

Belfast Co-op Board of Directors Meeting

May 23, 2019, 6:15 pm; UU Church, Belfast ME

Directors Present: David Balicki, Annie Bussiere, Ernie Cooper (treasurer), Betsy Garrold, David Gibson (secretary), Evans Goff, Shannon Grimes (president), Crystal Howard-Doliber, Alessandra Martinelli, Heather Selin (via Skype), Edward Sheridan, Andrew Watkins (vice-president).

GM: Doug Johnson

Owners: Jamie Cermak, Betsy Marsano, Andrew Schindel

Facilitator / Timekeeper: Shannon Grimes

Seating New Directors

The BOD formally seated and welcomed Annie Bussiere, Evans Goff, Crystal Howard-Doliber, and Edward Sheridan to the Belfast Co-op Board of Directors.

Agenda Review

The BOD agreed to move the *Owner Comments* to immediately after the *Agenda Review* and strike the *Group Photo* from the agenda. With these adjustments, the BOD approved the agenda by consensus.

Owner Comments

Betsy Marsano told the BOD that she believes that the CORE program is entitled to a 501(c)(3) designation so that it could become an official nonprofit arm of the Co-op, which would operate in conjunction with the BOD but with a separate board to manage it. Creating this nonprofit would enable and empower Co-op owners to support easing food insecurity in Waldo County. Betsy also suggested donating redeemable bottles to each month's Common Cents recipient.

Andrew Schindel attended this meeting to speak about communication regarding *Rootstock*, the Annual Report, and expansion. He is feeling that he wants the communication to be more meaningful, timely, detailed, and in many cases more personal. He recommends giving up an endcap (or other comparable location) on the sales floor and dedicating that space to communication about expansion. He also commented that *Rootstock* isn't about what he wants to know. To make it more meaningful and relevant to the Co-op, he recommended filling it with articles from staff about their departments (talk about vendors, weather related inventory issues, etc.) and how it relates to how well the Co-op is doing financially. He would also like to see the Annual Report expanded upon; the degree to which the information is distilled renders it meaningless. He would like it to talk about the Co-op's financial health as it connects to the community and as it connects to employees.

Andrew relayed several comments from owners. The first was that the heavy cafe chairs tend to block the aisles. Another comment was that Mexican produce is not organic. The next comment was that the Organic Valley cheese pack has too much plastic. And finally an owner requests the formation of an Environment Committee and a Purchasing Policy Committee and requests BOD conduct oversight of waste.

Alessandra spoke to an owner who was pleased at having such a wide variety of seedlings and that they are all healthy.

Announcements / Check-in

Andrew has been reading *The Lowdown*, about devastation in farm country and wonders how it may be affecting our produce department. He has also been considering doing a major bike ride once his BOD term is up. He is looking into riding the East Coast Greenway which runs 3000 miles from Key West, FL to Calais, ME.

Minutes of Previous Meeting

The minutes of the April 25, 2019 BOD meeting were approved by consensus.

Board Administrative Matters

Expansion Committee

During the May meeting, the Expansion Committee reviewed comments cards from owners, with nearly half of them about what the Co-op should or should not carry. The ExpCom would like to invite Frank Carr of Caleb Johnson Studios to a future ExpCom meeting to answer questions about housing. Doug reached out and Frank is tentatively available for the June meeting. During the meeting when they discussed the physical building it was brought up that the ExpCom has talked a lot about blending in with downtown and looking like some of the other buildings and perhaps rather than blending in the Co-op could set the tone for what Belfast can become.

Jim & Edward of the ExpCom are working with Doug to identify companies that can conduct the engineering analysis. The ExpCom has begun drafting a charter and has decided that they want to stick with being an expansion committee, with a focus on expanding the physical space, and not be a long range planning or a steering committee. It is important that this committee be specific to this project with a specific duration and therefore remain ad hoc.

Finance Committee

At their May meeting the FinCom reviewed the monthly financials and Ernie noted to the BOD a few areas they discussed. First, how the Co-op continues to lose money while sales continue to increase. Second, that the expenses not related to the cost of goods decreased due to the change in senior discount. They also continued their discussion about investing excess cash in short-term investments like CDs and US Treasury bills. The FinCom requested that Doug draft a policy addressing short-term investments. The BOD discussed the key indicators that are pertinent to expansion and the expectations for progress in improving those numbers.

Board Development Committee

The Board Development Committee drafted the Belfast Co-op Board Guidelines, which is an informal document intended to be a guide to the practices and operations of the BOD, to codify the norms and procedures of this Board. BoDev requested the full BOD review and add to these guidelines and discussed setting an annual review of these guidelines in policy.

BoDev will be putting together a proposal for creating a nonprofit. They have also reached out the AORTA to conduct a training and are waiting to hear back on certain logistics. They also discussed incorporating some of the BOD's administrative tasks into the board clerk's job description.

D2 - Accountability of the GM

The BOD accepted by consensus D2 - Accountability of the GM as in compliance.

Board Recruitment

For a long time, very few people ran the Co-op's board which meant that for new directors there was a strong guiding force and recruitment was not seen as crucial. With directors staying on the board

interminably, many of the strategies for recruitment were never instituted. The BOD discussed strategies like bringing a buddy to a meeting, having a recruitment dinner, and starting a board nominations committee.

Owner Engagement Committee

The Owner Engagement Committee discussed sending new owners a letter from the BOD, potentially 3 months after they join, to reiterate the welcome, fix the idea that the BOD is the backbone of the Co-op in their minds, and offer other ways to participate.

On the topic of letters, Edward brought up that when he spoke to people about the equity change letter they found it too long, overwhelming, and one of them did not continue their ownership in the Co-op. Doug has not seen that many people request their equity back because of the structural change or changes in the discount. The BOD would like to see postcards or the like sent to owners whose accounts have been suspended for a month or two.

The OEC has begun a Co-op history project and will be reaching out to past directors and founding owners.

At this point the BOD agreed to shift 10 minutes from GM Reporting to Board Administrative Matters.

Bylaws Committee

The BOD agreed to schedule a separate meeting to talk about the extensive changes recommended by the Bylaws Committee.

Snack & Committee Assignments

Annie and Crystal volunteered to bring the snacks to the BOD meetings for the next year.

Alessandra - Owner Engagement, Board Development

Andrew - Owner Engagement, Board Development, Expansion

Annie - Expansion, Owner Engagement

Betsy - Owner Engagement, Finance

Crystal - Owner Engagement, Board Development

David B. - Finance, Owner Engagement

David G. - Expansion, Finance

Edward - Expansion, Board Development

Ernie - Expansion, Finance

Evans - Board Development, Bylaws, Expansion (tentatively)

Heather - Bylaws, Board Development, Expansion

Shannon - Owner Engagement, Board Development, Expansion, Bylaws

The BOD agreed by consensus to extend the meeting until 8:45pm.

Conflicts of Interest

Shannon - Manages the Farm Fresh Rewards program for Maine Farmland Trust and works with the Co-op through that program. Maine Farmland Trust is a Common Cents recipient.

David B. - A branch manager at Bangor Savings Bank, which the Co-op does business with.

Evans - Staff of the Co-op.

David G. - Works for Revision Energy and will abstain from any decision the Co-op makes about utilizing solar. David's wife is a staff of the Co-op.

Alessandra - Has a personal relationship with Doug's family.

Crystal - A former officer at the VFW and their pet food pantry has been involved with Common Cents.

Ernie - On the board of the Belfast Bay Watershed Coalition, which was a Common Cents recipient this year. On the board of Belfast Community Works which will be a Common Cents recipient in 2020.

Betsy - President of the board of Food For Maine's Future, a Common Cents recipient.

Andrew - Belongs to a household that participates in the CORE program and will abstain from decisions regarding CORE.

Annie - Staff of the Co-op, her husband is also on staff, so all of their finances are tied to the Co-op.

Heather - Co-owner of a farm that sells produce to the Co-op.

Edward - None at this time.

Staff on the Board will be recused from conversations regarding GM compensation or personnel issues and will not be eligible to run for office of president, vice president, or treasurer.

GM Reporting

Alignment

The access panels for part of the Co-op's network are expiring in December and replacing them will be approximately \$9000. The scales used in the bulk, meat & cheese, and deli departments, which print labels, are beginning to fail and replacing them will cost roughly \$20,000. To fund these updates, Doug has been talking to Cooperative Fund of New England about opening up a line of credit. Doug requested BOD approval on applying for a line of credit through the Cooperative Fund of New England.

The BOD approved by consensus Doug's request for submitting an application to open a line of credit with the Cooperative Fund of New England.

Doug committed, at a meeting with several owners, to have a solution to the non-ADA compliant customer restroom by September. He may have a plan, which roughly involves joining the customer and staff restrooms, that could be fulfilled by mid-July but is waiting on a quote. He will have more information on this project at the June meeting.

GM Update Report

The BOD discussed how only 66 owners are fully vested and how more people could be encouraged to pay their equity in full instead of in annual payments.

Doug and the BOD discussed the April financials and the area of most note is in personnel costs which were up 23.4% from budget and up 29.4% from last April.

Due to a number of challenges, the Co-op will be moving away from contracting with RGIS inventory services and will be conducting inventory counts in-house for the foreseeable future. In preparation for this change, our IT coordinator has been talking about processes and best practices with the IT coordinator of the Portland Food Co-op.

B6 - Staff Treatment and Compensation

The BOD accepted by consensus the B6 - Staff Treatment and Compensation monitoring report as in partial compliance with the global B6 policy with a plan for compliance and full compliance with B6.1-4.

B3 - Asset Protection

Doug talked to Wegner CPAs about an investment policy and they said it is very rare for food co-ops to invest, generally due to the dynamic nature of cash flow. If food co-ops do make an investment it is usually in other cooperative enterprises. Doug was given a copy of an investment template used for producer co-ops which he will share with the Finance Committee next month.

The BOD discussed whether the facility is adequately insured and Doug will investigate whether the insurance can be increased and what the various rates will be.

The BOD agreed to table their decision on the B3 - Asset Protection monitoring report until the June meeting when Doug can clarify whether the building is adequately insured.

Next Meeting Agenda - June 27, 2019

- Election of Officers
- D3 - Delegation to the GM
- D4 - Monitoring GM Performance
- B1 - Financial Condition & Activities
- B3 - Asset Protection
- Annual Retreat follow-up
- Financial Literacy workshop follow-up

Homework

Full BOD

1. Take D3 & D4 polls
2. Review & add to [Board Guidelines](#)
3. Review [Bylaws comparison](#) document

Doug

1. Gather 3 proposals for engineering analysis of current building
2. Address the community dinners idea
3. Update committee lists
4. GM Report financials reported in a more reader-friendly format
5. Contact Paul Cook re: replacement cost on insurance
6. Insurance coverage comparisons from other co-ops

Alessandra

1. Share the last 2 RFPs

Shannon

1. Farewell article for *Rootstock* (possibly collaborate with Alessandra)

Heather

1. Resend healthcare letter with targeted language
2. Draft line by line bylaw change document
3. Create poll for meeting date in June re: recommended bylaw changes

Annie & Crystal

1. Snack assignment

Board Development Committee

1. Create a proposal for candidate requirements
2. Fill out ORF re: admin tasks for the board clerk
3. Brainstorm strategies for board recruitment
4. Create D3 & D4 polls

Expansion Committee

1. Write a charter
 - a. Include policies to monitor
2. Reach out to Lexington Food Co-op re: GM monitoring around expansion
3. Think about items to add to the BOD calendar
4. Set up Skype for Heather to join the June meeting

Owner Engagement Committee

1. Discuss equity follow-up / retention
2. Discuss/plan/collaborate with member services a member drive

Finance Committee

1. BI recommendation

Committee Chairs

1. Schedule committee meeting days/times

All Committees

1. Determine chair
2. Prepare budget (budgets due in August)

CCMA attendees

1. Write article for *Rootstock*

Evaluate / Debrief

David B. was impressed with the new board members participating right away, it was awesome!

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