fiscal quarter that runs October 2018 through December 2018, traditionally a poor performance quarter.

With the unexpected change in healthcare costs, a director asked if there was a process for a revised budget. Doug does not revise the budget that the BOD approved and he bases his reports on this budget. However, he does tweak the working budget that he uses.

It was generally felt that Doug is doing a good job with what he has to work with, namely a drastic shift in net income seasonally.

The BOD had previously talked about investing in short term CDs. Doug confirmed that he did shift money to accounts with better interest rates and met with Bangor Savings Bank to discuss a Money Market Account.

The BOD accepted by consensus the B1 - Financial Condition & Activities monitoring report as in partial compliance with the global B1 statement, and full compliance with sections B1.1, B1.3 - B1.13, and non compliance with section B1.2, with a plan for compliance.

B4 - Membership Rights & Responsibilities

Doug reported that all requests for equity refund were honored this past year and the BOD requested a dollar amount be given in future reports. Doug noted that this year was the first year that the abandoned equity bylaw was in effect and this did make a difference in the number of equity refund requests.

A director made the point that the owner application is essentially a contract, which the Co-op requires the owner sign, and yet they do not receive a copy. They were wondering if it would be possible to have the owner application come with a carbon copy.

The BOD accepted by consensus the B4 - Membership Rights & Responsibilities monitoring report as in compliance.

Next Meeting Agenda - April 25, 2019

- C3 - Agenda Planning
- B6 - Staff Treatment & Compensation
- Ratify Election Results
- Healthcare
- GM Compensation Overview

Homework

Full BOD

1. May 22nd - Financial Literacy Workshop
2. May 23rd - BOD meeting
3. May 24th - Dinner with Marilyn Scholl
4. May 25th - BOD retreat
5. Take C3 poll

Doug

1. Look for current building appraisal (insurance or real estate) information
2. Gather 3 proposals for engineering analysis of current building
3. Add Heather & Betsy to BoDev email
4. Send number of equity refunds and dollar amount to BOD
5. Send new owner packet & application to BOD
6. Find out if Larason wrote his own obituary, to include in *Rootstock*
7. Address the community dinners idea
8. Send Heather & Ed April 8th expansion committee presentation

Alessandra

1. Organize carpool to/from P6 Conference
2. Skype in Heather & Ed for April 8th expansion committee meeting
3. Share the last 2 RFPs and GM compensation article
4. Send GM compensation article to scribe for inclusion in new director handbook

David B.

1. Officer job descriptions

Shannon

1. Email 21 day racial equity challenge info to BOD

Ernie

1. Work with BoDev to add financial info to director orientation

David G. / Heather

1. Healthcare

P6 Attendees

1. Write *Rootstock* article by April 15th

TBD

1. Larason *Rootstock* article if obituary doesn't work

All Committees

1. Send out email reminders of meeting dates/times

Board Development Committee

1. Create proposal for director training/retraining
2. Finalize new director orientation
3. Create a proposal for candidate requirements
4. Review policies re: expansion
5. Review policies re: emergency succession
6. Create C3 poll
7. Schedule new director orientation
8. Discuss officer perpetuation
9. Add officer perpetuation to the retreat agenda

Finance Committee

1. Contact Wegner re: GM credit card statement for B1.13
2. Incorporate audit schedule in charter under *Activities*

Owner Engagement Committee

1. Discuss plastics assessment, loop Doug in
2. Create a form letter for new owners
3. Share forum dates once scheduled

Scribe

1. Add audit schedule to BOD calendar
2. Compile new director handbooks

Debrief / Evaluate Meeting

Kudos to David G. for recording BOD homework and decisions.

David G. commented that meetings on Fridays are tough, he has what seems like twice as much energy on Thursdays.

Heather thanked the BOD, especially Alessandra, for giving her the opportunity to Skype into the meeting, saying it is really nice to stay involved.

Executive Session

The BOD adjourned to executive session to discuss a personnel complaint that was raised at the February BOD meeting and real estate matters concerning expansion. No decisions to report.

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