

rootstock

the newsletter of the Belfast Co-op



2020 Annual Report

A look back at our year

Updates from the Board of Directors

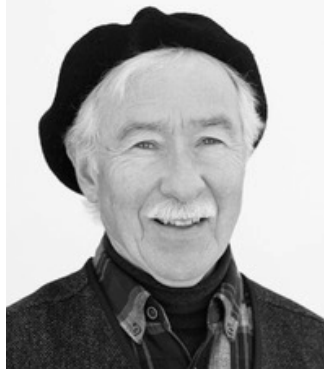
Financials, committee reports, and news

COVID-19 and our Co-op

An unprecedented event in our Co-op's history and our response

On Board Service

Edward Sheridan - Board President



My wife Linda and I have lived in rural towns around New England over the past 30-odd years; the one constant was that we always settled near and joined a food co-op. When we discovered midcoast Maine ("It's like Vermont, with water!"), we finally settled in Damariscotta. On trips up the coast we'd always stop at the Belfast Co-op, which impressed us as cool, well-stocked, and friendly. When we decided to move to Belfast some 8 years ago, we of course became co-op owners. Over the past few years I got interested in the prospect of a store expansion, joined the Expansion Committee, and eventually ran for the Board.

Needless to say, I couldn't have imagined the disruption and controversy that 2020 would bring. Mask-wearing, plexiglas barriers, limiting the number of shoppers, no café, and no in-person gatherings -- what we've come to expect of our co-op experience has been radically altered.

This past year has been a test of will and wits. In the face of daunting barriers and uncertain conditions, General Manager Doug Johnson and the Staff have had to rapidly adjust to a new way of doing business. Besides changing departments and re-shuffling staff, the most notable and successful initiative has been the Shop for Me program. Our initial response to Covid was not well-received by some in our community, and I'm sorry to say that we've lost a few owners because of it. To be sure, we're not all-knowing; and I can respect others' differing points of view. However our overriding concern has been to do all that we can to protect staff and customers, and most shoppers who have contacted us have appreciated it. If we have erred at all in this regard, it has been

out of an abundance of caution. Our employees see hundreds of shoppers each day, many from out of state in the warm season. Management is going to great lengths to ensure the health and well-being of staff and shoppers, and the Board entirely supports these decisions.

Remarkably, in the midst of this unprecedented crisis, the store is doing well, even exceeding our budget expectations for the year. The bulk section got cleaned out in March, and I suspect our owners have enough beans in the larder to last until 2023... At a moment of great uncertainty, Doug and the Staff acted with great speed, poise, and focus to keep the ship afloat, and turn a profit! We want to acknowledge the fine work of Doug and his team, and we thank them for their extraordinary performance.

As we look forward, we are cautiously optimistic for 2021. The market for natural, organic and local foods continues to expand, and we anticipate that sales growth will persist. As such, we are still studying the feasibility of some form of expansion to keep pace with this growth, and to meet the needs of our owners.

This year the Board will continue to make a concerted effort to stay in touch with our owners, via virtual meetings and surveys, to ensure that we stay connected to our values and our mission. We want to hear from you! We look forward to 'seeing' you all at our annual meeting, which will take place earlier this year, on Sunday, February 28th. Stay tuned, and stay engaged!

In cooperation,

Edward Sheridan



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Board Director

Founded in 1976, Belfast Co-op is Maine's oldest cooperatively owned and operated grocery store. All are welcome. Rootstock is the Co-op's newsletter, free to all, produced quarterly by the Co-op and printed by Collective Copies. Inquiries: info@belfast.coop

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Questions and comments for the president may be sent to
bodpresident@belfast.coop or to the full board: board@belfast.coop

Welcome back Rootstock!

Almost a year ago, we finished our Annual Meeting and Annual Report for 2019. Little did we know that we would go a whole year without another issue. **This report you're reading marks the return to our regular publishing of a quarterly newsletter.** One step at a time, as we are able, we return to "normal", bit by bit and piece by piece. In this report you'll find updates from

our Board of Directors and committees-- who've diligently worked all year long grappling with new challenges and learning new skills alike. You'll read reports from our Management Team on their perspectives of an unprecedented year and the ways in which we've adapted and, against all odds, succeeded at continuing to serve our community-- which is at the heart of all we do. We welcome you to

attend our Virtual Annual Meeting (*details on back page*) or watch it in the months to come (*starting in mid-March*) to learn more about this unique chapter of our shared history. As Maine's oldest cooperatively owned grocery store, we couldn't do it without you- our loyal member-owners.

You and 4200+ Co-op Owners are the reason Belfast Co-op exists.

Thank you for your ongoing support!



THANK YOU CO-OP OWNERS! YOUR WORDS OF ENCOURAGEMENT MEAN THE WORLD TO US!

You've all been fabulously responsive, thank you!! It is such a joy to speak to one of you when I call for curbside pickup and to be welcomed with a smile and hello behind the mask when I've needed to come in. You've also done amazingly at keeping the shelves stocked and transforming the bulk section for low contact. Thank you all!!!

Co-op folks are the best! You guys rock and we really appreciate everyone who works there!

VERY proud of how our co-op has risen to the occasion so quickly & efficiently!! The Shop For Me has helped out many families who would've had problems getting into a store to shop.

The Belfast Co-op's respect and sense of responsibility to the community during this time is so important and affirming. Thank You All for stepping up with such clarity and warmth. You're the best!

Thank you for all of your brilliant work! You are lifting the spirits of our community.

Co-ops have, and always will, seek to serve the needs of their members and non members.

We have always been very grateful for our Co-op, and in this challenging time your preciousness in our lives becomes starkly clear! Thank you so much for your adaptability and hard work during this pandemic. You all are amazing!

The Belfast Soup Kitchen is so appreciative of the Co-op and all of the people in our community! Your compassion and support is overwhelming!

We love our Coop in every way! The workers are the icing on the cake.

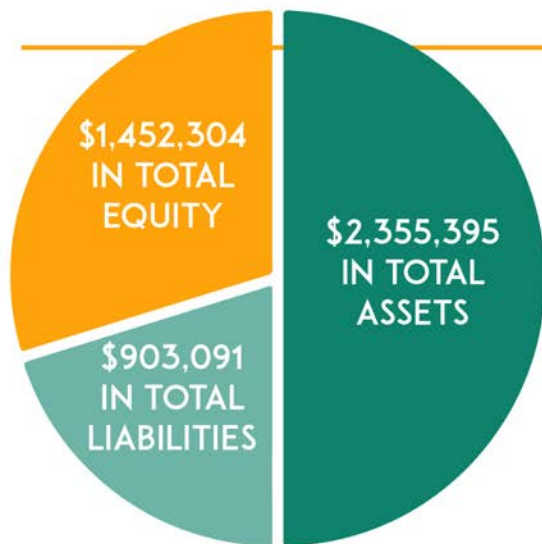
What a bright spot the Coop has been throughout! We have utilized the shop for me, and so appreciated the hours set aside to protect those our age, and everyone working at the coop, from the people at the entry carefully guiding us in and keeping things sanitized to those working inside, and those clarifying LONG shopping lists for us, all have been kind helpful, efficient, cheerful and positive!! Amazing, through all this change! Just can't thank you all enough!

2020 FINANCE REPORT

The Finance Committee, chaired by the Board Treasurer, convenes monthly on the Friday before the Board of Directors meeting. The Finance Committee meets with the General Manager to review current financial reports and matters that impact the financial health of the Co-op. Committee membership is a healthy mix of current Board members and other Co-op owners with varied professional backgrounds, all with an interest in helping to ensure the Co-op remains on firm financial footing. The Committee considers each year the report of the annual financial review undertaken by an outside accounting firm. The Committee also reviews the Co-op's credit card portfolio, patronage dividends, pro-forma, and all matters appropriate for future investment in certificates of deposit and equipment maintenance costs.

David Balicki - Board Treasurer
bodfinance@belfast.coop

	2019-2020 FISCAL YEAR	2018-2019 FISCAL YEAR
SALES REVENUE		
GROSS SALES	\$ 9,291,336	\$ 9,235,636
LESS: DISCOUNTS	(170,214)	(233,094)
NET SALES	9,121,122	9,002,542
COST OF GOODS SOLD	5,849,273	5,752,647
GROSS PROFIT	3,271,849	3,249,895
OPERATING EXPENSES		
PERSONNEL	2,481,625	2,518,264
OPERATIONS	355,305	372,064
OCCUPANCY	132,673	154,378
ADMINISTRATIVE	102,839	103,545
DEPRECIATION	71,276	68,978
GOVERNANCE AND EDUCATION	25,403	37,268
PROMOTIONS	19,679	24,956
TOTAL OPERATING EXPENSES	3,188,800	3,279,453
NET INCOME (LOSS) FROM OPERATIONS	83,049	(29,558)
OTHER INCOME (EXPENSE)		
PAYCHECK PROTECTION PROGRAM INCOME	382,700	-
OTHER INCOME	32,759	7,204
PATRONAGE DIVIDENDS	31,325	12,429
MEMBERSHIP FEE INCOME	25	7,990
ABANDONED EQUITY	-	100,000
INTEREST EXPENSE	(16,079)	(18,120)
OTHER EXPENSES	(2,314)	(32,411)
LOSS ON DISPOSAL OF ASSETS	(5,867)	(8,986)
TOTAL OTHER INCOME (EXPENSE)	422,549	68,106
NET INCOME BEFORE INCOME TAXES	505,598	38,548
PROVISION FOR INCOME TAXES	48,953	(11,000)
NET INCOME	\$ 554,551	\$ 27,54



STRONGER FINANCIALS

STATEMENTS OF CASH FLOWS		
	2019-2020 FISCAL YEAR	2018-2019 FISCAL YEAR
CASH FLOW FROM OPERATING ACTIVITIES	\$587,635	\$39,594
CASH FLOW FROM INVESTING ACTIVITIES	(\$118,373)	(\$81,460)
CASH FLOW FROM FINANCING ACTIVITIES	\$77,498	\$16,964
NET CHANGE IN CASH	\$546,760	(\$24,902)
CASH AT BEGINNING OF YEAR	\$505,143	\$530,045
CASH AT END OF YEAR	\$1,051,903	\$505,143

CURRENT RATIO

2.15

DEBT TO EQUITY RATIO

0.6

TOTAL NET INCOME %

6%

STRONGER BELFAST CO-OP

\$9.3M

IN TOTAL SALES REVENUES

65.6%

OF SALES TO OWNERS

0.6%

SALES INCREASE OVER
PREVIOUS YEAR

\$33

AVERAGE
TRANSACTION

\$8.3M

2017

\$8.6M

2018

\$9.2M

2019

\$9.3M

2020

+4200

ACTIVE OWNERS

180

FULLY VESTED OWNERS

255

NEW OWNERS IN 2019-2020

\$95,402

IN OWNER DISCOUNTS

To illustrate the impact of Shop for Me on the Co-op's overall sales, this graph (R) shows both the total gross sales for the Co-op, but also what the sales would have been without the Shop for Me (SFM) service.



FY 2019 - 2020 PATRONAGE DIVIDEND

\$505,598 NET INCOME BEFORE PROVISION FOR INCOME TAXES

65.62% % OF SALES TO OWNERS

\$331,761 TOTAL PATRONAGE DIVIDEND

20% PATRONAGE DIVIDEND
PAYABLE IN CASH TO OWNERS BASED ON PURCHASES

\$66,352

80% PATRONAGE DIVIDEND
RETAINED BY THE CO-OP

\$265,409

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,

The Co-op has doubly benefitted this past fiscal year by both strong financial performance and a Payroll Protection Program loan from the Small Business Association that was fully forgiven. We

completed the application for the PPP loan in early April not knowing how badly sales would be disrupted or how damaging the pandemic was going to be for our enterprise. Even with double digit sales growth losses throughout our busiest season, we were still able to maintain a net-positive operation and finished out the year with over 6% net income. Our net income before the provision for income taxes for the 2019-2020 fiscal year was \$505,598. 65.62% of that was from sales to owners, so the total patronage dividend for the year will be \$331,761. 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 \$66,352, 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.

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

The Belfast Co-op would like to extend a warm and heartfelt thank you to the outgoing directors, Crystal Howard-Doliber and Kate Hanson. Crystal and Kate, 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.



We are looking forward to the upcoming director elections which will begin on February 28, following the Annual Meeting. There are six candidates running for six open seats, five three-year terms and one two-year term. With the election of these candidates, the Board will have all thirteen seats filled. For more information on the election please visit belfast.coop/board-election-2021

Board Development

The Board Development Committee's (BDC) charge reads "The Board Development Committee is responsible for ensuring the effectiveness, perpetuation, training, and education of the Board, and the accountability and transparency of its policies and processes". We work to fulfill these aspects through monthly meetings that are organized by the chairperson, and then reporting back our findings and/or making recommendations to the board at large on how to proceed.

We have divided our efforts into four areas: preparing the current Board for their governance work, monitoring Board policies, recruiting new Board members, and organizing the election of Board members.

Preparing the current Board for governance work has been particularly important this year because our Board members are so new to their jobs. The average length of service on the Board as of Dec 1, 2020 is about 1½ years. This means that each Board member has a steep learning curve to become

familiar with the demands of our governing system, policy governance, and to understand the responsibilities of their positions. To address these needs, we have expanded the new director orientation (and conducted it via Zoom this year), worked through our consulting company, Columinate, to encourage Board members to attend workshops in strategic leadership, policy governance, and finance. We organized the two part Annual Retreat that focused on issues of policy governance and the elements of successfully managing an expansion project. We hope to create a mentoring program for the new Board members to increase the depth of training and to respond more quickly to issues and questions.

The Board adheres to a number of policies governing responsibilities, behavior, and relationships with staff. Each month the BDC asks Board members to evaluate the Board's behavior on sections of these policies, reviews answers, and recommends actions. Comments from Board members also serve as guides for amending policies and organizing training. Perpetuating our Board is a key

responsibility of the BDC and of the Board as a whole. The pandemic has made some of the more traditional outreach efforts (events, tabling, etc.) more difficult. Instead, Board members are reaching out personally to possible candidates, sending out emails inviting new members- who expressed an interest in getting involved on their applications- to consider running for the Board and/or joining the Owner Engagement Committee, setting up Zoom information sessions, and working with staff to publicize the need for new Board members as well as the benefits of stepping up to provide leadership for the Co-op.

As part of the recruitment effort, we have also updated the nomination packet and worked to make sure that it is easily accessible on-line as well as in the store.

The BDC will continue to discuss ways to strengthen Board training, to help ensure that the Board follows its policies, and to reach out to owners who might like to be more involved with the Co-op's governance. Please let us know if you are one of those people! E-mail

boddevelopment@belfast.coop

Expansion Update Jan 2021

As many owners will know, since 2016 the Co-op has been actively exploring the feasibility of expanding and upgrading the Co-op's physical space. In 2018-2019, we held a number of forums and solicited comments to engage owners regarding general directions for expansion.

Since then, we have continued to explore expansion feasibility, but with some scaled back options. Why? Simply put, the initial options we explored – namely, a new or largely new building on the same site as the current Co-op – were well beyond our financial means.

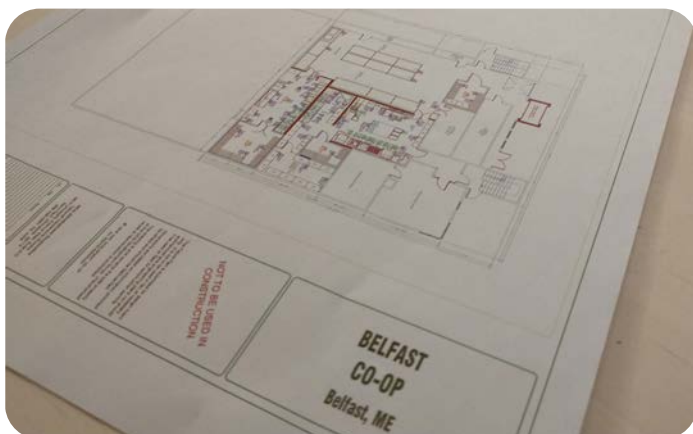
More recently, with expert guidance from expansion and remodel specialists at National Cooperative Grocers, we have explored remodeling the current physical space in order to make better use of the space, upgrading systems such as electric, heating and cooling, and investing in more efficient equipment such as coolers and compressors.

At the same time, Doug Johnson, our General Manager, has been working with his staff team and the Board of Directors to improve the Co-op's finances to position us to move forward with upgrades. Despite

COVID-19, the Co-op turned a healthy profit this past fiscal year, so those finances are looking much better than a year ago!

We will continue to reconcile our physical plant needs with our financial figures until we have a feasible proposal to share with our owners. In the meantime, please continue to shop at the Co-op, your trusted, locally-focused, and cooperatively-owned grocery store.

Please reach out to board@belfast.coop with any questions you may have about this or any other topic! Thank you for supporting our Co-op.



Owner Engagement

The 2020 Annual Meeting in March marked our last in person board meeting or activity of the year as we quickly pivoted to a new virtual reality of gathering. Typical in person engagement events were replaced with Virtual Happy Hours and Owner Forums and paper Rootstock articles were replaced with digital letters and videos from the Board expressing support and solidarity. We all adapted together.

This summer Owner Engagement took over for the adhoc Bylaws Committee to spread the word about proposed bylaws changes set forth by the board. After gathering feedback and hosting owner forums, the completely digital election ended with 529 owners voting in favor of the changes, 5 voting against, and 5

abstaining, and as such our new bylaws were ratified at our September board meeting.

Owner Engagement Committee has also worked to make the board more accessible to owners wishing to reach out or become more involved. Owners are encouraged to use the new feedback form on the board section of the Co-op website to reach out to us. Owners are also welcome to join us in Owner Engagement Committee meetings, in virtual classes and conferences with other Co-operators around the country, and at our monthly Board of Directors meetings. For more information or an invitation to an upcoming meeting or event, e-mail

ownercomm@belfast.coop

Expansion Readiness

The Expansion Readiness Work Group, formerly the Expansion Committee, spent the past year looking deeply at what expansion means and working toward board readiness for the process. This readiness process included meticulously combing through our Policy Register, reviewing a new market study and pro forma, and meeting with co-op consultants from Columinate with years of experience in expansion for a half day retreat. At the beginning of 2021 we began filling out a Self Diagnostic Tool for co-ops to figure out if they are organizationally ready for expansion. We will continue to work with this tool until we are able to confidently say we are ready. Finally, while rising material costs have changed the Co-op's focus from expansion to remodel, expansion continues to be a state of mind for the board-- how can we expand our offerings, expand our ownership, expand our community involvement? If you have any questions or comments regarding the expansion process please reach out:

expansion@belfast.coop

Assume Good Intent or A Tale of Two Co-ops

Doug Johnson - General Manager doug@belfast.coop



Looking back on the past year is like remembering something out of a dream. I know that there was a different reality in the recent past, one where we weren't obsessively occupied with the safety and comfort of our customers and workers, where we could focus on the business of selling groceries, where our actions were not inherently seen as political, but at times that world seems too distant to be relevant. If this last year has taught me anything, I have learned that our co-op is capable of overcoming great challenges, reinventing ourselves, and emerging stronger than before and that our community has the capacity for great kindness and compassion.

The first five months of the 2020 fiscal year saw us carrying forward the energy of the previous year and working towards the goals we laid out at last year's Annual Meeting. Sales growth going into March was in excess of 6%. Expenses were in line with budget and we were preparing for what I projected to be a record-breaking summer. Much of my time was occupied exploring expansion opportunities and developing a financial pro forma model that would allow us to take on a project.

All of that changed on March 12 when

the first positive case of Covid-19 was reported in Maine. I remember sitting in a meeting of Department Managers when a worker came to the door and said that we had better get up on the sales floor. The store was frenetic. It was like the height of summer with an added level of fear and chaos.

That Thursday sales were over \$41,000. Friday we did over \$54,000. Saturday was almost \$55,000 (for context, sales during that period were \$26K to \$28K in 2019). In total, we did over a quarter of a million dollars in sales that week, more than we have ever sold in one week in our history. We were not prepared for the panic buying that ensued. Toilet paper became a rare commodity. We could not keep canned beans in stock. On March 18 out of a preponderance of caution, we closed the cafe seating area, suspended all classes and events, and paused our pre-order program until the supply chain stabilized. March 19 we adjusted operating hours to allow more time to restock and sanitize the store. We also posted signage throughout the store outlining our expectations for customers. March 23 we launched the beta version of our curbside pick-up program, Shop for Me. The Board of

Directors met virtually for the first time. By the end of the month, we made the difficult decision to close the store on Sundays to allow workers a much-needed mental and physical break. Overall, sales in March were up 25.7% from the previous year.

In the first few weeks of the pandemic an owner sent me the Wendell Berry poem "Our Real Work" which I shared with our workers and which I still take inspiration from today.

The first week of April saw the inclusion of acrylic barriers at each of the registers, the inclusion of an "at-risk" hour, and we began limiting the number of shoppers allowed in the store at any given time in accordance with the Governor's executive order. To manage this added requirement of the operation, we created a new position: Co-op Ambassador. Charged with acting as both greeter and gatekeeper, explaining the expectations of shoppers as they enter the store, the Ambassadors have taken on one of the hardest jobs in the Co-op. Three of our sister Co-ops in the state closed their doors to the public and went to curbside only in response to the executive order. April 9 our Payroll Protection ...con'td...

"Our Real Work" by Wendell Berry

There are, it seems, two muses: the Muse of Inspiration, who gives us inarticulate visions and desires, and the Muse of Realization, who returns again and again to say "It is yet more difficult than you thought." This is the muse of form. It may be then that form serves us best when it works as an obstruction, to baffle us and deflect our intended course. It may be that when we no longer know what to do, we have come to our real work and when we no longer know which way to go, we have begun our real journey. The mind that is not baffled is not employed. The impeded stream is the one that sings.



...con'td... Program loan application was accepted. On April 20 we further reduced the operating hours of the Co-op, only being open to the public 11-6 Monday through Saturday. Starting April 20 we also implemented a mandatory health screening form for all Co-op workers that must be completed before they begin each shift and increased worker benefits in recognition of the additional challenges the pandemic has brought. April sales normalized to some extent and we ended the month up 1% from budget and up 5% from the previous year.

May 1 in response to the updated Executive Order from the Governor we began requiring facial coverings for all workers and shoppers. The announcement regarding this policy change on our social media pages was met with an unprecedented amount of vitriol. It was extraordinary. In response, our Board of Directors issued a public response in solidarity with workers that was equally extraordinary. By the end of the month our Bulk department went to 100% repacked product, eliminating the touchpoints of scoops and gravity bins. As the realities of the pandemic began to sink in in our community and in the larger world, we saw a considerable drop in sales volume. May ended up down 12.5% from 2019, a trend that would continue

throughout the summer months. On May 25 officers in the Minneapolis Police Department murdered George Floyd, a 46 year old black man. This gross injustice caught on camera sparked uprisings across the country in opposition to the brutality of systemic racism.

On June 10 we once again opened for business on Sunday. Our mantra in addressing the multitude of challenges that we were facing daily became "Assume Good Intent", in that we are all doing our best to navigate a difficult time and that our entire community was dealing with different permutations of fear in different ways. Seeing the rapid growth and utility of the Shop for Me program, we created a new administrative management position, IT & E-commerce Manager to oversee the program. On June 15 the Governor's office loosened the restrictions on occupancy limits to 5 customers per 1,000 retail square feet, allowing us 30-35 customers if we religiously followed the guidelines. The Management Team and I determined that we were not prepared for that volume of traffic and decided that

fewer customers per week compared to the previous year, which equated to over 100,000 fewer transactions.

July ended up being down 9.3% from the previous year and August sales were down 7.7% from 2019. The summer, normally the time of year where we make up the lost income of the winter months, came and went without much fanfare. We were able to cut back on expenses appropriately to keep the Co-op profitable despite the lost sales and the additional personnel expenses. As we headed into September and the end of our fiscal year it became clear that the summer tourist traffic that has historically been what allowed our downtown to thrive throughout the rest of the year was noticeably absent this year. Towards the end of the summer we began to see an influx of unfamiliar faces in the co-op, either new residents to the area or summer folks that were coming late to avoid overwintering in urban areas.

September sales were up 2.7% from the previous year and the preceding months have produced ...con'td on pg 11...

20 customers at a time seemed manageable for the time being. June sales were down 14.6% from the previous year.

July 1 we extended opening hours to 10-8 every day. Since the beginning of the pandemic we saw an average of 59%





HR Year in Review

Naya Flanzala - Human Resources Manager

The days following March 12, when Maine reported its first case of COVID-19, were a true test of how nimble our organization could actually be. In those first days we made radical and lasting changes to the operation in order to give us the best possible chance of surviving a market that was suddenly volatile and entirely unknown.

Closing the cafe seating area and temporarily suspending production in the Deli kitchen left several workers without the jobs that they had been hired to do, and in some cases had done for enough years that they became part of the fabric that is our community. In our Meat & Cheese department, counter service was suspended and focus moved to efficiency and planning around an increasingly unstable supply chain changing the focus and staffing structure of the department. Labor from these departments was redistributed through the store, most notably to the Front End, Produce, and the emerging Shop for Me program. Laying workers off was not an option

we were willing to consider. In addition, during those first days some of our workers decided to take personal leave and those who have chosen to return found jobs waiting for them.

Faced with the sudden changes to staffing, customer traffic, purchasing patterns, and supply chain disruptions, we made the only commitment that we could to our workers: we don't know how long this will last, or how long we can sustain this, but as long as you're willing to come in and be awesome, we'll do our best to make sure that there's work for you. Watching so many changes unfold, I was and am still amazed at the kindness, patience, and flexibility our workers have shown in circumstances that have fundamentally changed the nature of their work. Ten months into the pandemic, my heart is full of fierce pride in our worker community. While I don't know everyone's tally of loss, I know enough to convince me that some days, putting aside personal struggles to face uncertainty, fear, and sometimes jaw-droppingly poor behavior is truly a heroic effort.

I believe that each of us has lost some of our innocence in the last ten months. What I think we've gained is the confidence that comes from dealing with the impossible, and a keen appreciation for true kindness and connection. I can see it in the faces of my co-workers as they greet each other, and as they came together to mourn the loss of one of the brightest and longest-running threads in the fabric we are weaving. I can see it in the faces of shoppers: those who give sincere thanks for the service they are given, those who genuinely connect during the brief span of a transaction, and those whose continued calm, kind presence stands in stark contrast to the darkness that seems to be forever encroaching.

Driving home on New Years Eve, I saw the luminaries glowing a path into the new year, and reflected on how truly privileged I am to serve a community that in spite of great hardship continues to glow.

-Naya

naya@belfast.coop



*BASED ON THE MIT LIVING WAGE CALCULATOR

...con'td from pg 9...

double-digit growth over 2019. The drop off that we normally see between the end of the fiscal year and Thanksgiving didn't happen and sales have continued to stay uncharacteristically strong.

When I look back on this year and all of the struggles that we as a cooperative community have had to overcome, it really has been like managing two different co-ops. One, a successful mid-size co-op in a coastal town that deals with the complexities of selling groceries and democratic control. The second, a restorative and radical economic engine that kept a community fed and cared

for during a cultural collapse. Though the first one is nothing to shake a stick at, the second one is really something that every worker, Director, and owner should be proud to say they were an active participant in. No matter where you fall politically or ideologically, the reality of what we have been able to do in the face of often overwhelming obstacles and adversity is truly remarkable. We survived. We thrive. Cooperative values are alive and well in the midst of chaos. Self-help, self-responsibility, democracy, equality, equity, and solidarity, honesty, openness, social responsibility and caring for others mean more now than ever

before. As we look to the coming year, I am more hopeful now than I ever have been that this cooperative will rise to meet the needs of this community and realize its potential as an agent of change.

In solidarity,

-D



doug@belfast.coop



In acknowledgement of the work that has been done through the pandemic, the Co-op has increased worker benefits in hope that the changes will bring a little more ease into the lives of those who have worked so hard:

- The first week workers were paid for the greater of hours worked or hours scheduled and a \$2/hr premium was added to hours worked for that period to make up for hours lost.
- From March 12th - July 1st, the attendance policy was suspended to allow workers to adjust to the new reality.
- From May - December 31st, the Co-op paid the full premium cost of our base health insurance plan, and contributed an equivalent amount to workers in other tiers of plan.
- For 2021 the Co-op increased its contribution from \$355 to \$400 per worker in an effort to keep healthcare affordable for all full time workers.
- The worker discount was increased from 20% to 25%
- The Co-op doubled the yearly allotment of paid sick time for all workers. [This is in addition to FFCRA leave obligations, which only cover workers under certain circumstances.]
- The Co-op kept its commitment to bring all workers to a livable wage as calculated by the MIT livable wage model. This brings all workers above the newly increased state minimum wage.
- Co-op shoppers have continued to contribute to the Worker Appreciation Fund: distributed regularly to workers in proportion to hours worked. This gesture of kindness from the community we serve has been gratefully received.



Store Operations Year in Review

Jeremy Peskoe - Store Operations Manager

Here's a snapshot of the changes made in response to COVID-19:

What. A. Year. For the vast majority of the last 12 months, Operations, by necessity, has had to focus on the short term. Sometimes even just trying to figure out how to get through the day. Normally, this is fine by me. I consider myself to be a fine tactician and have learned to trust my instincts in the moment to get me through. 2020 pushed our skills to the limit, and beyond. I can't tell you how many times I've had to remind myself, and others, that we are Grocers. Not Scientists, not Politicians, and certainly not experts in navigating a pandemic. **Grocers.**

While I have occasionally struggled with even the idea of a silver lining, there have been more than a few. Many of our Owners have shown our staff and our organization phenomenal levels of empathy, compassion, and care. The vast majority have been regularly voicing their appreciation for the tough choices we have had to make in adapting our operations in these uncertain times. Our staff have also risen to the occasion in remarkable ways, showing herculean levels of resiliency and dedication. Now that 2020 is over, we are still facing a long road of uncertainty. What will 2021 bring? More of the same, or something new? Personally, I'm hoping for the latter. In the meantime, we'll continue to focus on one step at a time, make the best of each situation, make the best choices we can in the moment, and appreciate the love and support that we can bring to our community.

-Jeremy

jeremy@belfast.coop



FACE COVERINGS

We did our best to stay ahead of the curve and implemented requirements aligning with each Governor's executive order, or shortly preceding them.

CUSTOMER METERING

Throughout the pandemic, we upheld State guidelines to limit people in-store. We opted to reduce our maximum capacity below State recommendations to prioritize staff and customer comfort and safety.

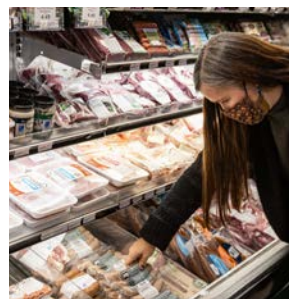


CAFE & CHANGES IN THE DELI

While initial information was unclear, we again opted for safety over sales and eliminated our made-to-order offerings and public seating. The Cafe then became the natural venue for our Shop for Me curbside pickup program. The kitchen adapted to provide more ready to eat meal options (Have you tried the enchiladas or tikka masala?!) and later reintroduced packaged sandwiches, salads, and self-serve coffee.

MEAT & CHEESE DEPT

Similar to the decision in the Deli, we opted to eliminate the service cases and refocus staffing on packaged offerings. The installation of our new cheese case (planned prior to the pandemic and installed right at the beginning) has been invaluable in offering more options as we lost some services.



STORE AMBASSADORS

We, alongside many other retail operations, introduced a brand new position. Staff are present and welcoming at the entrance to ensure incoming customers and vendors comply with our safety protocols through the pandemic.

IT & e-Commerce Year in Review

Heather Q Hay - IT & eCommerce Manager



The Co-op made some decisions in the last year that, in hindsight, seemed almost prophetic in how useful they were. Can you imagine weathering the pandemic without the new vestibule and the automatic doors? However, if I could nominate one prediction for being totally, wildly wrong, it would be the idea that online shopping and curbside service would never be popular in Maine, or at any co-op really. Doug and I had many conversations about how we would never really do curbside service. We both went to conferences that supported the idea that co-ops and co-op owners don't want curbside and online services. All of the data supported this. The Belfast Co-op actually had a rough draft of an online store just sitting in the wings, doing nothing. In September of 2019, we decided not to pursue it and to turn it off.

into contact with other people right now?" - The unexpected, sudden need for online shopping and curbside service became one of the many things being quickly organized by a determined group of wonderful people.

It took four days from the day that we decided to have curbside service to the first day of service. *Four. Days.* Shop for Me came out of the gate with a large mix of staff from all over the store, plus a great name and logo. *(Graphic design as stress reduction is a legitimate coping tactic,*

curbside service was now something that was appreciated, needed and expected of us. We committed to eCommerce being a new Belfast Co-op department. I applied, interviewed, and happily accepted the position of the IT & eCommerce Manager.

Since August, we have continued to serve the community, as people not only use Shop for Me for safety, but also for convenience, serving another 3,122 customers from August through December. The Shop for Me

\$507,592
IN REVENUES FROM
MARCH 23 TO OCTOBER 1
4566
TRANSACTIONS PROCESSED
\$112.41
AVERAGE TRANSACTION
(BASKET SIZE)



Let's talk about how wrong we were.

During the early days of March 2020, it became very clear that we had to enact safety precautions in response to the COVID threat. At the time, my title was IT Coordinator and my job was primarily back-of-house IT work, data reporting, and ad hoc project management. I also served as note-taker for the Management Team, which put me in the room with a lot of decision makers. As a result, when everyone was putting their heads together to organize our response, I became part of the conversation about how to best serve our at-risk customers. We answered the call, "How do we serve a community that can not come

right Doug?) The first week was bumpy and the second week we introduced scheduled shop times, which helped the workflow considerably. From April through July we operated with this basic system - processing 3112 orders!

In August we launched the current version of Shop for Me, where customers can view and order products like any other online shopping experience. The new system was a reboot of the one we turned off almost a year before, which made much of the setup easier. As we lead up to this launch, we made the newly informed decision that online shopping and

team is a stellar crew of customer service champions who can walk our customers through their virtual co-op visit - delivering that personal co-op experience that matters so much to all of us. We look forward to developing this department to serve the community for years to come and becoming a part of many people's Belfast Co-op experience.

-Heather Q
q@belfast.coop

see the graph on page 5 for a snapshot of SFM's effect on the Co-op's sales



Marketing Year in Review

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, helping with promotions and merchandising, managing owner records, and overseeing all outreach projects and activities from charitable giving to community participation to co-op educational and informational endeavors.

This fall Carisa Carney moved on from the Co-op after 4 years of being the Marketing Manager and I am grateful for all I learned from working with her for the prior 2 ½ years as Community Engagement Coordinator. Having been hired as her replacement in October 2020, I want to say thank you to Carisa on behalf of the Co-op for her deep commitment to supporting the greater Belfast community and building networks between area businesses and the Co-op. The year would have been very different without her.

In Spring of 2020 as we were excitedly tallying the votes for Common Cents 2021, all our efforts suddenly refocused to address messaging and coordination of our Co-op's response to COVID-19 and its effects on our Co-op community. We quickly suspended all traditional outreach activities and helped fast track the creation and messaging of the Shop for Me program, supported the Board as all meetings moved online, and coordinated the Support Our Downtown program to sell gift cards for neighboring downtown businesses in order to support our community through the early days of lockdown. As summer approached, our marketing efforts changed again as gardening became everyone's favorite hobby and the Co-op deepened our commitment to the Cooperative values, doing our part to increase awareness and understanding of the systemic racial injustices in our world. As masks began to become mandatory everywhere, the Co-op quickly stepped up even when

our social media became a lightning rod attracting angry comments from outside our community. Through this trying time, your words of encouragement and positive feedback did much to buoy our spirits.

Like everything, our Common Cents program also adapted. We moved the GBAM Foodbank to an earlier slot in April when the need was great and found new ways to innovate in responding to crisis. By partnering with WaldoCAP we were able to sponsor their WCAP CARES program which supported our community by purchasing meals from local restaurants and providing them free to veterans and elder-folk in our community. As a whole the Common Cents program has continued to be very successful and donations have not suffered greatly due to the pandemic thanks to the generosity of our Co-op shoppers.

...con'td...

STRONGER COMMUNITY

\$39,943

IN COMMON CENTS
DONATIONS TO LOCAL
NON-PROFITS

\$4500

IN CHARITABLE
CONTRIBUTIONS

\$2.9M

IN LOCAL SALES

33.2%

OF SALES FROM LOCAL
PRODUCTS



\$52,860

FARM FRESH REWARDS
INCENTIVES DISTRIBUTED

\$54,075

FARM FRESH REWARDS
INCENTIVES REDEEMED

\$445,79

SALES OF LOCAL
FRUITS AND VEGETABLES

...con'td... Above all, Co-op Principle #5 (Education, Training, & Information) drove our commitment to maintaining a steady stream of information to our owners and shoppers this past year. There were still blueberry preorders, bulk sales, and a steady stream of social media posts and eNewsletters, and

since in store contact was limited, we increased our ability to offer virtual services such as online owner sign-ups, forms to order holiday foods, and providing remote customer service to all.

It has been a year of learning and adapting and we will continue to deepen our commitment to our Co-op and our

community. We look forward to the year ahead- rising to meet the challenges and telling the story of what makes us great every step of the way.

-Jamie

jamie@belfast.coop

OUR ENDS STATEMENT

The Belfast Co-op exists so that our member-owners & 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 & ENVIRONMENTAL SUSTAINABILITY
5. AN INVESTED, ENGAGED, AND EMPOWERED STAFF THAT THRIVE IN A SAFE, RESPECTFUL, INCLUSIVE, AND EQUITABLE WORKPLACE

In Memoriam

There are few figures in the history of the Belfast Co-op who I would describe as titans, larger than life individuals who have shaped this organization and

this community through their tireless dedication and labor, and none loom larger than Ronald "Goldy" Goldstein. Goldy passed away quietly the evening of August 26th, 2020, leaving behind a legacy of cooperation that will stay with our co-op for the rest of our days.

Goldy grew up in western Massachusetts, graduated from UMASS Amherst, and worked for a number of years as a manager and roadie for local bands. He and his wife came to Maine in 1975 as homesteaders and moved to the Belfast area in the early 1980s. Goldy came to our co-op as a worker in 1994. He worked in several departments throughout his career, serving for nearly a decade as a member of the General Management Team. He built strong bonds in the community with local vendors and producers, understanding that

what differentiates the Co-op from other businesses is the dedication to supporting the local food economy and the commitment to building community. Goldy touched the lives of so many members of our community through his outreach and goodwill over the years and he mentored and trained countless workers throughout his tenure.

Whenever we lose someone that has significantly shaped our lives we are left wondering how to move forward. For many in our community Goldy was synonymous with the Co-op, so what does the Belfast Co-op look like without Goldy? I don't think any of us know just yet, but I believe that we can honor his memory by continuing the work that he began, building a better, more just, more charitable community and by caring for our neighbors.

Thank you for all that you gave us, Goldy.

- Doug, GM



photo: Kathy Piper

Belfast CO+op
BOARD
of directors

2021
**ANNUAL
MEETING**
OF OWNERS

A VIRTUAL CO-OP EXPERIENCE

FEBRUARY 28, 2PM



To attend live or watch later:
belfast.coop/annual-meeting-2021

everyone can shop, anyone can join

Want to become a Co-op Owner?

- Everyone is welcome to become an owner of the Co-op.
- Owners must buy equity in the Co-op to join:
minimum payment is \$15 per year until \$200 total equity is paid.
Full equity is \$200/adult- no further payment will be due at this time.

Sign up online @ belfast.coop/become-an-owner
or in-store at customer service



The Owner Rewards Program is a new way to reward our owners for shopping at the Belfast Co-op. Points are earned on every purchase, every day! For every dollar spent on local products owners earn two points, with one point earned per dollar spent on all other products.

Details @ belfast.coop/owner-rewards

The more you shop, the more you save!

Common Cents 2022

Community non-profits are welcome to apply
for our round up at the registers program.

Details @ belfast.coop or info@belfast.coop

voting by Co-op Owners will be held online in Mid-2021

Belfast Co-op is proud to support the work of

**Maine Harvest
Federal Credit Union**

MHFCU is the only fully-regulated financial institution focused on growing a healthy, local food system in Maine through government-guaranteed deposits. We understand small farms and food production businesses, we see their value, we know the challenges they face, and we're on a mission to help more of them thrive.

Find out more: maineharvestfcu.coop



**SUPPORTING OUR LOCAL
FARMERS & PRODUCERS**



MAINE HARVEST
FEDERAL CREDIT UNION