

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

April 26, 2018, 6:15 pm; UU Church, Belfast ME

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

**GM:** Doug Johnson

**Staff:** Emily Berry (scribe)

**Owners:** Richard Brown, Judith O'Donovan, Michael Walter, Allen Weagle

**Guests:** Brittany Baird, Heron Breen, Jim Buckle

**Facilitator / Timekeeper:** Alessandra Martinelli

### **Agenda Review**

The BOD approved the agenda by consensus.

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

Ernie is experiencing a consuming time of year. He is the chair of the steering committee of the Belfast Bay Stewards program, which leads the future stewards around the state for educational opportunities. They started the 2018 program in Searsport Shores Campground.

Andrew is on the road May 18 - 21 visiting his hometown. He is currently reading *Sacred Instructions* by Sherri Mitchell which talks about consensus decision making, among other topics.

Shannon is now a resident of Belfast. She will be taking some time off in the future for personal reasons.

Betsy has been busy with Fedco's tree sale. Fedco is currently going through an intergenerational transition with the help of Brittany Baird, CDS Consultant.

David has been clocking 60 hour work weeks, undertaking a taxonomy project which helps banks pass audits. His kids are playing baseball so he is sure spring is actually here!

Violet got to play her guitar at the UU Church fundraiser. She is moving onto a sailboat for the summer and is excited about some upcoming employment opportunities.

Alessandra and her family adopted a new puppy named Happy and he is a lot of fun!

### **Minutes of Previous Meeting**

The BOD noted that Karen, the center store buyer, has experience from Good Tern and Blue Hill, not Rising Tide. With this adjustment, the BOD approved the minutes of the March 22, 2018 meeting by consensus.

### **Expansion Update**

On the recommendation of Cordelia Pittman of Wright Ryan, Doug has contacted a company out of Bangor to conduct a geostructural survey of the Co-op's property.

### **Owner Comments**

One of the attending owners, Allen, stated that he joined the Co-op when it was located on Main St. He remembers when the current building was Brooks Drug Store, which he thought looked pretty dilapidated and he is impressed with how good the store looks now.

Another owner was disappointed that they could not use their owner number to pay for a friend's lunch.

Several owners expressed that ownership is starting to feel like it means less and less.

An owner asked if the Co-op could carry items from Swallowtail Farm now that they are distributed by Crown O'Maine.

An owner noted how important the deli is in differentiating from other grocery stores and wished it were operated more like a restaurant.

## **Board Administrative Matters**

### **Treasurer's Update**

During their April meeting, the Finance Committee reviewed the monthly financial reports with nothing significant to note. The committee discussed the financial impact of owner discounts and decided to delay any recommendations for changes until the expansion plans are further along, because of the impact any changes could have on financing the expansion. Ernie met with Doug to review the status of the budget for the Board of Directors, as required quarterly by the C8 - Governance Investment policy. Ernie said there were no significant issues with the budget to report. According to the February key indicators the days of cash on hand was down to 14 due to increased occupancy costs, which included the kitchen floor project, snow removal, as well as tinting the front windows.

### **Board Development Committee**

There is currently a 14-year-old Co-op owner who would like to serve on the BOD. The Board Development Committee discussed the implications of youth involvement; from a financial standpoint if a minor served on the BOD their fiduciary responsibility would be taken on by their parents who do not serve on the BOD. The committee resolved that this could be handled by creating a Youth Member position who would have a non-voting seat at the table, could participate in discussions, and head a youth engagement program for the Co-op. A formal proposal will be submitted to the BOD in the future.

The committee agreed that succession planning be expanded to all senior management positions. The committee will be drafting policy language to implement this change.

### **C2 - The Board's Role**

The BOD accepted by consensus C2 - The Board's Role as in compliance.

### **C3 - Agenda Planning**

The BOD accepted by consensus C3 - Agenda Planning as in compliance.

### **Owner Engagement Committee**

Alessandra has volunteered to be the Co-op's point person for the Keep Belfast Beautiful clean-up on May 12th. The Co-op will be working with Our Town Belfast to clean-up inside the overpass.

The Co-op 101 forum on April 25 had a small turnout but great discussion.

The next Owner Form is schedule for May 1st, the topic will be P2 - Democratic Member Control and it will be hosted by Shannon and Andrew.

### **GM Compensation Proposal**

The BOD approved the GM Compensation Proposal by consensus.

### **Ratifying Election Results**

In the 2018 BOD election, 466 ballots were cast by owners in good standing, exceeding the 10% membership quorum [406], and thereby making the election valid. All three candidates – Richard Brown, Ernie Cooper, and Heather Selin – received votes totaling more than 25% of the total valid ballots cast and are thereby elected to the board of directors. Richard, Ernie, and Heather will serve three-year terms. Of the 466 valid ballots cast, 181 were paper and 285 were electronic.

The BOD accepted by consensus the results of the 2018 BOD general election, thereby ratifying the election. Because he was among the candidates, Ernie Cooper abstained from ratifying the election results.

### **Interim Officer Appointment**

The BOD approved by consensus the appointment of Shannon Grimes to the office of Interim Secretary.

### **What Constitutes a Meeting**

The BOD discussed the question of what constitutes a meeting, as there is no definition for a meeting in the current bylaws. Many felt that an official meeting is any time decisions are being made. Additionally, many felt that topics that require a decision can be discussed outside of a meeting as long as no official decision is made at that time. Ernie did a search of other co-op bylaws and found that other co-ops have not adopted a specific definition of a meeting. The BOD agreed to continue this discussion at the May meeting when the new directors will be seated.

## **Rootstock Articles**

The BOD contributes one article for each issue of *Rootstock*, six per year. Each director can contribute on a rotating schedule. A brainstorming session came up with the following topics: youth involvement, owners - what they do to recruit, election review, expansion committee update, owner social section, bylaw revisions, annual meeting recap/preview.

## **GM Reporting**

### **Alignment**

All Co-op staff participated in Cooperative Service Training with Brittany Baird and Rebecca Torpie. Doug was surprised and impressed by how informed the staff are on the Belfast Co-op and co-ops in general.

There have been challenges with staff turnover but Doug commends all the staff, who have been exceptional in picking up the slack, particularly during inventory and beyond. He found the team operating the store to be very good and willing to work together.

### **GM Update**

Doug attended the NCG Spring Meeting in Durham, NC April 11 - 13. He generally walks away from these meetings with an emotional connection, but this year in addition there was an uneasiness that he attributes to the CEO no longer being with the organization.

Ernie noted his pleasure that in each GM update report that he has read the number of owners in good standing has increased month over month. He also noted that financially, if you take out the infrastructure (occupancy) costs the numbers are good month to month as well as over past years. Doug pointed out that the increase in occupancy correlates directly to the decrease in net income.

Doug found three folders filled with papers regarding the current building, hopefully they will prove helpful to the expansion project groundwork.

The Co-op is currently working with TechSource, a local IT services firm to map out the internal network. Doug is planning to contract with TechSource for remote network management.

CMP, the Co-op's electricity provider, has been raising residential prices but the Co-op has not been affected at this time.

### **B6 - Staff Treatment and Compensation**

The 2018 staff survey results showed increase in positive responses over the previous year.

It will be daunting to find a benchmark to compare staff turnover to other Maine co-ops but Doug can try. Without a benchmark for comparison, the turnover data remains an informational piece.

Doug has been working with HR to look into increasing the staff discount.

In six months, Doug will be focused on another plan to bump up the tiers of the wage scale in an effort to work toward the livable wage goal.

The BOD accepted by consensus the B6 - Staff Treatment and Compensation monitoring report as in compliance.

## **Homework**

### **Full BOD**

- Take the expansion toolbox self-diagnostic tool quiz, p 12
- Take D2 poll

### **Doug**

- Send recommendation on Ends policy revision based on NCG focus to Board Development Comm.
- Share numbers from self-diagnostic tool quiz with BOD
- Collect feedback on the cooperative service training
- Geotech Survey, Cordelia, Models (Larason), Previous Building Information, Define Internal Readiness, what do we need in a new store

### **Alessandra**

- Create the contract for Doug
- Email all staff re: staff rep election
- Outreach letter to other expanded coops

Shannon

- Write down what was learned from the 2018 election
- Write down ideas for 2019 election for BOD Staff Rep
- New director binders

Andrew

- Report on NVC training
- 6 stages pro forma

Ernie

- City Council Contact, General Financing Proposals

Betsy

- CFNE Outreach, Reach out to previous directors regarding their expansion memories

Violet

- Create Summer picnic dates poll
- Send out CCMA offerings
- Historical Memory from Board Minutes

Board Development Committee

- Add turnover language to B6 policy
- Create D2 poll

Owner Engagement Committee

- Create proposal for separation of Board/Operations annual meeting tasks
- Talk about the Co-op 101 video
- Discuss a plan for *Rootstock* articles

Owner Engagement / Finance Committees

- Discuss a forum focused on equity structure

Expansion / Owner Engagement Committees

- Discuss equity structure and polling owners

Scribe

- Post owner benefits in-store
- Update contact sheet
- Include calendar and code of conduct in May packet

**Next Meeting Agenda - May 24, 2018**

D2 - Accountability of the GM

B3 - Asset Protection

Code of Conduct

Seating New Directors

What Constitutes a Meeting

Committee Assignments

Election of Officers

**Debrief / Evaluate Meeting**

Betsy thanked everyone for having a functional meeting in front of the Fedco guests.

**Adjourned to Executive Session**

Staff turnover report - no decisions to report.

End of minutes. Submitted by Emily Berry, scribe.