

Belfast Co-op Board of Directors Meeting Minutes: January 22, 2015

DIRECTORS PRESENT: Nick Bombardier, Ron Braybrook, Betsy Garrold, Chris Groden, Doug Johnson, Debbi Lasky, Alessandra Martinelli, Bindy Pendleton, Kip Penney, Phil Prince, Janis Stone GM's: Mylisa Vowles

MEMBERS: Frets Halligan, Paul Nyren, Jeanne Gail-Scribe

ABSENT: Cindy Canavan, Jean Lenderking, Jerry Savitz, Zafra Whitcomb, Joe Jordan

GUEST: Mike Nickerson, CPA

FACILITATOR: Phil TIME-KEEPER: Janis VIBE-WATCHER: \_\_\_\_\_

ANNOUNCEMENTS:

1. Jerry is out for surgery until sometime in March. We appointed Kip the temporary treasurer.
2. A financial management handout: "A Tool Box for Managers and Directors of Natural Food Co-ops" is being passed around.
3. All are invited to a presentation by the With Breath Puppetry Studio, Monday the 26th, 5:30-7:30 at the Library.
4. Committees: annual reports are due Feb. 15.
5. Mike Nickerson will play in David Dodson's band, "The Low Down," during the Toboggan Race weekend, at the Camden Opera House, February 15, at 7 p.m. Other bands performing will be "Miner's Creek" and "Red Molly."

CONSENT AGENDA: Accepted by consensus, with the following corrections: add a clarification to B7.7 "significant customer concerns" (see under Board Development, page 4, item 3); remove the phrase "with wine beer (cash bar?)" from the Membership Committee report on Annual Meeting plans, as final plans are incomplete; also remove "Speaker from our Co-op" from AM plans.

MEMBER COMMENTS:

1. A member was "curious" about how the Co-op selects products, with concerns, e.g. over "True Leaf Loose Teas" made by Lipton.
2. A member expressed serious concern over termination of an employee allegedly for not closing the safe correctly. He called this action "arbitrary, capricious, frivolous, and open to legal liability."
3. A member here tonight reported that he had placed a note in the comment book in the past, and had not found a response.

PRESENTATION OF FINANCIAL STATEMENTS FOR FISCAL YEAR 9/30/13-9/30/14 by Mike Nickerson, CPA

Mike explained that this report is a "compilation report," which does not involve testing the data for veracity, as in a "review" or "audit," but does conform to CPA standards.

One pertinent comment on the report: our high current cash amount should prompt diversification of deposits. The GM s are working on this.

Directors' questions elicited explanations of amounts still payable from old notes to members who have not yet been located; and a figure representing disposal of fully depreciated equipment. Another figure to be aware of is over \$90,000 in credit and debit card swipe fees. In contrast, our cost of electricity decreased remarkably over last year due to energy efficiencies and a change in electricity contract.

Directors responded in discussions on employee health insurance and patronage dividend. Insurance and workers' comp expense for this past year was much lower than prior year, but it is expected to rise significantly, both changes because of federal rulings due to the Affordable Care Act. The ultimate cost of employee health insurance in the coming year is unknown at this point. Federal requirements also affect what we decide to do with patronage dividend. Mike said that if

we do not distribute some or all the profit attributed to members' purchases, it will be taxable at 28%. See below for further discussion of the patronage dividend.

#### FINANCE COMMITTEE:

Continuing discussion on patronage dividend distribution. The Finance Committee recommends that we allocate 100% of the profit from member sales to Patronage Dividend, and retain 70% of this allocation and distribute 30% to membership.

Discussion followed and it was agreed that the board decision regarding the allocation and distribution of the Patronage Distribution should be made sooner rather than later in order to include this information in the Annual Report and the President's letter.

#### GENERAL MANAGEMENT TEAM:

The GM s reported that renovation of the meeting room is ongoing, and will include a "nook" for those needing a small private space. The new style staff meeting is to be held off site, at the Shrine Club Feb. 8, 4:30-6:30, in a single meeting format. It will be facilitated by Melanie Reid from CDS, who will be aware of the employee satisfaction survey results, as well as the employee portion of the GM evaluations.

#### BOARD DEVELOPMENT COMMITTEE: On Policy B7 and C5#2

On B7.3, communication of "legal actions, media coverage, trends, and public events," it was decided that monthly periodic reports by the GM s are fine for timeliness in most cases. The committee recommends the addition of B7.8: "Fail to provide to the Board monthly general operational reports." For B7.7, as to the difficulty on communication of "Significant customer concerns" Agreed that one interpretation might be multiple customer concerns/complaints regarding a single issue. The GMT should notify the BOD President or designee of such significant issues. The President or designee is responsible for passing this information to the Board.

The committee recommended, and the directors agreed, that we change the wording in Policy C5.2: "As fiduciaries, the directors may not put themselves in a position where their interests and duties conflict with the duties and accountability that they must demonstrate to the interests of the Co-op's member/owners." It was decided by consensus that the policy C5 is in compliance, pending committee work on precise language.

Note: Due to the unfinished business of this meeting, a Special Meeting of the Board will be called, during the board's annual retreat, Saturday, Jan 31 at 3pm in the Abbott Room of the Belfast Free Library. The purpose of this meeting will be to:

1. Discuss and determine the amount of the 2013/2014 Patronage Dividend to be distributed to membership.
2. Discuss proposed Bylaw changes to determine which changes will be put on the ballot for the Board election commencing Monday, February 16 To meet bylaw requirements, the meeting will be announced by notices posted tomorrow morning to allow for the required week's notice.

#### MEETING REVIEW:

NEXT MEETING: February 26 FACILITATOR: Zafra

#### HOMEWORK:

All: retreat readings

Committees: annual reports are due Feb. 15

