

Belfast Co-op Board of Directors Meeting

May 4, 2017 6:00pm Waterfall Arts Building, Belfast ME

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

GM: Doug Johnson

Staff: Emily Berry (scribe)

Owners: Ernie Cooper, Shannon Grimes

Facilitator: Alessandra **Time-keeper:** Lindsey

Agenda Review

The BOD agreed to allocate an additional 25 minutes to *GM Reporting*, making both *GM Reporting* and *Board Administrative Matters* 45 minutes and removing the stretch break. The leader for the discussion of the Membership Committee was changed to Ron and the leader for the GM Compensation Update was changed to Alessandra. With these adjustments, the BOD approved the agenda by consensus.

Announcements

Zafra will have a sidebar (small article) in the June-July issue of *Cooperative Grocer*.

Minutes of Previous Meeting

The BOD agreed to strike the sentence “As part of the reset, a Sweet Shoppe Crane Claw Machine will be installed in the front end near customer service” from the *Alignment* portion of *GM Reporting*. Also in *Alignment*, the sentence starting with “The Principle Six Cooperative Trade Movement” will now read “The GM is interested in using the Principle Six Cooperative Trade Movement as a tool to be used for product selection when bringing new products in.” Under *Operations Update*, “The installation of the fire alarm system is complete...” will be changed to read “The hardware for the fire alarm system is ready but not yet fully installed. Once installed staff can be trained on using the system.” With these adjustments, the minutes of the March 23, 2017 BOD meeting were approved by consensus.

Owner Comments

One owner was disappointed that the guaranteed lifetime membership they were once given had ended.

An owner commented that they liked the wider aisles.

An owner commented that they were not fully informed of the changes in the pre-order policy and it came as a surprise as they were being rung up at the registers.

One owner recommended that owner sign-up sheets have a checkbox that states when equity is abandoned it goes to the Co-op.

One owner commented that the info wall near the meat and cheese department was disheveled - although a good idea, it was poorly executed.

One owner felt that the soil amendments in front of the store were excessive and unattractive, and further wondered how much money it cost the Co-op to have them sit there until the fall.

One owner who was canceling his membership because he moved left feedback that he appreciates the Co-op's support of local farmers, the community outreach and educational events, and he loves the cafe. He also stated that he dislikes seeing foreign produce in the off season and he hopes that the Co-op will restructure for a time in the future when we no longer have the option of trucks delivering from away.

Another owner pointed out that the coupon books and deal flyers given out at the Co-op often contain products the Co-op does not carry.

One owner commented that they would like to see Belfast Co-op-specific reusable bags in lieu of the generic co-op bags sold now.

GM Reporting

Alignment

The next phase of the reset, at the end of May, will focus on the wellness section, where lower profile shelving will be installed. A reset of the wine aisle will follow and this will include moving the shelving to provide more space between the wine shelves and the meat and cheese counter.

In regard to the asbestos floor tile abatement process, all the professionals that operations has contacted recommend sealing the area and leaving it alone. In order to seal the floors where the asbestos is present, new vinyl flooring with a 10-year commercial use warranty has been selected, however, the GM is waiting for a full installation and materials quote before placing the order. The timeline and full cost of this project has not been determined.

The GM recently attended the 2017 NCG Spring Meeting of Designated Representatives in Durham, NC. Although this meeting had its share of negative trends, such as continued sales growth declines over last year and close to a 50% GM turnover rate for NCG co-ops, it was much more solutions-based than previous meetings.

GM Update

The financials for March show a sales growth of slightly above 0%. Although initial numbers from April show an increase, it remains unclear how much the reset will impact sales.

The final financial report from Wegner CPAs has been submitted. The over-payment of income taxes over the last four years totals approximately \$14,000.

B6 – Staff Treatment & Compensation

Much of the data to support compliance of the B6 policy was taken from the staff survey conducted by Melanie Reid of CDS Consulting Co-op. On the whole, the survey results show the Co-op 'did fine', however, not as well as other co-ops of similar size in our sector. When asked by the BOD the GM determined that he would like to continue to use the benchmarks currently used to determine compliance. The BOD accepted by consensus the B6 – Staff Treatment & Compensation monitoring report as in compliance.

Discussion of this monitoring report resulted in the BOD agreeing to create time to discuss the living wage model.

Board Administrative Matters

Treasurer's Report

The Treasurer reported that again labor was the biggest cost for the Co-op other than Cost of Goods Sold, this time attributed to the center store reset. However, the finance committee is still pressing the GM to contain labor costs. There is a need for sales to increase and April does show improvement but there is nothing definitive yet.

In speaking with other Belfast business owners concerning how winter weather impacts business, it doesn't seem that definitive records are kept. Like the Co-op, most business owners in Belfast budget for a loss in the winter months and hope to make it up in the summer.

C3 – Agenda Planning

The BOD accepted by consensus C3 – Agenda Planning as in compliance.

Board Development Committee

The P6 Conference was recently held in Gardiner, ME with approximately 36 attendees. One of the focuses was on creating a Maine cooperative business association to support co-ops across all sectors (consumer food co-ops, housing, and worker co-ops); attendees chose Cooperative Maine Business Alliance or Co-op Maine for short. There was also discussion of LD 1338 An Act To Create and Sustain Jobs through Development of Cooperatives and Employee-owned Businesses. A public hearing for this bill was held on April 26 and it was tabled at the committee work session held May 3. Zafra will be presenting "The State of Consumer Cooperatives Today" at the Common Ground Fair this September, anyone who would like to participate should contact him.

Membership Committee Report

The Membership Committee is exploring holding the next owner forum in the Co-op's cafe from 4-5pm with the goal of making it a more sociable and accessible affair.

Election Update

As of this BOD meeting, 342 ballots have been validated, 64 are still needed.

GM Compensation Update

The Compensation Committee has translated the RFP submitted by the GM into a written contract. This contract will be submitted to the GM before the May 25 BOD meeting.

Internet Training

This discussion centered around providing Directors training the G Suite products. Zafra will coordinate this at a near-future date.

Social Meeting

Directors discussed meeting for a team-building exercise in mid- to late summer, and a potluck in the fall where preparations could be made for the annual retreat and directors could socialize.

BOD Compensation

The BOD current compensation model is in need of review. The discussion revolved around whether to increase the stipend or to add a discount, and whether that discount would have to compound with existing discounts that board members may have as staff, seniors, and/or CORE participants.

Homework

Board Development Committee

- Create poll for policy D2
- Create poll for G Suite training
- Review calendar, specifically: November social/potluck; Mid- to late-summer team-building
- Create formal proposal re: BOD compensation

- Figure out time to discuss living wage model

Full BOD

- Consider being a buddy to a new director, contact Alessandra if interested
- Respond to D2 and G Suite polls
- Sign-up to get out the vote

Finance Committee

- Review Wegner report
- Research investment strategies
- Research cost of purchasing equity in Maine-based co-ops

All Committees

- Designate information, discussion, and action in reports

Next Meeting May 25, 2017 – Agenda

Ratify election results

Farewell to Departing Directors

B3 – Asset Protection

D2 – GM Accountability

Review Wegner financial report

Debrief / Evaluate Meeting

Good meeting, everyone contributed in a calm and measured manner.

End of minutes. Submitted by Emily Berry, scribe.