

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

August 23, 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), Violet Zerbe

**GM:** Doug Johnson

**Staff:** Emily Berry (scribe)

**Owners:** Susan Belair, Diane Braybrook, Gerry Murphy

**Facilitator / Timekeeper:** Alessandra Martinelli

### **Agenda Review**

The BOD agreed to add item *ii. Staff Rep Position* to the Board Development Committee section of *Board Administrative Matters*. With this adjustment, the BOD approved the agenda by consensus.

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

Alessandra shared that people with hunting camps are noticing bears eating loads more food than typical which can indicate a colder upcoming winter than normal.

Thanks to Andrew for making delicious zucchini bread.

### **Minutes of Previous Meeting**

The minutes of the July 26, 2018 BOD meeting were approved by consensus.

### **Owner Comments**

An owner asked if all the products are sampled before they are carried in the store. The answer is yes, with the exception of beer & wine and a small number of grocery products that are periodically sent for free by our distributor. The owner suggested a monthly tasting of new products.

An owner commented that the produce department is spot on but is disappointed about the deli products that are being shifted to the grab-and-go.

Another owner thought that pre-orders could be a huge selling point for new owners, but the system doesn't seem to work well with about 20% of their pre-orders getting lost. This owner also suggested that for a small discount, maybe 2%, they and others would be incentivized use a Co-op card instead of a credit card and that discount might beat Hannaford's rewards.

An owner simply stated: "I love what the Co-op is doing."

An owner wished that the Co-op would sell fancy coffee.

An owner relayed that a member of the deli staff implied that bringing your own mug to fill wouldn't be allowed for much longer. This is not the case, the Co-op will continue to encourage people to bring their own mugs.

An owner shared a positive customer service interaction: when a product was not on the shelf a staff member promptly found it in the back and everyone walked away feeling good.

## **Board Administrative Matters**

### **Expansion Committee**

The Expansion Committee has set the dates for the upcoming forums but is still deciding on topics. The forums regarding expansion have been included in the budget in addition to other forums held by the Owner Engagement Committee.

Alessandra will be meeting with operations to discuss the expansion corner and all directors should plan to table regularly there once it is set up. In the meantime, the BOD would like to start soliciting information from owners via the website. They agreed a good starting point would be to ask, "What does growth mean to you?"

Doug received a proposal from Wright Ryan on the pre-design. It was assumed that the proposal would include work beyond the pre-design phase but when questioned Wright Ryan stated that they were not comfortable making projections without the information from the pre-design. Doug will be meeting with two additional firms to discuss estimates for pre-design work. The proposal from Wright Ryan included a housing market study and a director questioned whether this was necessary and it would seem that if this expansion is to include addressing housing in Belfast the market study should be done. Another director expressed concerns about the housing portion moving forward without a decision to address housing being made. It was discussed that addressing housing was a part of the dream for this expansion, that no decision had been made but if it is on the table as an option it should be explored. A director also pointed out that when discussing options for expansion, if Option A is to build the dream then Option B should be the practical dream, not the downsized dream.

The next step for Doug is a phone conference with Bill Gessner to discuss the pro forma document. Doug will also be meeting with the NCG Development Co-operative (DC) and by the end of September he should have a better idea of the full picture.

### **Finance Committee**

The Finance Committee initially recommended the BOD agree on an equity structure change that increased equity to \$180 paid in either \$20 or \$15 annual installments with provisions for low-income owners and the elimination of annual membership fees. After some discussion the recommendation was changed to \$200 in equity paid in \$15 annual installments with provisions for low-income owners and the elimination of annual membership fees. The BOD agreed to present this proposal to the ownership during the October forum.

### **C7 - Board Committee Principles**

The BOD discussed what to do with committee members who do not participate and determined that the committee chair is responsible for politely removing those members. The BOD will be inviting committee members who are not directors to future BOD potlucks, so all the directors can get to know them.

The BOD accepted by consensus C7 - Board Committee Principles as in compliance.

### **Board Development Committee**

The Board Development Committee formally recommended the addition of subpolicy 2 *The GM must: Report on annual staff turnover statistics* to policy B6 - Staff Treatment & Compensation. The BOD agreed by consensus to the addition of subpolicy B6.2.

Currently both the designated staff representative seats are empty and one of the directors knows of a staff member who is interested in running for a seat. As the bylaws are written, staff rep elections must be

held in the first full week following the general election of directors. Holding an election at this time would not be in compliance with the bylaws. Although the BOD cannot appoint anyone to a staff rep seat, as these are voted on by the employees only, they can appoint the interested party to an at-large director seat. The interested party is welcome and encouraged to speak to the BOD about their interest.

#### **Owner Engagement Committee**

The Owner Engagement Committee has changed the October Owner Social to the first Sunday of the month from 2 -3 pm. The committee is also moving forward with Community Socials, hosting social events in towns surrounding Belfast, and would like to start in Liberty.

#### **Bylaws Committee**

The Bylaws Committee continues to comb through the Co-op's current bylaws, forming their recommendations.

### **GM Reporting**

#### **Alignment**

The week of August 12-18 broke the Co-op's weekly sales record at \$207,800. This is the fourth time this year a sales week has gone over \$200K.

Doug has been talking to Rob Brown about distribution through Associated Grocers of New England (AGNE). For this to be feasible AGNE would have to expand its product selection to include natural and organic. Crown o' Maine was also discussed as a potential distributor.

#### **GM Update**

The financials in the update report are based on the budget that the BOD approved at the beginning of the fiscal year. In the past, Doug had adjusted the budget quarterly but realized this results in a skewed perspective over the year.

Doug and Carisa Carney, Marketing Manager, traveled to Littleton, NH August 15 & 16 to take part in an NCG audit of the Littleton Food Co-op. Doug reported that the experience was awesome. Littleton Food Co-op just underwent expansion and it was interesting to see what they did well in their new larger space and what could use improvement.

#### **A - Global Ends**

Recently, the Co-op has seen a dip in the local sales in the deli because many of the deli's products are now being made in-house and these sales have not been tagged as local. Doug contacted NCG and other local co-ops and everyone contacted recommended that items made in-house count as part of local sales. This change will skew the numbers and will have to be explained to the owners.

The BOD accepted by consensus the A - Global Ends monitoring report (2018 Ends Report) as in compliance.

### **Next Meeting September 28, 2018 - Agenda**

*The BOD agreed to move the September BOD meeting to Friday, September 28th.*

B1 - Financial Condition & Activities

B2 - Business Planning & Financial Budgeting

C8 - Governance Investment

Finance Committee B1 & B2 recommendations

## Homework

### Doug

- Prepare a separate budget for expansion this year
- Look at equity for co-ops with over \$9M in sales
- Talk to Bill G. about a formula for equity structure

### Ernie

- Spearhead equity portion of Oct forum

### David B.

- Historical memory from board minutes re: expansion

### Alessandra

- Send Doug an email re: Co-op Cafe for staff

### Alessandra / David B.

- Thank yous to staff

### Violet

- Organize summer cookout

### Full BOD

- Send Ernie your hopes & dreams for an equity forum

### Expansion Committee

- Create proposal for info corner, include ideas for growth box and board
- Discuss tabling; sign-up for times
- Figure out what is the dream
- Fact based pros & cons for housing
- Share expansion retreat notes

### Board Development

- Create 2019 calendar
- Candidate recruitment

### Bylaws Committee

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

### Scribe

- Fix commas in Ends statement
- Update B6.2

End of minutes. Submitted by Emily Berry, scribe.