

Belfast Co-op Board of Directors Meeting

May 25, 2017 6:00pm Waterfall Arts Building, Belfast ME

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

Absent: Ron Braybrook (vice president)

GM: Doug Johnson

Staff: Emily Berry (scribe)

Owners: David Balicki, Shannon Grimes (both later confirmed as directors)

Facilitator: Alessandra **Time-keeper:** Lindsey **Vibe Watcher:** all

Agenda Review

The BOD agreed to table the review of Wegner's financial report until the June meeting and add a review of conflicts of interest to the executive session. With these adjustments, the BOD approved the agenda by consensus.

Announcements

This meeting is Bindy's last meeting, her tenure spanning from 2002-2017.

Minutes of Previous Meeting

Under *Owner Comments*, the sentence "One owner who was canceling his membership..." will be changed to "One owner who was canceling his membership because he moved..." With this adjustment, the minutes of the May 4, 2017 BOD meeting were approved by consensus.

Owner Comments

One owner commented that: the Co-op is losing its charm, the wide aisles are less comfortable, they are sorry Mike is gone, the Co-op should put in a bulk buying kiosk, and the Co-op should engage the services of a vibe watcher to monitor interactions on the sales floor.

One owner wondered if the Co-op had plans to install solar panels.

Another owner commented that they had come in for a few items but due to the reset ended up buying an additional \$100 of products – and were happy they were able to find more that they needed!

One owner would like to see all plastic container options removed from the bulk department and have alternatives, like glass, containers available for sale.

One owner commented that the Co-op now looks like a CVS due to the new shelving.

One owner was concerned that the Co-op's written-off food is being given to pig farmers instead of staff and felt that staff should be given priority.

One owner noted that of the three Reed's ginger sodas the Co-op sells, two are priced by the 4-pack and one is priced by the bottle.

Board Administrative Matters

Treasurer's Update

The Finance Committee discussed the positive aspects of the current financials – the days of cash on hand and debt-to-equity ratio. In the next three months the budget projects a 2.5% sales growth, yet it remains unclear if this projection is met whether it will pull the Co-op out of the red. It is clear that the management of labor will be a focal point during the next slow season (Q1 & Q2) in countering low to negative sales growth. The finance committee also discussed embracing our seasonality, focusing on local products, and focusing on products that is known to draw customers in.

The Committee also discussed paying off the Sheepsfoot Wellspring Land Alliance loan, which is currently being carried as a long-term liability on the Co-op's balance sheet. The GM is in favor of paying this debt off fully before the end of June which would result in the days of cash on hand being dropped from 17 to 15 days (based on April's numbers). The BOD agreed by consensus to follow the recommendation of the Finance Committee on this action, which will be determined before the next BOD meeting.

D2 – Accountability of the GM

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

BOD Compensation

Based on an in-meeting straw poll the Board Development Committee will be placing a review of BOD compensation low on their priority list.

Election Update

In the 2017 BOD election, 414 ballots were cast by owners in good standing, exceeding the 10% membership quorum [406], and thereby making the election valid. All five candidates – David Balicki, Betsy Garrold, Shannon Grimes, Violet Jastram, & Alessandra Martinelli – received votes totaling more than 25% of the total valid ballots cast and are thereby elected to the board of directors.

David, Shannon, Violet, and Alessandra will serve three-year terms and Betsy will serve a two-year term. In addition, all five of the proposed bylaw initiatives passed.

In accordance with the Belfast Co-op bylaws, following the completion of the general election, the Co-op staff will vote for a representative to fill a vacant seat for a one-year term.

The BOD accepted by consensus the results of the 2017 BOD general election, thereby ratifying the election and seating the new directors.

Departing Director Remarks

Bindy Pendleton left her colleagues, new and old, with advice to listen to each other and the community, stay local, think outside the box, and to consider whether there should still be two staff seats, just one, or any at all. The remaining directors took the time to thank Bindy and express appreciation for her years of service.

GM Reporting

Alignment

Operations finished the Wellness Department reset during a three overnight stint. This reset posed more of a challenge than the last, due to the number of unique products. With this reset, most of the products from the department were retained and shelf space was gained for 4' of local products, 4' of local and co-op beer & wine, 7' of artisan local bread, and four end caps.

The last reset for this phase, scheduled in June following CCMA, will be a move of the wine aisle one foot toward the center of the store.

Stan Belch, Facilities Manager, is retiring tomorrow, May 26 and his position will be filled by Carmine Ferrante.

The GM is hoping to contract locally for the installation of the new flooring and is currently waiting on a labor quote. A timeline has not yet been established and could take place as late as this fall.

The Deli Department has been revising its menu to make production more efficient and emphasize what they do well. There will be hot, cold, and basics menus and signage will be digital to allow for seasonal changes. These changes will be in place by the second week in June.

GM Update

Not all Seaport Community Health Center physicians are in-network for the Aetna self-insurance plan the Co-op offers to its staff. Operations is still waiting on the final details but it seems Aetna will allow individuals who want to keep Seaport as their PCP can opt into an upgraded plan with higher premiums. The BOD will be updated when a decision is made.

Each month the GM reports on the number of participants in CORE, Maine Harvest Bucks, and Co+op Explorers. The BOD posed the question to the GM as to whether he was happy with the current participation numbers. This discussion evolved into the suggestion of dedicating one forum a year to Co+op Explorers and focusing on the kids.

The GM reports the financial situation is grim but hopefully with the recent resets we will gain sales growth back. Focus has been on positioning for the future both financially and operationally.

B3 – Asset Protection

BOD discussed updating the operational definition of sub-policy #5 “The GM must not allow data, intellectual property, or files to be unprotected from loss, theft or significant damage” to include electronic data security.

The BOD accepted by consensus the B3 – Asset Protection monitoring report as in compliance.

Homework

Alessandra

- Contact Ernie re: appointment Q & A

Lindsey

- Discuss with the Finance Committee re: Wellspring loan repayment, report outcome to Alessandra

Board Development Committee

- Revise D2.1 for clarity

- Schedule time for new director orientation
- Share committee charters with new directors
- Send D3/D4 evaluation poll to all directors

Scribe

- Update BOD contact sheet

Bylaws Committee

- incumbent BOD seats
- staff rep election process
- BOD appointment procedure
- limitations on appointee voting during meetings

Betsy

- Share page on consensus

Next Meeting June 22, 2017 – Agenda

Election of Officers

Committee appointments

Wegner Financial Review

CCMA Review

BI – Financial Condition & Activities

D3 – Delegation to the GM

D4 – Monitoring GM Performance

Debrief / Evaluate Meeting

The BOD approved of the new set-up of the agenda and will continue to work on the best arrangement of the tables & chairs for visibility and physical comfort.

Adjourned to Executive Session

Conflict of Interest review – no decisions to report

End of minutes. Submitted by Emily Berry, scribe.