

Belfast Co-op Board of Directors Meeting

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

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

Absent: Violet Zerbe

GM: Doug Johnson

Owners: Jamie Cermak, Jim Peary, Allen Weagle

Facilitator / Timekeeper: Alessandra Martinelli

Agenda Review

The BOD agreed to limit the expansion update to 5 minutes and add a 5-minute executive session regarding expansion. With these adjustments the BOD approved the agenda by consensus.

Announcements / Check-in

Andrew shared the June 2018 issue of *The Hightower Lowdown* “Gentrification Shreds the Fabric of Our Cities While Making Rich Developers Even Richer”.

Betsy, Shannon, and David B joined forces on July 13th to make dinner for the Game Loft. They cooked and served chili, cornbread, salad, and blueberry crisp. Many of the ingredients for the meal were locally sourced. They would like to do this again, perhaps in the winter, and see if they can involve the kids in the cooking.

Minutes of Previous Meeting

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

Owner Comments

An owner was curious as to what happens to expired foods. The GM explained that the produce “spoilage” goes to local farms and an animal sanctuary, while the dried goods generally goes to either the food pantry or the Game Loft.

An owner commented that the bulk laundry detergent is always out.

Another owner said that the bulk laundry detergent dispenser is too slow and now they no longer buy detergent from the Co-op.

An owner who attended the Owner Social told a director that 1. they had no idea there were so many members; 2. that the Co-op is expensive; 3. that the Co-op is special; 4. the UU Church sells Hannaford cards - could they also sell Co-op cards; and 5. they miss the working-member hours.

Expansion Update

The BOD discussed the temporary start time of 6:15pm. The BOD agreed by consensus to absorb the expansion update into the expansion committee report, address the committee report as item ‘a’ under *Board Administrative Matters* and change the meeting time from 6:30pm to 6:15pm.

As a result of this decision, the BOD agreed to adjust the agenda for this meeting and address the expansion committee report at the top of *Board Administrative Matters*.

Board Administrative Matters

Expansion Committee

The expansion committee reported that the *Ready, Set, Grow!* forum held July 18th went well but could have been better organized. An owner who attended felt that they didn't have enough preliminary information to participate. The BOD used this feedback to brainstorm ways to educate owners about the expansion process which included creating a packet of existing documents which can be added to as needed, posting updates on the website, sending out email updates, and designating a spot in the store for an info station.

Betsy met with several former directors to discuss what steps has been taken in the past toward expansion. Phil Prince in particular had useful information regarding boundary lines and right of ways.

Treasurer's Update / Finance Committee

The finance committee recommended the BOD increase the required equity investment from \$60 to \$200 and eliminate the annual membership fee, effective January 2019. This change could be implemented with no increased cost annually to owners; owners would still pay \$15 per year, however, payments would end when the \$200 investment was complete. The BOD acknowledges that by eliminating annual membership fees the Co-op will be giving up \$43,000 in annual income but overall the increase in equity will put the Co-op on better financial footing. The proposed equity change has been discussed and desired by the BOD for many years and is not tied to the expansion project.

The BOD did not make a decision on the equity change at this meeting.

Board Development Committee

NCG is holding the 2018 Co-op Cafe October 13th in Keene, NH. By a show of hands David B, Ernie, David G, Shannon, Alessandra, Heather, and Andrew are interested in attending.

C6 – Officers' Roles

The BOD discussed how there are no job descriptions for officers in the Co-op's bylaws. Additionally, all directors should be thinking about who wants to take on an officer role throughout the year and those who are interested could participate in CDS's leadership development training.

The BOD accepted by consensus C6 - Officers' Roles as in compliance.

Owner Engagement Committee

The owner engagement committee discussed changing the time and day of the week of the Owner Social, and considered reframing it as "office hours". They would like to see it as more of a tabling opportunity instead of hidden and intimidating in the cafe. The BOD agreed to a name change for the event and bringing it out of the cafe.

Alessandra agreed to host the Owner Social on August 7th as long as it is held in front of the Co-op.

The owner engagement committee encouraged all directors to attend the Summer Jam on August 4th and the Belfast Street Party on August 6th, as well as any other community event, and to wear their BOD t-shirts.

Bylaws Committee

The bylaws committee created a document which shows the Co-op's bylaws side-by-side with CDS's Fresh Start Bylaws along with a third column for recommendations. The committee hopes to have recommendations submitted to the BOD by September so approvals can be made and an education campaign can begin as soon as possible.

GM Reporting

Alignment

On July 26th UNFI purchased a retail chain called Super Value that is comprised of 3000 retail stores, 30,000 employees, \$13 billion in annual revenues, and twice as much distribution. It can be assumed that this purchase is in response to the Whole Foods / Amazon merger. Currently, Whole Foods is UNFI's #1 client (NCG is #2) and once their contract ends, Whole Foods will likely drop UNFI. When this happens UNFI will become its own #1 client. It is not yet clear what the implications are for NCG and the Belfast Co-op, Doug hopes to have more information after the NCG Fall Meeting in September. As it stands right now, UNFI holds a monopoly on natural foods so there is no competitor to work with for natural foods distribution. Doug has a meeting with Rob Brown of CDI to discuss working with Associated Grocers of New England as an alternative distribution channel.

Doug met with Anne McElhaney, as recommended by Bangor Savings Bank, to review the Co-op past financials and help with future cash flow projections.

Doug started taking *Effective Project Management* as a professional development course at the Hutchinson Center.

GM Update

Doug has been working with NCG and the other Maine NCG co-ops to develop a plan to share Finance Manager duties. No arrangement has been made at this point.

In June, the Co-op experienced 6% sales growth and so far July has seen 4.5% sales growth. This growth can be attributed simply to more shoppers purchasing more products.

Doug also brought up the fact that local sales as a percent of total sales saw a dip in some departments. He specifically talked about the deli which changed from purchasing baked goods from a local vendor to baking in-house, however, sales from the in-house baked goods have not been included in local sales. Once these sales are included as local sales this will change the numbers significantly. Doug will be writing a *Rootstock* article to explain the change.

A – Global Ends

The BOD reflected on the difference between setting the A - Global Ends policy, which is the job of the BOD, and figuring out how to quantify the Ends, which is the job of the GM. It is the aspirational versus the objectively achievable. In future monitoring cycles, Doug will be working with his management team to set goals based on the Ends, which will then be the focus of the annual Ends Report.

The discussion of the 2018 Ends Report will continue at the August meeting, at which time the BOD will decide on compliance.

Next Meeting August 23, 2018 - Agenda

A - Global Ends

C7 - Board Committee Principles

Homework

Unassigned

- Food for the Aug. 11 expansion retreat

Full BOD

- Send suggestions for equity FAQ to Doug & Ernie

- Take C7 poll
- Attend community events in your BOD t-shirt

Doug

- Prepare a separate budget for expansion this year
- Provide a breakdown of members by town
- Create a confidentiality agreement template

Violet

- Historical memory from board minutes re: expansion
- Organize summer cookout
- Write CCMA *Rootstock* article

Alessandra

- Update the BOD calendar re: election process
- Figure out costs for uploading/editing the Co-op 101 video
- Fix commas in Ends statement
- Send Thane email about Aug. 11, and to start planning retreat (include expansion committee notes)
- Add Feb. 28th to calendar to make sure Doug's eval is complete by then
- Set expansion retreat agenda; add equity conversation, including low-income options
- Send Doug an email re: Co-op Cafe for staff

Betsy

- Bring notes from meeting with former directors to expansion committee meeting

GM / Treasurer

- Collaborate on *Rootstock* article re: equity, perhaps as FAQ sheet

Expansion Committee

- Send budget to Finance Committee
- Write next *Rootstock* article (due Aug. 15)
- Contact owners from sign-up sheet
- Create proposal for info corner, include ideas for growth box and board
- Discuss tabling; sign-up for times
- Set all forum dates between now and the Annual Meeting

Board Development Committee

- Create C7 poll
- Add turnover language to B6 policy
- Review B3.2 language
- Talk about onboarding new members to policy governance
- Send budget to Finance Committee

Bylaws Committee

- Look at how an equity change might impact the number of members in good standing, and therefore a quorum

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

End of minutes. Submitted by Emily Berry, scribe.