

Belfast Co-op Board of Directors Meeting

October 25, 2018, 6:15 pm; UU Church, Belfast ME

Directors Present: Ernie Cooper (treasurer), Betsy Garrold, David Gibson (secretary), Shannon Grimes (president), Alessandra Martinelli, Heather Selin, Andrew Watkins (vice-president), Violet Zerbe

Absent: David Balicki

GM: Doug Johnson

Staff: Emily Berry (scribe)

Owners: Jamie Cermak

Facilitator / Timekeeper: Shannon Grimes

Agenda Review

The BOD agreed to discuss the date of the November BOD meeting during the *Calendar Review* at the close of the of the meeting. With this addition, the BOD approved the agenda by consensus.

Announcements / Check-in

During her visit to Bellingham, WA, Betsy was able to stop in at the Community Food Co-op. Community Food Co-op has a bakery/café across the street from its main store in downtown Bellingham, as well as a smaller satellite store north of its downtown location. Betsy noted that having multiple locations works very well for them.

Andrew attended the Water Security Summit on September 29th, which he observed was run mostly by indigenous women. He also attended a house showing of *Food for Change*.

Food for Maine's Future held a talk sponsored by the Belfast Co-op on October 24th. The turnout for the talk was good considering there were several community events being held the same evening.

David G. disclosed that his wife, Willow, was promoted to Wellness Buyer at the Co-op.

Minutes of the Previous Meeting

The minutes of the September 28, 2018 BOD meeting were approved by consensus.

Owner Comments

Kim & Gary, the owners of Bella Books, are worried about the drainage flowing down from the Co-op toward their business. This concern has arisen since the repaving of the loading area.

A community member spoke with a director regarding her apprehensions about joining the Co-op, citing that the change in membership structure and the introduction of annual membership fees broke trust with those who were told they had a lifetime membership.

An owner wondered if the Co-op could take the lead on food sovereignty issues. Belfast has not yet passed the food sovereignty ordinance and the Co-op could host the series of educational meetings leading up to the vote. A director noted that it would be easy to put water sovereignty into the ordinance, however, that does make it harder to pass.

Co-op Café Review

Attendees of Co-op Café agreed that connections made because of this event are invaluable, both between staff and BOD and between those from the Belfast Co-op and those from other co-ops. The key topic of this year's Café was customer engagement and the attendees came away with many ideas:

- Customer are the most important part of the business, can job titles relate to customers instead of products?
- Workers who are good at customer service often get promoted to back of house positions, how do we deal with this reality?
- In Waldo County there is a socioeconomic divide, how does the Co-op reach out across that divide?
- Could the Co-op reach community members through the public-school system?
- Inclusive is a word used in the Co-op's Ends Statement, how is inclusivity being addressed? Should we carry products that lower income community members purchase? Are the Co-op's hiring practices reflective of the community?
- There could be a product line called Co-op Staples which would include items like milk, rice, beans, etc.
- Can the Co-op implement open book management? Doug and other management staff did participate in an open book management training in 2016, it is something that could probably be done, however, it is done best when driven by the staff not the GM.
- How can the energy from the Café be kept going?
- Can the workers be given a set number of paid hours per year to volunteer in the community on the Co-op's behalf?

Board Administrative Matters

BOD Officers

The BOD accepted the resignation of Alessandra from the office of president. With this opening, the BOD accepted by consensus the appointment of Shannon Grimes to the office of president for the remainder of the 2018 term. As Shannon accepted her new office, she stepped down from her role as secretary and the BOD accepted by consensus the appointment of David Gibson to the office of secretary, for the remainder of the 2018 term.

Ernie informed the BOD that following the 2019 BOD election he will not continue in the office of treasurer.

Expansion Committee

The Expansion Committee agreed to appoint David Gibson as the chair.

So far, there have been three iterations of the pro forma and it is beginning to show the possibility of paying off a whole new building within a 10-year time frame. Another option would be to sell the rights to the building and lease the bottom two floors. The BOD discussed the idea of co-ops being independent and so leasing the building doesn't feel right, however, one director reminded the board that the Co-op is the people not the building.

Treasurer's Update / Finance Committee

The Finance Committee reviewed the Co-op's monthly finances and found nothing of note to share with the BOD. A preliminary look at the end-of-year numbers shows the Co-op ended the year down 0.5%, or approximately \$50K in the red.

The Finance Committee recommended the BOD agree to change the equity structure to \$200 in equity paid in \$15 annual installments with provisions for low-income owners and the elimination of annual membership fees. After a robust and vigorous discussion, the BOD agreed by consensus to the proposed change in the equity structure with an implementation date set tentatively for January 1, 2019. Operations will launch an educational campaign to inform owners.

Board Development Committee

The Board Development Committee has been working on board candidate recruitment. They have compiled a list of interested owners and all directors will be expected to contact several of the people listed between now and January 1st, the start of the nomination period.

The Committee also discussed strategies for new director orientation, which will include a formal introduction to the policy register and a meeting with the finance committee. New director orientation will be listed on the BOD calendar to coincide with the ratification of election results.

The Board Development Committee has requested that the Bylaws Committee insert language into the new bylaw recommendations that allows for adjustments in BOD compensation.

D1 - Unity of Control

The BOD accepted by consensus D1 - Unity of Control as in compliance.

Owner Engagement Committee

The Owner Engagement Committee discussed the expansion forum held on October 10th. Additionally, there was the idea to host an expansion forum in another town, but the Committee would like to wait until they have something concrete to bring to owners.

The Owner Engagement Committee is also focused on the 2019 election. They will be receiving a contract from Simply Voting, the e-voting platform that was used for the 2018 election, and they will continue working with operations to collect owner email addresses.

Bylaws Committee

The Bylaws Committee continues to review and recommend changes to the current bylaws. They hope to present a proposal to the BOD at the December meeting.

GM Reporting

Alignment

Wegner CPAs is sending two of its staff to the Co-op on December 11, 12, & 13 to begin a full audit of the Co-op's finances for FY2018.

GM Update

Doug attended the NCG Eastern Corridor retreat in Portland, ME in early October, where the attendees discussed co-op ownership and presenting ownership from a values rather than a monetary value position. The fall worker meeting will be held Sunday, November 11th at 6pm, with the store closing at 5:30pm.

Doug will discuss end of the year financials and then a spokesperson from each department will give a brief presentation regarding the past year. Doug requested the BOD attend and speak to the workers about expansion.

Doug briefly touched on the financials from September, noting that the Co-op ended the year \$50K in the red while at the same time giving out \$210K in owner discounts.

B5 - Treatment of Customers

The BOD discussed the inspection done by the Maine Department of Agriculture on June 7, 2018. The Co-op was cited with two deficiencies, one was addressed immediately, and the other is dependent upon renovating a walk-in cooler, neither were associated with a fine.

The BOD requested that in the future “customer count” should be labeled as “transaction count” and when a percentage is reported from survey results, the total number of people surveyed should also be reported.

The BOD accepted by consensus the B5 - Treatment of Customers monitoring report as in compliance.

Next Meeting Agenda - November 2018

The BOD agreed by consensus to move the November BOD meeting date from November 15th to November 29th, with the understanding that should the meeting space at the UU Church be unavailable on the 29th, the meeting will revert back to the 15th.

B7 - Communication to the Board

B8 - Board Logistical Support

C4 - Board Meetings

Homework

Doug

- Prepare a separate budget for expansion this year
- Set out a sandwich board re: voting Nov 6th
- Create presentation on discounts with recommendations for Dec meeting
- Add David G. to finance committee email list

Ernie

- Submit paragraphs for webpage

David B.

- Historical memory from board minutes re: expansion

David G.

- Send out Co-op Café notes to full BOD

Betsy / Alessandra

- Hand out apples to voters at the Co-op Nov 6th

Alessandra

- Set up BOD secret santa

Andrew

- Email those interested in Economic Democracy for Maine
- Check with UU Church for Nov 29th availability, notify BOD & scribe

Violet

- Organize January potluck
- Fill out ORF for collecting owner emails

Expansion Committee

- Figure out what the dream is
- Fact based pros & cons for housing
- Share expansion retreat notes

Board Development Committee

- Create C4 poll
- Create post-conference/training survey
- Create proposal for director training/retraining
- Finalize new director orientation

- Include Doug in DI poll in 2019

Owner Engagement Committee

- Contract with Simply Voting
- Discuss sub-committee re: food sovereignty

Full BOD

- Take C4 poll
- Sign up to contact at least 3 people from 2019 Board/Owner Interest spreadsheet, and contact them
- Let Doug know if you will be attending the holiday party Dec 9th

Debrief / Evaluate Meeting

Alessandra appreciated participating in the meeting without facilitating.

The BOD adjourned to executive session for an expansion update. No decisions to report.

End of minutes. Submitted by Emily Berry, scribe.