

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

March 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, via phone), Violet Zerbe

**GM:** Doug Johnson

**Staff:** Emily Berry (scribe)

**Owners:** Richard Brown, Wylie Fowler, David Gibson, Willow Gibson, Heather Selin, Allen Weagle

**Facilitator / Timekeeper:** Alessandra Martinelli

### **Agenda Review**

The BOD agreed to table the discussion of policy C2 - The Board's Role until the April meeting, while adding item iii. FY2018 Financial Audit to the Finance Committee report. With these adjustments, the BOD approved the agenda by consensus.

### **Announcements**

The Directors took this time to review the specific items each of them brought to their annual retreat, which took place February 25. The items were meant to give a broader perspective of each director as an individual.

Alessandra - Brought a film canister from teaching her eldest daughter about photography which lead them to reminisce about Alessandra's grandfather who would fill film canisters with small items.

Violet - Brought a sweater that she knit a size too large. This sweater reminds her you can put your heart and soul into something and it doesn't always work the way you intended but that doesn't have to translate as negative. She wears the sweater as an outer layer.

David - Brought a 1987 Rush concert shirt as well as missions cards, one in particular came from one of the oldest churches in the country which hosts a casino in their parking lot.

Andrew - Brought a hard hat that he was given while working at a nuclear power plant in 1990 and to contrast this version of himself he also brought a braid of sweetgrass that he was given when he participated in the PeaceWeavers Natural Building Colloquium in Bath, N.Y.

Ernie - Brought a copy of his doctoral dissertation as well as a picture from his "fun days" on a road trip from Pennsylvania to Illinois which shows him with long hair and aviator glasses.

Shannon - Brought a hat she was given during her time couch surfing in Germany. She was staying in a small town known for sustainable agriculture programs. The incredible hospitality Shannon was shown by her host culminated in the gift of a hat knit by her host and given with the instructions to think of her when she wears it. She does.

Betsy announced that she has been elected the vice president of the National Family Farm Coalition.

Andrew shared his annual report from REI and a newspaper published by Belfast Area Transition which features articles set in 2021.

### **Minutes of Previous Meeting**

The minutes of the February 22, 2018 BOD meeting were approved by consensus.

### **Owner Comments**

An attending owner said that the Co-op is the greatest place on earth!

Another attending owner said that he was interested in knowing more about the Co-op's relationship with NCG. Doug will follow up with the owner.

One owner commented that the hummus in plastic containers was not why she joined the Co-op. It's too much packaging.

An owner let the Directors know that they don't like that the Co-op carries Fire Cider, due to the trademark dispute and feels the company is a bully. This owner also suggested marketing more ecological products as well as partnering with other organizations to put on workshops that extend beyond Belfast.

An owner of 10+ years had one day with three negative interactions with Co-op employees, first the owner moved their poster on the community bulletin board because it had been moved from its original spot and was reprimanded by the floor manager, next they were told they couldn't fill a coffee cup with water, and finally they were told they couldn't receive mild salsa with their quesadilla although they had been able to get that in the past.

Another owner wants the Co-op to reach more members of the community by focusing on price point.

## **Board Administrative Matters**

### **Treasurer's Update**

The finance committee had requested Doug to look into the electrical system to plan for future costs. Doug was able to report to the committee that there are no current safety issues however, the system in place now will not allow for additional equipment or expansion.

The committee recommended to Doug that a portion of the Co-op's savings be transferred from Bangor Savings Bank to Down East Credit Union (also a co-op, P6!) in the form of a certificate deposit which will increase the potential interest income while remaining federally insured and readily accessible with no withdrawal penalty.

The finance committee formally recommended the BOD accept the BI - Financial Condition and Activities monitoring report as submitted.

The committee also formally recommended the BOD authorize an audit for FY2018 records and authorize inclusion of funding for an audit in development of the FY2019 budget.

The BOD agreed by consensus to authorize an audit for FY2018 and to include the funds for the audit in the FY2019 Board Budget.

### **Board Development Committee**

The Board Development Committee formally recommended changes to policies C8 - Governance Investment and A - Global Ends.

The BOD accepted by consensus the addition of a sub-policy 3 to policy C8 - Governance Investment, which states "We will reimburse reasonable expenses incurred in the execution of Board duties."

The BOD accepted by consensus the recommended changes to policy A - Global Ends.

The BOD clarified that they do not expect the GM to report on the revised version of policy A - Global Ends in this monitoring cycle.

The BOD discussed several times gathering for a winter potluck, as it is now spring the BOD will be looking to organize a summer picnic. The committee also discussed a spring field trip to other Maine co-ops.

The Committee wanted to remind directors of upcoming co-op events: the P6 Conference which will be held April 7th in Rockland and the annual Consumer Cooperative Management Association (CCMA) Conference which will be held in Portland, OR, May 31st - June 2nd this year, early bird registration ends April 6th. Hotel rooms sell out before then, however, so there is a more pressing need to register.

The Board Development Committee clarified to the BOD that if Co-op staff participate in any board committees they do so as an owner, any work that they take on without operational request will be done on personal time.

### **Annual Meeting Review**

The BOD received many positive comments from this year's Annual Meeting:

- The Common Cents tabling was wonderful, but the voting would be much less awkward if it could be done anonymously.
- Attendees liked the venue.
- The food was good, but the gluten free option was very limited.
- Bingo was great for connecting directors and owners.
- The group presentation from the BOD was nice and seeing the Directors speaking in one voice was also nice.

- Attendees liked that they were encouraged to engage in discussion with the Directors and give feedback.
- Doug is amazing.

Directors also provided their feedback:

- Deb Burwell is a fabulous facilitator and she has already agreed to facilitate the 2019 Annual Meeting.
- It would be nice for the BOD to be able to focus on the content of the meeting without having to worry about the logistics.
- People seemed eager to be involved in brainstorming/visioning the Co-op's future.
- Next year the BOD should set a more realistic agenda for time management.
- The venue was wonderful, nice view, and very close to the Co-op.
- The food was tasty, but too much bread.

The BOD discussed how best to engage owners in the long-range planning of the Co-op. The BOD decided to form a working group to plan owner socials and forums focused on long-range planning.

### **GM Compensation Proposal**

The BOD approved the request for proposal (RFP) drawn up at the BOD retreat. The RFP has been sent to Doug and the BOD hopes to receive it back for review before the April meeting.

### **GM Reporting**

#### **GM Update Report**

Center Store has hired a new Grocery Buyer, Karen, who comes to the Co-op with experience from Good Tern and Blue Hill, and other co-ops outside of Maine. Jamie is going to join the Marketing team, with experience from Middlebury Co-op. Discussion of filling these positions was coupled with the discussion of employee turnover. As a service industry, a certain amount of turnover is healthy and too much is unhealthy. Part of the mission of the Co-op is to develop staff so they can move on. The Co-op's turnover falls within industry standards. The BOD and GM will be discussing turnover during the April meeting in the context of the B6 - Staff Treatment and Compensation policy. The BOD would like to hear what the Co-op's turnover rate is, and how much it is costing the Co-op to train incoming staff.

#### **B1 - Financial Condition & Activities**

The discussion of the B1 monitoring report centered around margins. When the Co-op joined NCG, the cost of goods decreased yet the margins were not adjusted appropriately. As the Co-op lowered margins to adjust they were also trying to stay competitive which caused the margins to degrade further. Doug has now tasked the operations managers with confining margins within boundaries he has determined.

The BOD accepted by consensus the B1 - Financial Condition and Activities monitoring report as in non-compliance with B1.2, partial compliance with the global B1 statement, B1.3, B1.4, and full compliance with sections B1.1 and B1.5 - B1.13, as stated by Management.

#### **B4 - Membership Rights & Responsibilities**

The BOD discussed the current equity structure. Many directors feel strongly that the annual membership fees should be discontinued, and the equity structure updated. Before owners could vote on any proposed change in equity structure there would have to be an educational campaign. Additionally, stopping annual membership fees will take \$40,000 away from the bottom line and the Co-op would have to plan for that.

The BOD accepted by consensus the B4 - Membership Rights and Responsibilities monitoring report as in compliance.

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

The BOD accepted by consensus the B9 - Emergency General Management Succession monitoring report as in compliance.

### **Homework**

Full BOD

- Take C2 poll
- Take C3 poll
- Figure out P6 carpool

Doug

- Send Wegner's full audit proposal to full BOD
- Send recommendation on Ends policy revision based on NCG focus to Board Development Comm.
- Send Bill Gessner's expansion notes to full BOD
- Send a list of co-ops of similar size with expansion projects to full BOD
- Categorize exit interview data re: turnover for B6 policy

Board Development Committee

- Hash out youth BOD involvement
- Explore revising the Ends policy again before summer
- Add turnover language to B6 policy
- Create C3 poll

Violet

- Create Summer picnic dates poll
- Create poll for Thursday meeting dates for long-range working group

Owner Engagement Committee

- Create proposal for separation of Board/Operations annual meeting tasks
- Discuss a forum focused on equity structure

Alessandra

- Share Expansion Toolbox with full BOD
- Send email to Co-op 101 panelists re: April 25 forum

Scribe

- Update policy register
- Post owner benefits in-store

Violet/Ernie

- Host April Owner Social

Long-Range Working Group

- Take meeting date poll
- Discuss equity structure and polling owners

Finance Committee

- Discuss impacts of discontinuing Annual Membership Fees and mitigation plan

**Next Meeting Agenda - April 26, 2018**

C2 - The Board's Role

C3 - Agenda Planning

B6 - Staff Treatment & Compensation

Ratify election results

Finalize GM compensation

**Debrief/Evaluate**

The BOD would like to fine tune how directors participate remotely.

End of minutes. Submitted by Emily Berry, scribe.