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the newsletter of the Belfast Co-op



2021 ANNUAL REPORT

A look back at our year

FROM THE BOARD

During this quiet time before spring, we take a moment to look back on our accomplishments, and to contemplate our prospects for the year ahead. The past two years have put our strength and resilience to the test, and as far as I can tell, we're passing with flying colors. In spite of the ongoing disruptions, we've experienced record-breaking sales growth, attracted new owners, demonstrated unprecedented generosity to our neighbors through the Common Cents program, and are poised to grow again. We must be doing something right!

Our thanks and recognition go out to our General Manager Doug Johnson and his team for safely navigating the ship another year through uncharted waters. We have to acknowledge that it hasn't been easy. The staff makes sacrifices every day on our behalf to keep us well-provisioned, and we can't thank them enough. They're always on the move, and give their best with grace and good humor.

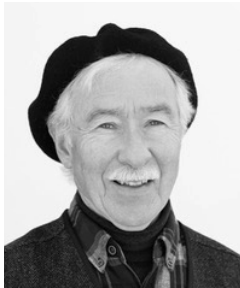
We keep growing and changing. New equipment, new faces. This past year we moved the ball down the field a bit farther, and the Board is actively exploring how we can continue to grow, to meet the needs of our member-owners and the larger community. In order to create a safer working environment and an improved shopping

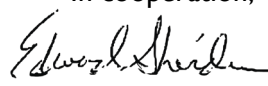
experience, we're studying a proposal to renovate the store. Doug and the Board have been working very diligently on this.

Expansion is an exciting and complex process. We're taking this all one step at a time and we are making progress. We'll have more to say about this as the year unfolds, and we'll be sure to reach out to keep you informed and to hear your thoughts.

I feel fortunate to work with such a talented and devoted group of directors, who give so generously of their time. And I'm excited to see a really interesting group of owners running for the board this month. Please remember to vote!

We hope this coming year will get us somewhat back to normal. I'd like to see us meeting in person again, to engage more directly with our members. I want to say a special word of thanks to all our member-owners for supporting the Co-op during another very challenging year. We look forward to seeing you at our virtual Annual Meeting on March 6th.



In cooperation,

Edward Sheridan

Have questions or comments for the board?
email: board@belfast.coop

Owners are welcome to attend our monthly Board Meetings, learn about ongoing committee work, and participate in our Co-op!
Find out more online:

www.belfast.coop/board-of-directors

Read the Board Finance Committee reports on pages 4-5 and other updates from the Board and Committees on pages 6-7



BOARD OF DIRECTORS

Edward Sheridan
President
Susan Cutting
Vice President
Valerie Tate
Secretary
John Krueger
Treasurer
Sasha Breus
Board Director
Stephen Brimley
Board Director
Ernie Cooper
Board Director
Matt McConnell
Board Director
Buck Sawyer
Board Director
Charles Pattavina
Board Director

Located in the heart of downtown, the Belfast Co-op has been serving our area since 1976. Everyone is welcome to shop at the Co-op. Rootstock is the Co-op's newsletter, free to all, produced by the Co-op and printed by Collective Copies. Inquiries: info@belfast.coop

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Co-op Marketing Dept

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General Manager
Jamie Cermak
Marketing Manager
Rosemarie Diederick
Accounts Manager
Naya Flanzala
Human Resources Manager
Heather Q Hay
IT & eCommerce Manager

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EVERYONE WELCOME!

Welcome to the Belfast Co-op's Annual Report for Fiscal Year '20-'21!

In this issue: find updates on the Co-op's finances from the Board and GM (we're doing well!) and read reports from other Board members on committee work (pgs 3-7). Read our GM's article on Optimism and where we're heading (and where we've been!), learn about how we're treating

our worker community, and read other updates from Co-op managers on the state of our business this past year (pgs 8-13). Lastly, we share some of the good news and great impact we made in our community (pgs 14-15), including a banner year for CommonCents!

We encourage you to attend our Virtual Annual Meeting (March 6th) or watch it in

the months to come (online by mid-March) to learn more about your community-owned Co-op.

As Maine's oldest cooperatively owned grocery store, we couldn't do it without you- our loyal member-owners. You and 4500+ Co-op Owners are the reason Belfast Co-op exists.

Thank you for your ongoing support!



our cooperative structure

- 1 OWNERSHIP**
Relies on the Co-op to meet their needs, Elects the Board, and Makes changes to the bylaws
- 2 BOARD OF DIRECTORS**
Represents the owners, Sets policy, Selects and supervises management
- 3 MANAGEMENT**
Carries out policies, reports to the Board, hires and supervises employees
- 4 EMPLOYEES**
Carry out the tasks needed to operate the cooperative and to Meet the needs of the owners



Top Five Facts about the Belfast Co-op

1. We are owned by you, our community. That makes us an alternative to big corporations and chain stores. Buying from us means supporting an independent retailer whose first priority is you.
2. While everyone is welcome to shop, eat and hang out at the Co-op, our owners receive added benefits including discounts and dividends, and can vote on decisions that shape the future of the store. Becoming an owner is easy and affordable!
3. We have a mission: to give you the food you need and want. We buy from area farmers and producers, support a thriving local food economy and provide wholesome, good quality food for all.
4. Transparency matters to us. We tell our customers exactly what we're doing and why, and we want to hear from you so we can meet your needs.
5. We care for our workers and our customers alike, and want all to feel welcome and respected. When you shop at a co-op, you are buying into a better world: a democratic food system that makes the planet a more equitable and sustainable place for all.

The Belfast Co-op is here for you so that our community will always have reliable, safe access to good local food.

Why we are here:

BELFAST CO-OP GLOBAL ENDS

The Belfast Co-op exists so that our member-owners and our community will have:

1. A thriving, just, and sustainable local food economy.
2. A source of healthy, nutritious, affordable food, and water.
3. An efficiently managed, democratically governed, inclusive cooperative enterprise.
4. A greater understanding of health, food systems, cooperatives, and, economic and environmental sustainability.
5. An invested, engaged, and empowered staff that thrive in a safe, respectful, inclusive, and equitable workplace.

STRONGER BELFAST CO-OP

\$10.8M

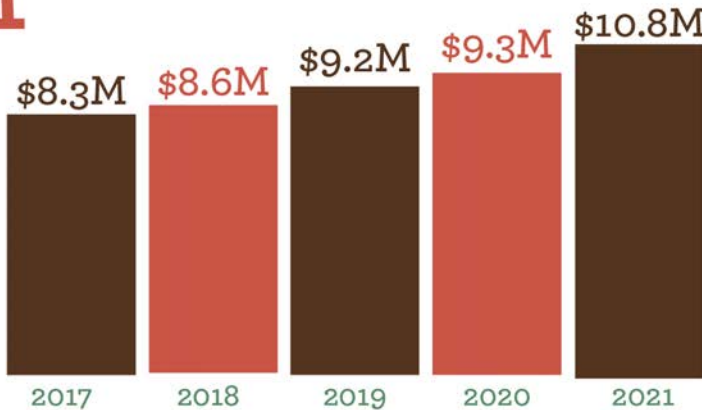
in total sales revenues

65.1%

of sales to owners

16.3%

sales increase over previous year



+4600

ACTIVE OWNERS

280

FULLY VESTED OWNERS

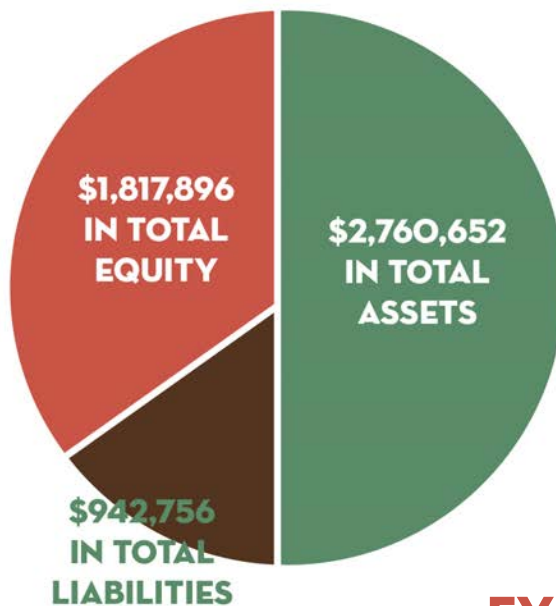
645

NEW OWNERS IN 2020-2021

\$22,560

IN OWNER REWARDS

STRONGER FINANCIALS



STATEMENTS OF CASH FLOWS

| | 2020-2021 fiscal year | 2019-2020 fiscal year |
|-------------------------------------|--------------------------|--------------------------|
| cash flow from operating activities | \$468,446 | \$661,441 |
| cash flow from investing activities | (\$156,234) | (\$84,890) |
| cash flow from financing activities | \$31,167 | \$685,439 |
| net change in cash | \$343,378 | \$1,261,990 |
| cash at beginning of year | \$1,052,148 | \$505,143 |
| cash at end of year | \$1,395,726 | \$1,052,148 |

CURRENT RATIO

3.02

DEBT TO EQUITY RATIO

0.44

TOTAL NET INCOME %

3.7%

FY 2020-2021 PATRONAGE DIVIDEND

The patronage dividend is the distribution of a percentage of the net income attributed to the purchases by owners in a given fiscal year. This distribution applies to net profits from owner sales only. Our net income before the provision for income taxes for the 2020-21 fiscal year was \$372,863. 65.1% of that was from sales to owners, so the total patronage dividend for the year will be \$241,065.

Under cooperative law, the co-op must distribute at least 20% of that dividend back to owners as cash to avoid taxation of the entire amount. That cash disbursement this year is \$48,213, which will be made available to owners in the

months ahead. The remaining 80% will be retained by the Co-op to strengthen our financial position.

Your dividend is not taxable income for you, as long as your purchases at the Co-op were for use in your household only, and not for business purposes. The more you shop and the more all owners shop increases the net profit from owner sales and more is distributed to the ownership.

Thank you for your financial support of the Co-op.

If you have any questions or comments, please contact the Board at board@belfast.coop.

20% patronage dividend payable in cash to owners based on purchases

\$48,213

80% patronage dividend retained by the co-op

\$192,852

\$372,863

net income before provision for income taxes

65.1%

% of sales to owners

\$241,065

total patronage dividend

Finance Committee

The responsibilities of the Co-op's Board Finance Committee:

- Meets with the General Manager to review current financial reports such as balance sheets, income statements, cash flow statements and key indicators. The finance committee uses these reports to provide assurance that important Co-op decisions make financial sense.
- Reviews the annual financial report undertaken by an outside accounting firm. This year a full audit is underway.
- Reviews the Co-op's credit card portfolio, patronage dividends, and all matters appropriate for future investment in certificates of deposit and equipment maintenance costs.

The Finance Committee, chaired by the Board Treasurer, convenes monthly on the Friday before the Board of Directors meeting. This year Matt McConnell and Jim Miller deserve a special shout out for their contributions.

As the attached graphs demonstrate, our Co-op had a tremendous year financially! This year's financial success bodes well with the desire to renovate our Co-op as this old building is in serious need for a renovation and something needs to be done this year. To support a major renovation, the finance committee recommended a sales growth increase of 6-8%, a Gross Margin of 36-37%, and a net profit of 2%, and our Co-op met those numbers!

As we look to the needed upgrade of our store, owners have repeatedly expressed interest in staying downtown. Any option for an upgraded property in the downtown is likely an expensive one with financial risks. Rebuilding our existing building is certainly one option that has received significant attention. Unlike financial reports listed above that provide a historical snapshot of where we are now, for a large project such as a significant renovation there is the need to provide foresight. This is where "pro-forma" financial reports come in. These provide forecasts and financial projections and answer critical "what if" questions. The Finance Committee works with a "pro-forma" that our General Manager has developed with a team of professionals. The Finance

Committee tests different outcomes by applying different stresses to forecasts such as: construction costs, major purchases, sales projections, cost of labor, inflation %, interest rates on loans, sales, contingencies etc. Examples of products from these reviews are ten year graphs of Days of Cash on Hand and Debt Service Coverage ratios.

At this point in time, financial forecasts look good to support a major renovation project, however, to do so our Co-op must have a successful capital campaign and receive substantial loans from banks. This is an exciting time and there is still significant planning ahead. Member-owners will be invited to participate when the time is right.

John Krueger
Board Treasurer

board@belfast.coop

| | 2020-2021 FY | 2019-2020 FY |
|-------------------------------|------------------|------------------|
| SALES REVENUE | | |
| Gross sales | \$10,804,789 | \$9,291,336 |
| -discounts | (\$132,295) | (\$170,214) |
| Net Sales | \$10,672,494 | \$9,121,122 |
| Cost of Goods Sold | \$6,783,892 | \$5,849,273 |
| Gross Profit | \$3,888,602 | \$3,271,849 |
| OPERATING EXPENSES | | |
| Personnel | \$2,555,002 | \$2,481,625 |
| Operations | \$435,549 | \$355,305 |
| Occupancy | \$159,946 | \$132,673 |
| Administrative | \$121,659 | \$102,839 |
| Depreciation | \$85,484 | \$71,276 |
| Governance and Education | \$21,112 | \$25,403 |
| Promotions | \$133,450 | \$19,679 |
| Total Operating Expenses | \$3,512,202 | \$3,188,800 |
| Net Income (loss) | \$376,400 | \$83,049 |
| OTHER INCOME (EXPENSE) | | |
| Paycheck Protection Program | \$0 | \$382,700 |
| Other Income | \$6,370 | \$32,759 |
| Patronage Dividends | \$4,667 | \$31,325 |
| Membership Fee Income | \$20 | \$25 |
| Interest Expense | (\$14,470) | (\$16,079) |
| Other Expenses | (\$2,686) | (\$2,314) |
| Loss on Disposal of Assets | \$0 | (\$5,867) |
| Total other Income (expense) | (\$6,099) | \$422,549 |
| Net Income Before Taxes | \$370,301 | \$505,598 |
| Provision for Income Taxes | (\$31,000) | \$48,953 |
| NET INCOME | \$339,301 | \$554,551 |



Thank you

The Belfast Co-op would like to extend a warm and heartfelt thank you to the outgoing directors and the directors who moved on this past year: **Annie Bussiere, David Balicki, Evans Goff, Kate Hanson, Matt McConnell, and Heather Selin.** Our outgoing directors, along with all those who have selflessly served on the Board in the past, have put in countless hours in service of the Co-op and their expertise, perspectives, and professionalism will be greatly missed.

We wish them all the best in their future endeavors.



Annual Meeting & Board Elections

Voting for the **2022 Board candidates begins Sunday, March 6th at the end of the Annual Meeting.** Voting will conclude on Sunday, March 20th, or be extended until a quorum of owners (10%) has been reached. Owners may vote for up to seven (7) board candidates or abstain: One owner, one ballot. Details about voting will be emailed to Co-op Owners via Simply Voting. The election results and the recorded meeting will be available on our website after they have concluded. If you have questions about the election or the Annual Meeting, please email: **info@belfast.coop**



Board Development Committee

The Board Development committee is charged with training and educating the Board, seeing that we conduct our business properly, and recruiting new directors. It's important and essential work, because the Board is responsible for the entire ship of state -- hiring and supervising the General Manager, keeping an eye on the finances, staying in touch with our owners, and ensuring the long-term sustainability of our cooperative.

We do this in a number of ways. Training is a key component of our work. In general, people join the Board because they love co-ops and want to see our way of doing business thrive. But few of us arrive with a background in co-op management. So we need to get directors up to speed in

areas such as financial management, policy governance, and strategic leadership. We encourage directors to attend trainings, conferences, and workshops and to learn from our peers from other co-ops.

We work with a consulting company, Columinate (formerly Cooperative Development Services), who provides a range of training opportunities, helps us with policy implementation, and advises us on issues such as expansion, and how to be a good boss. Also, this past year we joined another co-op, Neighboring Food Co-op Association, which provides support, consultation, and networking opportunities to co-ops throughout New England.

This year we've made a concerted effort to reach out to owners to

attract new Board members. I'm happy to report that we've gotten a great response, and have a variety of candidates with very interesting and diverse backgrounds running in the upcoming election.

It's been challenging to be as effective as we would like, given the restraints of working from our computer screens. Nonetheless, we've managed to adapt, and we look forward to a year of growth with a full slate of directors. If you are one of those people who would like to assist our Board or committees, please reach out anytime, we'd like to talk to you!

Edward Sheridan,
Board Development Chair
board@belfast.coop



About our Board

The Belfast Co-op Board of Directors has three standing committees, currently: Board Development, Owner Engagement, and Finance. Each committee focuses on a specific area of the board's work.

The Board is always looking for new participants: getting involved with a committee is an opportunity to serve the Co-op and learn more about the Board!

If you are interested in serving and have expertise in one of these areas or would like more information about serving on the Board, please contact board@belfast.coop.

Owner Engagement Committee

Despite the challenges of 2021, your Co-op had a fantastic year! At the outset, the Owner Engagement Committee (OEC) decided this was a good time to review our charter and talk with former OEC members, as most of us were new to the committee and needed to learn the ropes. We toured the normally unseen parts of the store and offices.

Ordinarily, the committee would be arranging fun, informative and engaging in-person events for the owners but we had to adjust to doing whatever we could do virtually. Nevertheless, we look forward to doing more again as soon as possible and would very much love to have your input, if not your direct participation and help.

We held outdoor events at the Co-op, including the highly successful ownership drive in September, during which we signed up exactly 100 new owners! This dovetailed nicely with our outdoor celebration of the Co-op's 45th anniversary on September 17, soon followed by International Co-op Month in October. After that, some of our Directors bagged groceries and introduced themselves to shoppers during the week leading up to Thanksgiving. Given the chance, we asked shoppers what they liked about the Co-op and what they hoped for the Co-op.

As you might expect, a big part of the committee's job is to connect owners with Board members and enhance two-way communication as much as possible. This is very important on any day, but especially important when the Board is making decisions about how we are going to address the significant shortcomings of our building, which is in desperate need of renovation or replacement, and how we are reaffirming our identity.

We worked with our incredible staff; looking back on 6 years of forums, open board meetings, and focus groups for insights into the wants and needs of our owners. This past fall, 797 Belfast Co-op owners completed the University of Wisconsin triennial national survey of grocery co-ops. We reviewed your answers to questions and your many comments. The results will be a source of rich reserves for tailoring operations to meet the needs and aspirations of our community in the years ahead. And, of course, we asked friends, family, and neighbors who are Co-op shoppers for their ideas.



Directors Charlie & Valerie at our Fall Ownership Drive

As we close in on one year of service, the OEC is seeking new candidates who might be interested in participating on committees. We are helping to plan the Co-op's second virtual Annual Meeting and we hope to see you there! We have lots of great and fun work ahead. We have some interesting topics and speakers in mind to share with you through online forums in the coming months.

Please consider attending a Board meeting and possibly even joining the OEC. And don't forget, you can contact us at any time by email or find out more on our website, belfast.coop

Charlie Pattavina,
Owner Engagement Chair
board@belfast.coop

OPTIMISM

Doug Johnson - General Manager

Optimism is a learned skill that must be cultivated. Through cultivation, an optimistic outlook can come to define how you approach the world. Realistically, there is much happening in the world to be less than optimistic about, however, without a commitment to seeing the possibility of a brighter day, I believe human beings are prone to lose hope.

For the past five years, I have been working with the Board of Directors to devise a strategy for carrying the Co-op forward, creating a plan to expand both our offerings and physical space to meet the current and future needs and aspirations of the community. What started off as a grand exploration of expansion has become an education on market trends, financial planning and management, community stewardship, and retail theory. Early on in the planning process, we listened to what you, the co-op owners, we're looking for if the co-op were to grow its operation. The takeaways from those discussions laid the groundwork for everything that has happened since, including that we could not lose our downtown location, the weaknesses of the current facility were starting to show, leaving us open to missed opportunities, and the majority of Belfast Co-op owners were in favor of growing the co-op in the next three to five years.

Early on in the expansion feasibility exploration both the Board and I were blindly optimistic about the possibilities that were available. We spent an inordinate amount of time discussing the construction of a multi-level new building incorporating affordable housing and doubling our retail square footage. We explored creative financing options and brought in architecture

and construction partners to discuss possibilities. We met with the city leadership to explore new market tax credits and opportunity zones. It was all going so well until we started running the numbers to see what we could actually afford. Using a modeling tool we were able to see the financial consequences of taking on too large of a project a decade from now. No matter how hard we bent the model, we could not come close to making it work.

For a variety of reasons, these past two years have been a wake-up call for me. I gave up my fantasies of a new building and addressed the realities of what we can do with what we already have. I started working on a renovation plan for the current facility, addressing the inefficiencies that hold us back from meeting our full potential and adding new and expanded features to grow our impact. Working with our national co-op development partners we have come up with a plan that increases our retail square footage by about 30% and increases our opportunity for new offerings in nearly every department. The renovation requires much-needed upgrades to our HVAC, plumbing, and electrical systems as well as the inclusion of a freight elevator to remedy our receiving difficulties. Though there will be aesthetic upgrades to create a more pleasing shopping experience, much of what we will be reinvesting in is the vital infrastructure that was woefully neglected for far too long. The piece that keeps me optimistic, that gives me hope, is that this plan is attainable. When we put the project through our model we are able to service the debt and create positive cash flows a decade out. It is significant enough of a renovation to create sales growth without being so big of an



investment that it sinks the operation.

Another realization from the past year that gives me hope and direction moving forward is a reaffirmation of our commitment to the entirety of our community. As a cooperative, we exist to push back against the forces in our world that create inequality and inequity through our commitment to solidarity, social responsibility, and caring for others. Throughout the pandemic, I saw poverty rise in our community. I saw neighbors turning on each other out of fear. In that desperation and insecurity, I saw the places where our co-op was not fully living up to our values and principles, but I also began to see a brighter future where our co-op can play a larger role in bringing our community back together.

I believe in the co-op model. I believe in our ability to overcome fear. I believe that when you shop at a co-op, you are buying into a better world. The Belfast Co-op is here for you so that our community, all of our community, will always have reliable, safe access to good local food. That gives me hope.

In solidarity,

-Doug Johnson


doug@belfast.coop





\$54,075
FARM FRESH REWARDS
INCENTIVES REDEEMED



\$311,144
in SNAP sales
(SUPPLEMENTAL NUTRITION
ASSISTANCE PROGRAM)

STRONGER COMMUNITY

\$55,562

IN COMMON CENTS
DONATIONS TO LOCAL
NON-PROFITS

\$10,240

IN CHARITABLE
CONTRIBUTIONS

\$3.5M

in local sales

32.4%

of sales from local products
from over

+200

LOCAL FARMERS AND
PRODUCERS

Food Insecurity, Our Community, and How the Co-op helps

Nutrition incentive programs make healthy food more accessible by providing financial incentives to low-income shoppers who participate. **Farm Fresh Rewards** allows shoppers who buy local food with SNAP/EBT (formerly called food stamps) to earn bonus dollars to buy more locally-grown fruit and vegetables.

"It's no secret that more people have been struggling to put food on the table this past year. What is very nice to see is that our Belfast Co-op is making an impact in the community. By accepting SNAP benefits, we are able to provide so many families with the healthy food they need. With the Farm Fresh Rewards program, they can extend their money by buying local products to earn FFR vouchers which then can be used to buy even more local fruit and veggies when they redeem their vouchers."

Battling food insecurity is one of my prime goals in life and it's one of the reasons that I'm proud to work at our Co-op. I love our dedication to helping the community and bringing programs like Farm Fresh Rewards into Maine. If you don't know - our Belfast Co-op piloted the program in 2016 and then helped roll it out to other co-ops and natural food stores across Maine. (As a worker, it's one of my proudest accomplishments ever.)"

- Heather Q, Co-op's IT & eCommerce Manager

Farm Fresh Rewards serves everyone:

- SNAP shoppers can buy more locally-produced food
- Farmers & food businesses gain new customers
- More food dollars stay in the local economy

Farm Fresh Rewards is managed by **Maine Farmland Trust** and can be found at participating stores across Maine.

More info:

mainefarmlandtrust.org/farm-fresh-rewards



When will the Café return?

Due to a variety of factors, our Café did not reopen this past year and will remain closed in 2022. We remain committed to meeting the needs of our community for contactless shopping and will continue our free Shop for Me service (in our former café, learn more at belfast.coop/shop-for-me). **We know how much the café means to our community-** we ask for your patience and understanding and urge you to support the many wonderful restaurants and eateries in Belfast who need our support. So, **What's the plan?** "We have a renovation plan that is before the Board of Directors to completely reimagine the Prepared Foods department, revamping the customer area and work spaces, increasing production capacity, and providing a greater variety of offerings for sale. The plan is part of a larger renovation strategy for the Co-op, and my hope is that we can bring that department back better than ever. I don't have a timeline as of yet, but know that we are working towards something really exceptional." -Co-op GM, Doug Johnson

TAKING CARE OF OUR WORKERS

Naya Flanzala - Human Resources Manager

2021 brought more than a few opportunities to strengthen our organizational infrastructure and refine the Co-op's identity as a workplace. It's difficult work, moving from one growth phase to another. It takes commitment, intention, and sometimes the sheer willpower to make the thing work regardless of how it is shaped by setbacks.

The year began with a sense of hope that normalcy would be restored on a local and global level. Finally, our efforts to maintain the health of our communities

our understanding of success to include multiple different paths for workers to enrich their jobs and increase their compensation. What we've found is that doing this created a layer of operational resilience that we've been seeking for a long time. Our teams are stronger when more than one person is able to handle a difficult situation or make a hard call. Recognizing and valuing the leaderships that exist in the layers of our organization is a fascinating exercise, and being able to show that value by investing not only in



workers have moved on from their positions, average tenure is remaining fairly steady. This means **more people are staying for longer, growing within the Co-op**. Most of the recent movement toward leadership has been through internal hiring, meaning that there is both the willingness and skill within our co-worker community to take on



80%
of workers eligible for health insurance

\$17,124
donated to the Employee appreciation fund

seemed like they were beginning to pay off, and we could return to the ways that were comfortable and safe. That's not what happened. In the frustration and uncertainty that followed the lifting of the State of Emergency early in the Summer, Co-op leadership framed the store's approach to safety around the question, **"what is the right thing to do for our worker community?"**

That question drove other decisions throughout the year, including taking the bold leap to revisit not only the wages of our workers, but the structure we build compensation around. We expanded



wages but improvements to behind the scenes infrastructure & processes is truly gratifying. It's work that we've been laying the foundation for over the last five or so years, and watching that unfold - catalyzed by the elimination of any recognizable comfort zone - is not without grief and understanding of how painful and frightening some of that necessary growth has been.

Looking at the workforce metrics we use to ensure that there's data to round out a sometimes emotion-rich picture, I'm proud to see that the numbers show that while some long-tenured

STRONGER CO-OP WORKERS

4.1 YEARS
average tenure of co-op employment

96%
of workers at a livable wage*

\$17.75
average hourly wage of a co-op worker

*based on the MIT living wage calculator

new roles and responsibilities. Incoming workers join an already strong culture that is built around the understanding that no one person can do or be everything, that when something doesn't go the way it was planned, there's room to problem-solve and resources to lean on, and while the work is ongoing, we're moving steadily toward being **'an invested, engaged, and empowered staff that thrive in a safe, respectful, inclusive, and equitable workplace.'**

-Naya Flanzala
naya@belfast.coop

March 12, 2021 was the 1 year anniversary of the first confirmed case of Covid-19 in Maine. We wanted to thank our community for your kindness, understanding, patience, and support through a tumultuous year. We posted this thank you to our social media and received so many words of encouragement and thanks!

Here's just a few of your comments:



Co-op Workers celebrate Pride Month - June '21

IN GRATITUDE

The Co-op wishes to extend our gratitude to all of our workers this past year! We especially want to recognize and thank those who have moved on after a long tenure of employment.

Jeremy Peskoe and Poly Collins, both of the Leadership team, moved on this past year to pursue other ventures.

Our Co-op wouldn't be what it is today without their contributions and their many years of service.

Thank you, Poly & Thank you, Jeremy!



Marie Giggie and Marie Giggie pet Crosby at the Belfast Co-op.

Marie Giggie, our dutiful Financial Assistant, has worked at our Co-op for over 37 years and decided to retire this past year. Marie wore many hats over the years, from serving as the Assistant Manager under long-term GM Gary Skigen to serving as a staff representative on the Board of Directors. Marie saw a lot of changes come to the Co-op! We thank her for all that she brought to our Co-op and we wish her the best as she steps into this new chapter of her life.

Thank you, Marie!



GOOD DATA & OWNER REWARDS

Heather Q Hay - IT & eCommerce Manager

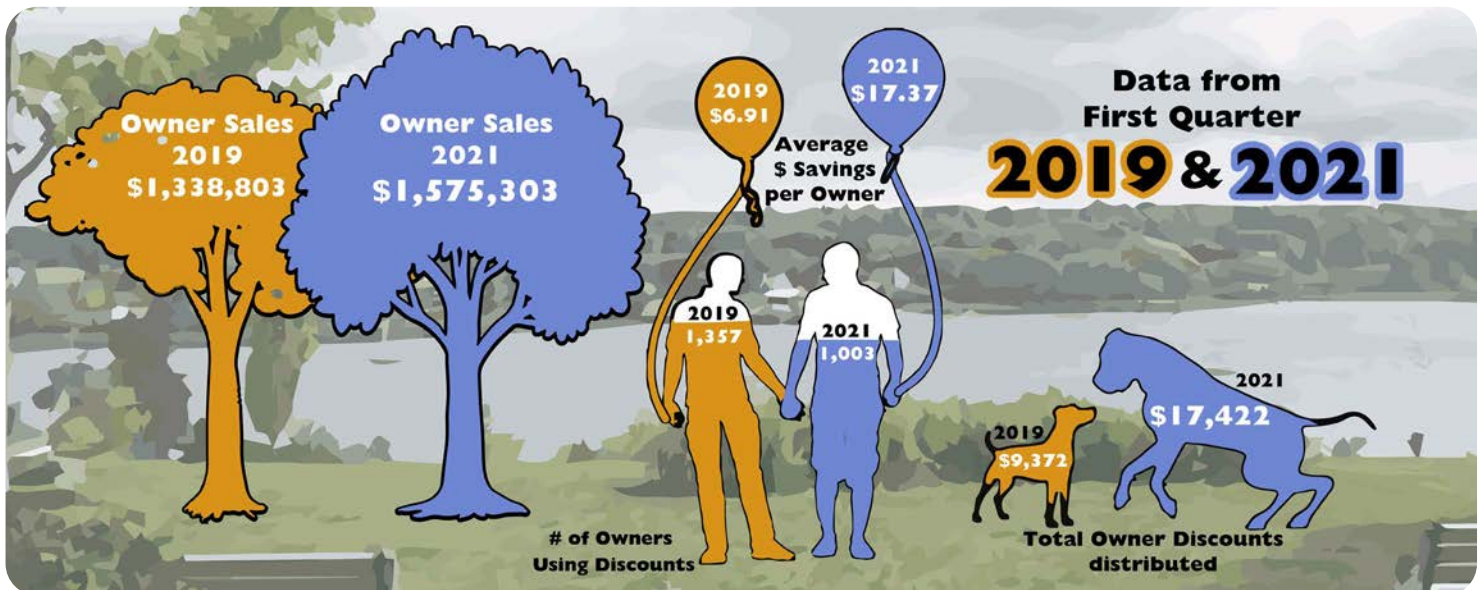
We've come a long way since we opened our doors in 1976 - As a forward-thinking, progressive organization, it's not surprising that we welcomed computers into the co-op as they became part of the retail landscape. While enamel scales from the turn of the century are beautiful and hand written invoices are charming, they can't keep up with our modern demands for efficient

of the exciting changes we made this year, using historical data to drive the decision, is the new **Owner Rewards program**.

In the early stages of the pandemic, to promote safety and discourage crowds, we changed our quarterly "Owner Appreciation" discount from a week long to a 3 month long event. While it quickly became apparent that this was not sustainable financially, we did love the flexibility that it offered - owners weren't limited to getting a deal only on specific calendar days.

Day, our once a month Local promotion, and compared those numbers with potential points earned based on those same owners shopping habits. **What we found was that the financial impact was almost exactly the same and the individual savings for each owner was also very similar.**

Since the launch in January 2021, we have been tracking the Owner Rewards progress and the predictions have held true. Being able to run predictive calculations allowed us to confidently launch Owner Rewards and bring a new,



ordering, receiving, stocking, sales and (most importantly) customer service.

As a healthy food hub for the community, it's our obligation and pleasure to find technology that helps us meet the needs of our owners and customers. As members of the community, we recognize and respect that information about our owners and customers is not a commodity. **We never sell or share the information that we have collected.**

We are, however, able to use our deep well of data to make business decisions for the co-op that are smart, equitable, accurate, and benefit our owners. One

We began exploring an option that had been available in our register software for several years, but we had yet to implement - Owner Rewards! This points based system allows owners to earn cash-back points whenever they shop. In the research phase, we needed to determine if this would be a fair and financially stable change - so we worked with the data and we reached out to other co-ops who had implemented similar programs.

Without going in too deep, we compared the discounts associated with Owner Appreciation from prior years (pre-pandemic) as well as Love Local

more equitable program to our owners! Now that's good data.

Going forward, we are continuing to experiment with other offerings of the Owner Rewards program (like bonus coupons available at checkout!), review the results, and continue to see how we can use data to grow, learn and provide benefits to all.

-Heather Q

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Heather Q manages our Co-op's technology & our Shop for Me dept. With a professional history in data analytics & a rescue dog named Data, she probably says the word "data" too much & always finds it a little amusing.

THE SUPPLY CHAIN & OUR CO-OP

Michael Walter -Purchasing Manager



If 2020 was the rain on the parade, '21 felt like learning how to march with wet clothing. At various points throughout the year, weeks and months that are now blurred together as both a distant memory and something that feels like yesterday, we faced new challenges. Specific to my role at the Co-op, the challenges were centered around availability, out-of-stocks, and the prospect of empty shelves.

Worldwide events will do that. If we have a Nor'easter, it's plausible that most of the Great Lakes states will see the sun. That's how localized events go. But **when something affects the globe, it's going to put a wrench in the best laid plans made by Buyers at the Belfast Co-op.**

In some order that I can no longer remember (*or choose not to for my sanity*), our primary distributor began putting caps on what we were ordering. They did this because they couldn't keep up with the volume of food we and other regional Co-ops needed to get. Why? Well, the supply chain is basically a lot of people doing a lot of things.

We saw numerous instances of product not being available because there wasn't enough farm labor at the point

of harvesting, or the canning factory had a COVID outbreak, or there was difficulty in finding transportation to get it to the warehouse, or that our regional warehouses didn't have enough staffing to unload it from other trucks and load it onto ours. That's what I mean when I say it's basically a lot of people doing a lot of things.

With the caps in place, we began scrambling to decide if one case of cereal was more important than one case of toilet paper. If we knew we could only order 1,000 cases of something, we had to be intentional and strategic about it. As a result, **we made the decision to pause our preorder program. If we were only able to get 1,000 cases in, that product needed to be available to everyone in our community.** We also kept our fingers crossed that our deliveries would arrive, **period.**

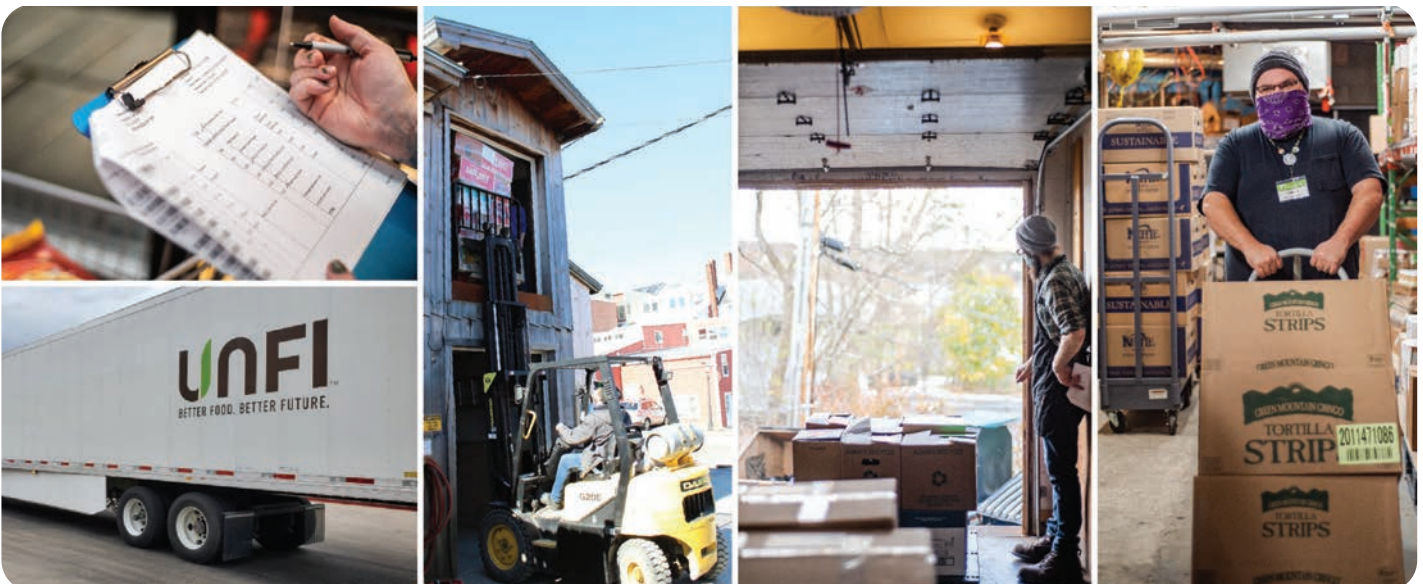
In the spirit of resiliency, we pivoted from our old model of having one primary distributor and developed a relationship with a large-scale regional natural foods distributor we would be able to use as our secondary option. Our team of Buyers immediately began identifying where opportunities were, from working

around unavailable items at our other distributor to looking for exciting new products. One of their primary jobs, ordering, took on what I'd describe as an intricate balancing act while experiencing an earthquake. There was a lot of coordinating, pivoting, and hoping. **The end result was fewer empty shelves and a steady sense of confidence in our ability to provide food to the community. It also allowed us to restart the preorders.**

Knowing where food comes from and understanding that supply chains are ultimately a bunch of people doing a bunch of things doesn't impact the general sense that we should always be able to get the things we want, but it's worth keeping in the back of our mind. The issues impacting the globe will find their way to the shelves of a food co-op at the edge of the continent.

-Michael Walter

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P7: CONCERN FOR COMMUNITY

Jamie Cermak - Marketing & Outreach Manager



The Marketing and Outreach Department plays a crucial role in the Co-op through supporting the work of the Board and the GM, managing owner records and services, helping sales departments with promotions and merchandising, and overseeing all communication and outreach projects like donations and sponsorships. This past August, we were excited to add Alessandra Martinelli to our team as Outreach Coordinator. She joins Emily Berry as Board clerk and Ownership Admin. I'm excited to see our team continue to grow so that we can continue to better serve our Co-op, our Owners, and the wonderful community of which we are all a part.

"Co-operatives work for the sustainable development of their communities." This is the 7th Cooperative Principle: Concern for Community. When people think of food co-ops, I believe that this principle is what often comes to mind (*beyond delicious food and lovely people, of course!*) Co-ops have proven that it is possible for a business to be a successful and sustainable enterprise that benefits both its member-owners (*who democratically own and control it*) and the communities of which they are made of and support. In fact, it's one of your favorite things about us! **This past year, we've seen concern for our community grow and our owners, workers, and shoppers step up day after day to meet that need!**

Our beloved Common Cents program has exceeded donations from all previous years (*read more on pg. 15*) and we contributed in many other ways, too! We made donations to schools, fundraisers, community events, the Special Olympics, food banks & shelters, supported organizations like Our Town Belfast, the Chamber of Commerce, the Rotary Club, and so many more. We also made sure food got to the people who needed

it: our Co-op made fresh and packaged food donations to the **Belfast Soup Kitchen** almost every week of the year!

We supported the end-of-year community meal for the families of Capt. Albert Stevens School again this past year along with Food Corps. The kids worked on the menus, cooked with produce they grew and other food donated by the Co-op and local favorite Bahner Farm among others.

We're committed to being responsible stewards of our environment and cutting down on food waste. We gave unsaleable fruits & veggies to Avian Haven and what we can't sell or give away we composted with area farmers and local composters: Scrap Dogs and Jackson Regenerational Farm. We recycle and reuse materials as much as we can, too (*like free boxes for groceries!*)

This past year, I'm especially proud of our Pride Month project in June '21 benefitting OUT Maine (*supporting Maine's LGBTQ+ youth, families, & allies*). We 'sold' colorful hearts that folks could decorate and we put them in our windows, each heart was a dollar to be donated and at the end, the Co-op matched the total, equalling \$1,000 to OUT Maine! I was overjoyed to see the enthusiasm of staff and community alike build all month long.

It's rewarding to work for a mission-based organization like our Co-op. **I know that our good work as a business means we can do more to give back to our community.** When you shop at a co-op, you are buying into a better

world: a democratic food system that makes the planet a more equitable and sustainable place for all.

-Jamie Cermak
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CASS community meal



Co-op Staff & our Pride Month Window Project



OUTMaine Exec Director Jeanne Dooley (L)

ROUNDING UP MAKES CENTS

"Because of the generosity of the Belfast Co-op community PAWS has been able to offer even more lifesaving care to support to hundreds of pets and pet owners.

Through the "PAWS Cares Community Wellness & Support Program" PAWS has helped over a dozen victims of domestic violence and people who have found themselves temporarily homeless retain ownership of their pets by offering free boarding and medical care at the shelter until the owner is able to provide a safe place for their pets.

'Paws is taking such great care of my kitties since I've been "displaced". Safe, warm, and cozy. I could not be more grateful' - an Anonymous Client who boarded her cats with PAWS for 5 weeks PAWS could not do this work without people like you! Thank you again for your generous support of homeless and at-risk animals. Your kindness has helped lift spirits and provide a sense of security, even during the most challenging times."

Shelly Butler, Executive Director

PAWS Animal Adoption Center

thank you for your support!



Every day, we invite shoppers to "round-up" their purchase for a local non-profit organization and each month 100% of those donations go to help that community organization that is working to uplift and fortify our community.

One of the ways we live our mission has been fundraising for and donating money to local nonprofits and community organizations; our current Common Cents round-up program was developed over the last 10 years. We're so proud to run such an effective and sought after program!

In this past year, we've seen all the donation records go above and beyond in greater and greater contributions.

Our community is truly generous and we're so grateful for your ongoing support of so many wonderful organizations serving us all.

Our top 3 recipients for the '20-'21 Fiscal Year were PAWS, Nibezun, and The Farwell Project. PAWS received the highest donation ever in our history, by a lot! PAWS took the top spot from the former record holder, Nibezun, just a few months later.

(NOTE: In the rest of 2021, the 2nd & 3rd highest spots went to the Belfast Soup Kitchen in Nov '21 & the Game Loft in Dec '21- but that's a story for next year!)

Find out more about Common Cents & how to participate on the backpage or @belfast.coop

FY 20-21 Common Cents Donations

| | | |
|-------|--|------------|
| 10/20 | Coyote Center <small>for Carnivore Ecology and Coexistence</small> | \$4,477.22 |
| 11/20 | Aging Well in Waldo County | \$3,825.86 |
| 12/20 | Friends of Belfast Parks | \$4,382.79 |
| 1/21 | Coastal Mountain Land Trust | \$4,080.44 |
| 2/21 | Overlook Skate Park | \$4,030.83 |
| 3/21 | Friends of Belfast Free Library | \$4,534.95 |
| 4/21 | Nibezun (Wabanaki Cultural Preservation) | \$4,935.17 |
| 5/21 | Window Dressers | \$4,035.41 |
| 6/21 | Ecology Learning Center | \$4,555.86 |
| 7/21 | Maine AllCare | \$4,753.27 |
| 8/21 | PAWS Animal Adoption | \$6,974.35 |
| 9/21 | The Farwell Project (Thorndike Mill) | \$4,930.57 |

= \$55,516.72 for our community

a little change adds up to a lot of impact!



Co-op Workers surround PAWS staff (and pets!) in September '21



Co-op Workers surround the Shiwa Family (of Nibezun) in May '21

Why we are here:

7 COOPERATIVE PRINCIPLES

One of the ways cooperatives differ from other business structures is their adherence to cooperative principles and values that reflect social, political, and business concerns. The seven principles used by the International Cooperative Alliance today are generally accepted by cooperatives worldwide.

1. Open and Voluntary Membership
2. Democratic Member Control
3. Members' Economic Participation
4. Autonomy and Independence
5. Education, Training, & Information
6. Cooperation Among Cooperatives
7. Concern for Community

Busy doing chores?



LET US SHOP FOR YOU!



Full service
Online Shopping
Curbside Pickup
Free for everyone
Personalized to you

Start your order today:
belfast.coop/shop-for-me

*Congratulations to our
Common Cents recipients for 2022!*

| | |
|-----------|---------------------------------------|
| January | Belfast Bay Watershed Coalition |
| February | Waldo County Pet Food Pantry |
| March | Maine Family Planning |
| April | Belfast Area Child Care Services |
| May | WERU Community Radio |
| June | Wabanaki Youth in Science (WaYS) |
| July | New Hope Midcoast |
| August | Veggies for All |
| September | Mid-Maine Homeless Shelter & Services |
| October | Restorative Justice |
| November | Mid Coast Hunger Prevention Program |
| December | Waldo County Bounty |



Common Cents

IN COMMUNITY WE TRUST

• • • • • *Round up when you shop to help your community*

Everyone is welcome to nominate a local non-profit organization of their choice for Common Cents 2023. A big benefit of being a Co-op Owner is that you get to VOTE on the 12 recipients, each year (for the following year)! We'll have the next vote for the 2023 recipients in Fall of 2022.

Questions? info@belfast.coop Find out more: belfast.coop/common-cents-and-donations

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