

## **Belfast Co-op Board of Directors Meeting**

December 27, 2018, 6:15 pm; UU Church, Belfast ME

**Directors Present:** David Balicki, Ernie Cooper (treasurer), David Gibson (secretary), Betsy Garrold, Shannon Grimes (president), Heather Selin, Andrew Watkins (vice-president)

**Absent:** Alessandra Martinelli, Violet Zerbe

**GM:** Doug Johnson

**Staff:** Emily Berry (scribe)

**Owners:** Annie Bussiere, Willow Gibson, Alex Koch, Edward Sheridan, Michael Walter, Zafra Whitcomb

**Facilitator / Timekeeper:** Shannon Grimes

### **Agenda Review**

Andrew offered to lead the Board Development Committee discussion in Alessandra's absence and with this adjustment, the BOD approved the agenda by consensus.

### **Announcements / Check-in**

Betsy was elected to Fedco's Board of Directors as staff representative.

Andrew is reading *Drawdown: The Most Comprehensive Plan Ever Proposed to Reverse Global Warming* by Paul Hawken.

David G. visited the Portland Food Co-op and brought back their member brochure to share.

David B. has been hired by Bangor Savings Bank and is managing their Unity branch.

### **Minutes of the Previous Meeting**

The minutes of the November 29, 2018 BOD meeting were approved by consensus. In subsequent minutes, it will be stated when owner comments are made in person versus when they are brought forth by a director.

### **Owner Comments**

For the past several months board packets have not been distributed to owners attending the BOD meetings, an attending owner hoped that packets would be handed out at future meetings since it makes following the meetings much easier. The same owner also suggested that the BOD go over ground rules for owners attending each meeting.

Betsy spoke to an owner who misses the fresh ground tahini and would like to see it return.

Andrew brought two owner comments. First that the Co-op needs to focus more on profit. And second, Co-op employees should take ownership of the products the Co-op carries like the vendors at the United Farmers Market.

Shannon heard from a customer that the Belfast Co-op is the best co-op in the world.

David G. was told by an acquaintance in western Maine that they always stop in when they are traveling through Belfast.

### **Board Administrative Matters**

#### **Expansion Committee**

During their last meeting, the Expansion Committee stepped back and discussed why there was a need to expand as well as the ends for an expansion project. Expansion would primarily address current infrastructure needs - the costs of an aging building, as well as help the Co-op to better carry out the current Ends Policy. The

Expansion Committee's next task will be preparing for the January forum and discussing the process and timeline for expansion.

#### **Treasurer's Update / Finance Committee**

During their meeting, the Finance Committee reviewed the regular monthly Co-op financial reports for November, no issues were noted.

The audit team from Wegner CPAs has completed their on-site work and a draft of the audit report is expected in mid-January for review by the finance committee. The final audit report will be presented to the full BOD at the February meeting. Ernie was able to meet with the head of the audit team and told the BOD that there are no serious issues to report.

Doug reported to the committee that the staff are ready for the equity change scheduled for January 1, 2019. There has been very little reaction from owners thus far and the feedback that has come in has been positive.

#### **C5 - Directors' Code of Conduct**

The BOD discussed each director coming to the meeting prepared, having read the material ahead of time and addressing concerns prior to the meeting. The directors also discussed meeting attendance. Currently, the BOD operates in a way that each director is responsible for their own time and it is understood that by missing board meetings their voices are not being heard. The BOD tasked the Board Development Committee with discussing implementing an attendance policy.

The BOD accepted by consensus C5 - Directors' Code of Conduct as in compliance.

#### **Board Development Committee**

The Board Development Committee (BoDev) discussed having clear guidelines for proceeding with the expansion project and Thane, the BOD's assigned CDS consultant, suggested modifying existing policies to apply to expansion.

BoDev asked the BOD if the Co-op should take a stance on the Nordic Aquafarm project. The BOD requested more information on the project before a decision is made.

BoDev brought forward the idea of rotating facilitation for the monthly meetings. Betsy informed the BOD that the cooperative extension offers a facilitation course for those interested. The BOD would like BoDev to vet directors who are interested in facilitating.

#### **Owner Engagement Committee**

The Annual Meeting date is set for March 10th, with a snow date of March 17th, at the United Farmers Market building from 2-5pm. A director suggested bringing the expansion comment cards to the Annual Meeting.

The Owner Engagement Committee (OEC) has decided to cancel Owner Socials for the foreseeable future due to poor attendance. They encourage all directors to head to the Co-op in their BOD t-shirts to bag groceries or just hang out.

Betsy was tasked with heading a subcommittee to bring forward the local food ordinance to the city, however someone who resides in Belfast must do this and Food for Maine's Future can then help.

The next forum will be held on January 23rd and the OEC suggested focusing on the pro forma. This will heavily feature Doug, who is willing.

The OEC also discussed launching a capital campaign and although they determined the Co-op isn't ready, when it is, they strongly recommend hiring a professional.

#### **Yearly Reflection**

Although Alessandra was absent for this BOD meeting, she emailed her reflections and thoughts to the BOD, which they shared at the meeting. They boil down to this: Personally, the year started off well but as summer set in and the stability of school schedules disappeared life took a turn that led to Alessandra resigning as board president. Professionally, Alessandra expressed her frustration at the limited scope through which people see the Co-op. She joined the Co-op board because she wanted more for and from this Coop and she wonders why the

BOD are fielding questions about cereal brands when they can be answering questions about financial impacts on our county farmers or creating elementary school programs. She also worries about the human propensity to believe that just on the other side of today is something that will make life worth living and how this belief relates to what the Co-op could be doing with what they already have.

David B. reflected that while the year started out busy as a board member, he was on several committees, due to personal reasons he has had to pull back and he is now focused on his work on the Finance Committee. Despite the need to step back, his passion for the overall organization remains. David's highlight from 2018 BOD work was cooking for the kids at the Game Loft. He would like to participate in and see the board do more community outreach like this.

Betsy strongly expressed her frustration that the conversation around expansion has not been realistic and any expansion project is "pie in the sky at this point". She believes the Co-op is an important community institution and would like to see it survive, however, the BOD must be realistic about what it can and cannot do and they are not building an eight-million-dollar store anytime soon.

David G. has been on the board for approximately six months now and has been fairly active so far. He can see a lot of room for improvement and ways the Co-op can lead the community by example, particularly economically and environmentally by adhering to the triple bottom line.

Doug summed up the year with one word: challenging. Unfortunately, there are no easy decisions and no right answers and it is his role in the organization to deal with this reality everyday. As the steward of the Co-op this reality weighs on him and so a small part of him delights in our insignificance in the grand scheme of things.

Heather has not yet completed a full year on the board, yet in this time she has gained enormous respect for the quality and quantity of work the BOD, Doug, and Co-op staff accomplishes and so far it has been a wonderful experience. She also reflected on the role of the BOD. Right now running the Co-op is the main thing the BOD does and single biggest way they impact the food economy. Should this be the focus or should the primary function of the BOD be community outreach, which many directors have expressed interest in? If community outreach is the answer than perhaps there should be fewer BOD meetings and more outreach programs. Heather does not believe that BOD is spinning its wheels regarding expansion, they have done significant investigation and research into something the owners have been wanting.

Ernie commented on Heather and David G. being good additions to the board and he has enjoyed working with all the directors. He shares Betsy's frustrations regarding expansion. He feels the BOD has been spinning its wheels and is in the same spot as eight months ago, which is not time well spent. Ernie stated that the Co-op is one of the most important community institutions in Belfast and he wants to make sure it is still around and to make it better. He hopes in the coming year to be much more focused on what the BOD wants to do and what is possible.

Andrew has been debating on whether he should run for re-election and reflecting on whether he has been effective as a director. On expansion he sees two possibilities: to grow big or to grow deep, but he has not yet worked on distinguishing the two, however, he has had fun imagining what the Co-op can aspire to. He concluded he will run again and see what he can do.

Violet was also absent from this BOD meeting but emailed comments stating that she agreed with Alessandra about the human perception of happiness and the limited scope of our owners.

Shannon reflected that she spent much of the year juggling pieces and trying to organize, which didn't leave a lot of room for thought. She found that the coop is trying to do everything, which is amazing but is also a very difficult balancing act. When it comes to expansion, she feels like we are continually just trying to catch up, but she has hope for what more the Co-op could be. She has been/is excited about and inspired by working with all the directors. She appreciates how everyone brings something special to the table.

## **GM Reporting**

### **Alignment**

The Cooperative Maine Business Alliance will be hosting the P6 Conference April 6, 2019 in Lewiston, ME from 8:30-4. This year's theme is *Cooperatives Build a Better Maine: Building Skills, Connections, and a Movement*.

### **GM Update**

The monthly reported number of CORE participants has dropped once more mostly due to tightening guidelines for government assistance programs, which CORE eligibility is based on.

Due to labor being significantly in excess of budget, Doug has imposed a hiring freeze in lieu of restricting staff hours.

Doug reported that the cost of healthcare is up 57% from last year which led to a discussion about notifying our federal representatives about this increase and how it is affecting local businesses. Betsy noted that this communication would have more weight if it came from the Cooperative Maine Business Alliance.

### **BI - Financial Condition and Activities**

The most notable item in the BI - Financial Condition & Activities monitoring report is that the Belfast Co-op is one of the few co-ops with sales growth, however, it is not profiting.

The BOD accepted by consensus the BI - Financial Condition & Activities monitoring report as in partial compliance with the global BI statement and full compliance with sections BI.1 - BI.13.

### **Discounts Report**

Doug submitted a report to the BOD giving an overview of the discounts handed out by the Co-op. Essentially, the Co-op has seen the growth of member discounts outpacing sales growth which has led to the Co-op giving away profits before they have been made. The Co-op will end the year approximately \$60K in the red while in the same year giving out roughly \$200K in discounts. Changing the discount structure is about surviving, not even thriving. Doug has proposed that starting April 1, 2019 the senior discount is eliminated, and the CORE discount is reduced from 15% to 10%. The finance committee and the BOD will further review the report and come to a decision at either the January or February BOD meeting.

## **Next Meeting Agenda - January 24, 2019**

B - Global Executive Constraint

C - Global Governance Commitment

D - Global Board Management Connection

Discounts

## **Homework**

Doug

- Create name tags for Heather & David G.
- Section out 'combined owner discounts by year' chart

Andrew

- Look through policy register for policies relating to expansion

David B

- Historical memory from board minutes re: expansion
- Officer job descriptions

Heather / David G

- Draft letter to federal rep re: healthcare

Shannon

- Follow up with Simply Voting

#### Expansion Committee

- Fact based pros & cons for housing
- Share personal expansion retreat notes

#### Board Development Committee

- Create Global C & Global D polls
- Solicit verbal feedback from Doug re: Global D
- Create proposal for director training/retraining
- Finalize new director orientation
- Review C4.5
- Discuss BOD attendance policy
- Send Nordic Aquafarm info to full BOD & discuss the Co-op adopting a formal position
- Create a proposal for rotating facilitation
- Compile nomination packets

#### Owner Engagement Committee

- Review the Annual Meeting agenda
- Discuss Co-op 101 video
- Discuss classes the Co-op could offer

#### Bylaws Committee

- Revisit defining a meeting

#### Full BOD

- Take C & D polls

#### **Debrief / Evaluate Meeting**

The meeting went well with conversations lasting appropriate lengths of time.

End of minutes. Submitted by Emily Berry, scribe.