

Belfast Co-op Board of Directors Meeting

June 27, 2019, 6:15 pm; UU Church, Belfast ME

Directors Present: David Balicki, Annie Bussiere, Ernie Cooper (treasurer), 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

Staff: Emily Berry

Owners: Jamie Cermak, Michael Walter

Facilitator / Timekeeper: Shannon Grimes

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

Announcements / Check-in

This meeting was Shannon's last meeting as a member of the Belfast Co-op's Board of Directors and will tender her resignation at the close of the meeting. She will shortly be moving out of state to attend Graduate School in the fall. Heather expressed her sadness at seeing Shannon go and acknowledged that it will be a great loss to the Co-op and the community.

Andrew and Edward are both reading *Grocery Story: The Promise of Food Co-ops in the Age of Grocery Giants* by Jon Steinman.

Betsy submitted a letter of resignation to the Board, citing personal time constraints as well as her concerns for the lack of space for dissenting voices and over consumption among her reasons for leaving. Alessandra will be taking a three month leave of absence. She will return at the October meeting.

Minutes of Previous Meeting

The minutes of the May 23, 2019 BOD meeting were approved by consensus.

Owner Comments

Michael thanked Shannon for the work she has done for the Co-op and the community.

Alessandra overheard visitors (not owners) talking about the Co-op: "This place is awesome, I can't wait to come back tomorrow!"

Shannon shared an owner's comment that they were disappointed that the salad dressing is no longer included and decided that the salad was now too expensive a purchase.

Crystal observed the front-end staff doing a great job and being super friendly to visitors.

Board Administrative Matters

Election of Officers

The BOD accepted by consensus the appointment of Heather Selin to the office of president; Crystal Howard-Doliber to the office of vice-president; David Balicki to the office of treasurer; and Annie Bussiere to the office of secretary, for the 2019 term effective at the close of the meeting.

With her new role as secretary in mind, Annie reminded the BOD that as a staff member she will not be able to attend executive sessions when the topic is personnel issues and therefore will not be able to record decisions that result from those discussions.

Expansion Committee

At their June meeting, the Expansion Committee met with Patrick Boothe and Frank Carr of Caleb Johnson Studio to discuss housing as part of the expansion project. The next step for the ExpCom is to contact other co-ops who recently expanded and ask about their funding strategies.

Doug met with a second architect/engineer firm regarding the analysis of the current building and is waiting on a proposal. He also met with a developer looking for opportunities in Belfast and he seemed interested in the potential of the project.

Finance Committee

With a positive net income for the month of May, the Finance Committee noted that it is a pleasure to make money again after the long winter.

The FinCom recommend the BOD accept the BI - Financial Condition & Activities monitoring report as submitted: in partial compliance with the global BI statement and BI.3; full compliance with BI.1, BI.4 - BI.13; and non compliance with BI.2. The FinCom expressed satisfaction with Doug's plans for compliance. Kip Penney has resigned from the FinCom due to scheduling conflicts. The committee was sorry to see him go and thanked him for his years of service. His tremendous institutional memory will be sorely missed. The FinCom charter states "The Board Treasurer will head the Committee..." and so Ernie will be handing over the role of chair to David Balicki.

Board Development Committee

The Board Development Committee has been working on its budget and is looking to Doug for actuals on the last fiscal year's spending before submitting it to the Finance Committee.

BoDev continues to discuss holding an AORTA training and reminded the BOD that it would be an anti-oppression, anti-racism, anti-sexism, anti-classism training. The Co-op's motto "All are Welcome" is not felt throughout the entire community; this training would aim at breaking down barriers and figuring out where the Co-op is being exclusive.

BoDev has tabled the idea of creating a 501(c)(3) for the foreseeable future. Right now they feel the BOD's energy can be better spent in other places dealing with work that they already committed to.

D3 - Delegation to the GM

Policy D3 - Delegation to the GM touches on the GM's ability to use reasonable interpretation of the Ends policy for operational practices within the Co-op. A director raised the concern that some of the recent operational changes have been sudden and have lacked staff input which doesn't seem to align with "an invested, engaged, and empowered staff that thrive in a safe, respectful, inclusive, and equitable workplace" contained within the Ends policy. The BOD agreed that while monitoring the actions of the GM and goings at the Co-op is in their purview this concern is more pertinent to policy B6 - Treatment of Staff & Compensation and it is in Doug's authority to make hasty improvements to the physical plant as the occasion arises.

The BOD accepted by consensus D3 - Delegation to the GM as in compliance.

D4 - Monitoring GM Performance

A concern was raised about compliance with subpolicy D4.2, specifically the Board's standard for compliance (any reasonable GM interpretation) being neither rigorous or transparent. However, the BOD

discussed how monitoring reports are submitted to directors a week before the meeting with Doug available to answer any questions pertaining to the submitted report which allayed the previous concern. The BOD also discussed subpolicy D4.5 which deals with the annual evaluation of the GM. It was pointed out that the GM has a two-year contract and is not evaluated annually which makes the policy's language unclear. Although the GM is not formally evaluated each year, with policy governance the GM is evaluated constantly. The BOD agreed to annually review the Monitoring Summary, which states the status of compliance for each policy, during the February BOD meeting when the GM evaluation is generally discussed.

The BOD accepted by consensus D4 - Monitoring GM Performance as in compliance.

Owner Engagement Committee

The Owner Engagement Committee has set the date for the next Annual Meeting. It will be held March 1, 2020 at the United Farmers' Market building; a snow date has yet to be determined.

The OEC has scheduled an ice cream social for August 18th at 3pm in the Co-op parking lot.

The OEC will submit its budget of \$6000 for FY2020.

Bylaws Committee

The Bylaws Committee met with the full BOD on June 24th to go over the changes that they are recommending to the bylaws. Although they were able to cover a lot of ground including keeping nonprofits and co-ops as members, the language around termination of membership, setting BOD compensation, and the elimination of staff representative seats, another working session will have to be scheduled to finish the overview.

The BOD discussed the history of holding two board seats for staff reps and in a simplified recap it is hypothesized that this was an attempt to make the Co-op a hybrid worker-owner co-op as opposed to a consumer co-op which was how it was actually incorporated.

Crystal thanked the Bylaws Committee for the huge amount of work they have done pouring over the bylaws line by line and drafting these recommendations.

Annual Retreat Recap

David G thought it went well but it was a BOD heavy week and requested future retreats not be scheduled in the same week as BOD meetings.

Alessandra was resistant to Thane not facilitating this year's retreat because she values the consistency and deep personal connection Thane has built over the past 5 years. However, she saw the benefits of having new eyes and ears and had a great retreat with Marilyn.

Andrew said the photos were good and he appreciated the exercises.

Crystal appreciated the engagement of the group and felt a lot of work was accomplished.

David B commented that in the end it left him feeling rejuvenated. He urged the BOD to err on the side of caution with planning, the retreat was intellectually stimulating but where is its return on investment? How does the BOD keep its momentum? What is the 3 - 6 month plan?

Edward suggested the retreat be scheduled for right after the Annual Meeting. It was great for getting acquainted.

Evans found the retreat educational, inspiring, and beneficial being new to the whole concept of board work.

Annie liked what was done at the retreat but wished it was longer, in a different location, and not on Memorial Day weekend.

Shannon found it to be a productive day. Although she did not get the answers she hoped for, it started a conversation and accomplished what was needed.

The BOD agreed to keep a running list of topics for future retreats.

Financial Literacy Workshop Recap

The general consensus from the BOD was that the financial literacy workshop was poorly facilitated and not particularly pertinent to the work of the BOD who need more in depth knowledge. Doug and Jamie, the Community Engagement Coordinator, have been coming up with ways to work with the facilitator to improve the presentation.

CCMA Recap

Andrew found CCMA went really well! Being more familiar with co-ops than when he attended CCMA in the past, it was less earth shattering and he was able to focus on certain aspects which he got a lot out of. Doug attended CCMA for the first time as a presenter which didn't allow for as much participation. He did attend an expansion workshop which really helped him frame his ideas. Overall he felt like a tide had turned with many of the co-op pioneers retiring or passing away and it is sad to see their work rebranded as something else. He did see a lot of hope and forward thinking but noted that it is a different world, a different cast of characters.

Shannon thought it was great to be in a space where she could connect with other directors of other co-ops, which she found tremendously helpful. She found the conversations not quite big enough and wished there had been more discussion of tactics co-op can use to fight capitalism.

The BOD requested that Doug give them his CCMA presentation: Renew, review, repeat - Creating a culture at the Belfast Co-op.

Betsy's Resignation

The BOD discussed the resignation letter that Betsy presented to them. They noted its valid points and felt it was a good reminder that if any director feels they are not being heard then please speak up, if this is difficult ask a BOD leader for help. Each director is there to be heard.

GM Reporting

GM Update Report

The BOD requested current, last month, and previous year (when available) data for the Co-op members fully vested.

The new customer restroom will be complete in the next couple of weeks. Although the staff were only given short-term notice before the project began, Doug was given an unexpected window of opportunity to make it happen and jumped on it. In doing so, he is fulfilling the commitment he made to have an accessible restroom installed by September 2019.

Inventory, scheduled for June 30th and July 1st, is the first that will be conducted in-house. Operations is both excited and nervous, feeling prepared but not really sure what to expect. Doug commented that RGIS was holding the Co-op back from having a really successful inventory.

During the May BOD meeting, Doug requested permission from the BOD to apply for a line of credit with the Cooperative Fund of New England. He plans to use this credit to install automatic doors at the Co-op's entrance. The community bulletin board will not be affected by this project.

Doug reported the May finances were healthy and while Q1 & Q2 were ugly, Q3 is better than the previous year.

BI - Financial Condition & Activities

The Co-op is currently paying 4.56% interest on its mortgage which was refinanced approximately 2 years ago and lowered a percentage point. If the Co-op's debt to equity ratio was worse or cash flow was better, Doug would be more proactive in paying it off.

In the BI monitoring report the Belfast Co-op is compared to 10 peer co-ops whose sales range from \$7 - \$11 million per year. The Belfast Co-op has sales around \$9 million per year.

The BOD asked if there were aspects of the BI monitoring report Doug would like to do differently. He answered that there are no changes he would make at this time, unless the report is not meeting the needs of the BOD. He also shared that his BI report is touted by consultants as the best BI report out there and passed out to other GMs as an example.

The BOD requested that Doug list the targets identified in the expansion pro forma and the progress toward the targets, which led to the idea of an expansion scorecard.

The BOD accepted by consensus the BI - Financial Condition & Activities monitoring report as in partial compliance with the global BI statement and section BI.3, and full compliance with sections BI.1, BI.4 - BI.13, and non compliance with section BI.2, with a plan for compliance.

B3 - Asset Protection

As requested by the BOD, Doug investigated the methodology on how buildings are assessed. When he requested a review of the report from the insurance agents he was offered a rate change from \$1.2 million to \$1.7 million of insurance coverage for Replacement cost on the Building. If changed the Co-op would receive a prorated adjustment for this calendar year.

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

Next Meeting Agenda - July 25, 2019

C6 - Officers Roles

B5 - Treatment of Customers

Homework

Full BOD

- 1. Take C6 poll
- 2. Review & add to Board Guidelines
- 3. Send BoDev admin tasks for the board clerk
- 4. Think about potential BOD members

Doug

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

Alessandra

- 1. Connect Emily with Kate

- 2. Draft thank you to Betsy

Heather

- 1. Resend healthcare letter with targeted language
- 2. Create poll for next working session date re: recommended bylaw changes

Andrew

- 1. Send full BOD CCMA notes

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 C6 poll
- 5. Discuss concerns over operations of the BOD
- 6. Revisit / take action on stated priorities from Annual Retreat (recap document / calendar)
- 7. Create Retreat topics document
- 8. Schedule Annual Retreat date / location

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

Bylaws Committee

1. Discuss language re: purpose

Finance Committee

1. Develop training on key indicators

All Committees

1. Prepare budget (budgets due July 18)

Scribe

1. Update BOD calendar to include reviewing Monitoring Summary at Feb meeting

Debrief

Shannon took a moment to recognize all the valuable and valued work done by Alessandra in leading the BOD before she took over.

Alessandra stated that it is super badass and fun that the board gets to direct a \$9 million/year co-op in a small town. She also thanked Shannon for reviving snack at the BOD meetings.

Heather is looking forward to supporting and being supported by the remaining directors in her new role as president.

End of minutes. Submitted by Emily Berry, scribe.