

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

February 22, 2018, 6:30 pm; UU Church, Belfast ME

**Directors Present:** David Balicki, Ernie Cooper (treasurer), Betsy Garrold, Shannon Grimes, Alessandra Martinelli (president), Andrew Watkins (vice-president), Zafra Whitcomb (secretary), Violet Zerbe

**GM:** Doug Johnson

**Staff:** Emily Berry (scribe)

**Owners:** Wylie Fowler, Heather Selin

**Guests:** Brian Dahlk & Bruce Mayer (via phone)

**Facilitator / Timekeeper:** Alessandra Martinelli

### **Agenda Review**

The BOD agreed to table the discussion of Board Committee composition until the March meeting, while adding a discussion of Wiley Fowler's BOD nomination application to *Board Administrative Matters* and a subtopic to review dinner plans under Board Development Committee. With these adjustments, the BOD approved the agenda by consensus.

### **Announcements**

In March, Zafra will be attending a Co-operative Grocer Network retreat and the Up & Coming co-op start-up conference in Milwaukee, then driving from Ashland, OR to Seattle, WA, visiting co-ops along the way. Once in Seattle, he will be attending the NCG Co+nnect Conference of Finance and IT managers, and touring more regional co-ops.

Long-time member, Marty Weaver, passed away February 13, 2018.

Andrew is feeling fund-raising fatigue, but is still accepting donations for his participation in the Trek Across Maine; all funds raised will go to the American Lung Association.

Andrew is currently reading *Agenda for a New Economy*. He has also been scanning articles regarding carbon sequestration and it seemed from this that humans were put on Earth to make problems and then fix them.

Ernie was elected president of the Belfast Bay Watershed Coalition for the 2018-19 year.

Zafra is on the city's broadband committee which will be conducting a city-wide survey of broadband usage.

David, who travels frequently for work, has not missed a meeting since August and commented that it feels really good to be present.

### **Minutes of Previous Meeting**

The minutes of the January 25, 2018 BOD meeting were approved by consensus.

### **Owner Comments**

One owner commented that the Co-op seems like a tight run ship and that he is happy the Co-op is a member of NCG which makes prices more reasonable. He is generally enthusiastic about the Co-op.

New owners stated that the Co-op was a big reason they moved to Belfast.

An owner felt that the Co-op feels safe politically.

Another owner relayed that a Republican acquaintance will not shop here because of perceived left-leaning "snobbery" and wondered how to address this in the future.

An owner acknowledged that consumers have the same options at Hannaford.

Another owner found the new store layout accessible.

One owner said that the Co-op has become less “granola” while they themselves have become more “granola.”

An owner noted that the cashiers will start to ring up the next shopper while the previous shopper is still bagging their purchase.

Another owner thinks the Common Cents program is great.

## **Board Administrative Matters**

### **Treasurer’s Update**

The finance committee addressed the timing of their meetings and will ensure that meetings are held at least one week prior to the BOD meeting.

During their meeting they reviewed the annual financial statements from Wegner CPAs and had no concerns to bring to the BOD.

The committee requested the GM obtain estimates from electrical, plumbing, HVAC, and building structural professionals for the cost of doing an evaluation of the status of the building’s infrastructure in each area. The evaluations will help identify where there are potential safety issues and help plan for long-term building maintenance spending.

Recognizing that the Co-op has never had a financial audit, the finance committee recommended the BOD engage Wegner CPAs to complete an audit for FY2018, rather than the standard review of financial statements. The BOD discussed the difference between a review and an audit. A review consists of the Co-op providing financial statements to Wegner CPAs, which they take at face value. An audit would consist of Wegner CPAs collecting the numbers, testing the Co-op’s financial systems, and compiling the statements for the fiscal year. The CPAs would be traveling to Belfast and working closely with the staff in the finance department as part of the audit. A straw poll showed that no director had an objection to performing an audit. The BOD will formally decide on whether or not to move forward with an audit at a future meeting to be determined.

### **Wegner CPA Financial Review**

Wegner CPAs Brian Dahlk & Bruce Mayer joined the BOD via conference call to discuss the FY2017 financial review. On a positive note the CPAs directed the BOD’s attention to the ratio of current assets to current liabilities, which shows the Co-op has plenty of liquidity to pay debts, as well as the ratio of debt to equity, which shows the Co-op has less debt than invested member equity. The CPAs also noted that gross sales were flat. Although positive sales growth would be desirable, the Co-op is not losing money which is happening to many co-ops whose sales growth is slowing. The CPAs confirmed that the net income for FY2017 would not allow for patronage dividends to be distributed this year. The CPAs also outlined the difference between a review and an audit.

After the conference call the BOD discussed the issue of reconciling the member database to the equity listed on the books.

### **CI - Governing Style**

During the discussion of policy CI - Governing Style, the BOD listened to the I0 Policy Governance Principles read aloud. This exercise allowed the BOD to reflect on how well they are upholding these principles.

The BOD accepted by consensus CI - Governing Style as in compliance.

## **CCMA**

The annual Consumer Cooperative Management Association (CCMA) conference will be held May 31 - June 2 in Portland, OR. The BOD budgeted for sending two directors. A straw poll during the meeting showed that Violet would commit to attending and either Andrew or Zafra could possibly attend.

At this point the BOD agreed by consensus to remove the stretch break in the current meeting agenda and add 10 minutes to *Board Administrative Matters* by extending the meeting until 8:40 pm.

## **Owner Engagement Committee**

The Owner Engagement Committee has been busy organizing the upcoming Annual Meeting.

The Co-op 101 Forum has been rescheduled for April 25, to be held at the Crosby Center from 6 - 8 pm.

## **2018 Board of Directors Ballot**

The BOD approved by consensus the 2018 ballot for Board of Directors candidates, with minor grammatical edits.

## **Wylie Fowler**

The BOD discussed Wylie Fowler's BOD candidate application. Wylie is a minor who resides in a household with fully vested adult owners. At this point, Wylie himself is not a vested member of the Co-op, therefore under Co-op bylaws he is not currently eligible for a BOD seat. However, the Co-op bylaws and Maine State Cooperative Law do not bar a minor for running for a BOD seat as long as they are a member in good standing.

## **GM Reporting**

### **Alignment**

Doug and Alessandra met with Cordelia Pitman, Director of Pre-construction Services for Wright-Ryan Construction, to discuss a potential expansion project.

Ernie suggested that the BOD complete its strategic planning process before exploring an expansion.

### **GM Update**

Melanie Reid began the 'off year' staff survey on February 22. Data from this survey will be prepared and included in the April B6 - Staff Treatment & Compensation monitoring report.

The subfloor and joists in the Co-op's kitchen will be replaced on April 1st. Water leakage from faulty equipment contributed significantly to the deterioration of the subfloor and joists. The new subfloor will be finished so that water will not be allowed to seep through.

### **B9 - Emergency GM Succession**

The BOD raised concerns regarding the Ops Manager's self-evaluation scores. The BOD requested the Ops Manager attend the BOD meeting that monitors the B9 - Emergency GM Succession policy in the future. The BOD requested the GM resubmit the B9 monitoring report at the March meeting, and ask that the Ops Manager retake the self-evaluation and provide additional explanation for scores 3 or below.

## **Homework**

### **Finance Committee**

- Key factors for long-range planning for BOD retreat

### **Full BOD**

- Attend Annual Meeting
- Take C2 poll

President

- Send report to Doug ASAP for Annual Report

David/Violet

- Help with BOD filing cabinet

Doug

- Compile a list of other co-ops the Belfast Co-op buys from
- Send Wegner's full audit proposal to full BOD
- Meet with Treasurer to determine when BOD decides formally on financial audit

Alessandra

- Call Belfast Free Library for open/close time on Sunday, February 25
- Update BOD calendar with Co-op 101 forum and P6 Conference

Executive Committee

- Write GM evaluation

Board Development Committee

- Create C2 poll
- Hash out youth BOD involvement

**Next Meeting March 22, 2018 - Agenda**

C2 - The Board's Role

B1 - Financial Condition & Activities

B4 - Membership Rights & Responsibilities

B9 - Emergency General Management Succession

Board Committee Composition

Annual Meeting Review

Review GM Compensation Proposal

Finance Committee Recommendation on B1

End of minutes. Submitted by Emily Berry, scribe. Reviewed and edited by Zafra Whitcomb, Secretary.