

Belfast Community Co-op Board of Directors Meeting

September 22, 2022, Public meeting commenced at 6:00 pm; hybrid meeting at Belfast Community Co-op Administrative Office and via Zoom teleconference

Directors Present: Kristin Clements, Ernie Cooper (vice president), Susan Cutting (president), John Krueger (treasurer), Valerie Tate (secretary), Collin Thompson

Absent: Sasha Breus, Cristiane Gil, Elaine Mack, Charlie Pattavina

Staff: Doug Johnson (GM), Emily Berry (scribe)

Owners: Annie Bussiere, Jamie Cermak, Naya Flanzala, Alessandra Martinelli, Edward Sheridan, Amory Willcox, Michael Walter

Agenda Review

Several changes to the agenda were proposed: the monitoring of policies B1 - Financial Condition & Activities and B2 - Business Planning & Financial Budgeting be moved to *Board Administrative Matters* under e. *Finance Committee*; the addition of *Amendment to Articles of Incorporation* as item c. under *Board Administrative Matters*; and the addition of *CFNE Letter of Commitment* as item f. under *Board Administrative Matters*. The BOD accepted the proposed changes to the agenda by consensus.

Owner Comments

Edward expressed his hope for an owner forum to discuss the renovation project. [Susan reminded the group of previous forums about the renovation project that were open to all member-owners, including recent Q&A sessions with Doug and other Board members.].

Amory spoke up to let the BOD know that she was grateful to be able to attend the meeting. She is new to the Belfast area and is interested in Board work.

GM Reporting

Alignment

Doug will be giving Alan Singer, loan officer from LEAF, and Chris Lender, loan officer from CFNE, a short tour of the store on September 23. He will also be meeting with Adrienne Fine, civil engineer, and Thomas Jonak, from Caleb Johnson Studio, to prepare for the Planning Board meeting on September 28.

Doug attended the NCG Fall Meeting in Minneapolis, which he found inspiring, and related that there are many things the co-op sector is working on nationally that could have a lot of positive impacts for our Co-op in the future.

GM Update Report

CDI has agreed to be the Co-op's fiscal sponsor for the Capital Campaign.

BOD Stipend

Currently BOD officers receive a \$50/month stipend, equaling \$600/year. At this rate officers would be considered a 1099 contractor and would be required to pay taxes on their stipend compensation. The BOD made a motion to lower officer compensation to \$45/month and, with Ernie abstaining, the motion passed.

Board Administrative Matters

Consent Agenda

The BOD accepted by consensus:

1. The minutes of the August 25, 2022 BOD meeting;
2. Policy C8 - Governance investment as in compliance; and
3. The resignation of Edward Sheridan, with thanks for his years of service.

BOD Recruitment

The BOD currently has three open seats which can be filled through appointments, which would last until the next

election.

Valerie introduced Amory Willcox to the BOD as a potential candidate. Amory is passionate about co-ops, experienced with local food systems, has worked with NCG co-ops in the past, and understands the Co-op's Ends and values. In addition to Valerie, Amory has met with Ernie, John, Sasha, and Alessandra (Outreach Coordinator), her resume has been sent to all directors and she will be sending her letter of interest to the BOD. The BOD will discuss her appointment at the October meeting.

Amendment to the Articles of Incorporation

It has come to the BOD's attention that the Co-op is no longer in compliance with the Articles of Incorporation filed in 1979. The Articles stipulate that the total number of authorized membership shares are 1000, which the Co-op has surpassed. In order for the capital campaign to solicit loans from the full ownership, Co-op owners will have to vote to increase the number of authorized shares, updating the Articles and restoring compliance.

The BOD approved by consensus amending the Articles of Incorporation to increase the number of authorized membership shares through a vote of the owners.

Meeting Date

The BOD agreed by consensus to change the day of the monthly BOD meetings going forward from the fourth Thursday to the fourth Wednesday of each month.

Ad Hoc Committee to Draft an Expansion Committee Charter

The ad hoc committee met in September and found that an Expansion Committee was not necessary at this point, any decisions or issues arising from the coming renovation and capital campaign can be adequately addressed by the full Board or existing Board committees. They concluded that their work was completed and the committee should be disbanded. The BOD agreed by consensus to disband the ad hoc committee.

Cooperative Fund of the North East (CFNE) Letter of Commitment

The BOD received the official letter of commitment from CFNE in regards to the renovation project loan, outlining terms and conditions. The BOD will be reviewing this letter and scheduling a special meeting to approve the signing of the letter.

Finance Committee

FinCom noted that the numbers for August were good and as this is a difficult time, particularly in terms of inflation, this reflects the hard work of the staff.

The FinCom reviewed the monitoring reports for the B1 - Financial Condition & Activities and B2 - Business Planning & Financial Budgeting policies. They recommended the BOD accept B1 as written; in partial compliance due to one metric, days of cash on hand, falling below the median. They expressed no serious concern with this metric as the days of cash on hand is still high at 38.5.

FinCom has several recommendations for the B2 monitoring report. First, they recommended removing part of the Executive Summary in the 2022-2023 Business Plan which states that the renovation will allow the Co-op to compete more effectively by introducing WIC eligible products. This recommendation was prompted by the language in the Co-op's bylaws "... to operate an economically viable, member-owned and -controlled organic and natural foods and products distribution system...". FinCom would like to see a full board discussion on this topic. Operations will continue to explore bringing WIC to the Co-op. And second, FinCom recommended the budget and plan be recast and reviewed in 6 months.

B1 - Financial Condition & Activities

The BOD accepted by consensus the B1 - Financial Condition & Activities monitoring report as in partial compliance with section B1.3 and full compliance with the remaining sections.

B2 - Business Planning & Financial Budgeting

The BOD accepted by consensus the B2 - Business Planning & Financial Budgeting monitoring report as in partial compliance and the recommendations from the Finance Committee to remove WIC language from the Executive Summary of the '22-'23 Business Plan and to recast the budget in 6 months.

Capital Campaign

The Capital Campaign Team reported that the attorneys are working on the disclosure documents for member-owner investors. The CC team also has verbal agreements to \$77K in loans from directors and an additional \$105K from core owners. Co-op staff has given the CC team a list of potential investors and community leaders who are Co-op owners. Chris Battaglia, a local videographer, will be making 60-90 second videos for the campaign, which will include testimonials. The CC team will be sending out official announcement letters to all owners and is looking for help hand-addressing envelopes.

Owner Engagement Committee

October is National Cooperative Month and OEC will be hosting a video screening. The BOD agreed by consensus to spend \$120 to reserve the Boathouse for the event.

The BOD agreed by consensus to hold the Annual Meeting on Sunday, February 26, 2023 with a snow date of March 5.

The BOD agreed by consensus to host a hybrid Annual Meeting with the Hutchinson Center as the in-person venue.

Board Development Committee

BoDev reviewed the use of the CBLD contract for the past year and recommended renewing the CBLD contract at the early bird rate in October. This recommendation was based on what Columinate offers in terms of director education and consulting, as well as timing; as the Co-op moves forward with renovation the support and education that the CBLD program provides is invaluable and unparalleled.

The BOD agreed by consensus to renew the CBLD contract for 2023 at the early bird rate.

The BOD would like to know what the options are for alternative consultants within Columinate and requested that BoDev explore this.

BoDev offered the following language for the Board Guidelines regarding consultants: "We're currently contracted with Columinate for consulting, and have been since 2014. We will use its consultants unless the Board goes through a process, is fully informed, and consents to the need and any additional costs for using a consultant outside of Columinate." The BOD accepted this language by consensus.

Homework

Full BOD

1. Take DI policy poll
2. Send questions re: CFNE letter to John by Monday, Sept 26

Doug

1. Submit a broad project management plan
2. Look into the effects of parking on income from pro forma or early market study

All Committees

1. Send items for consent agenda to officers

Officers

1. Discuss in-person meeting opportunities

Board Development Committee

1. Process for addressing alleged violations to the Code of Conduct
2. 2023 educational plan
 - a. Incorporate WIC / product mix education

3. Recommendation on placing BOD stipend in policy
4. Recommendation on bringing in alternative consultants

Owner Engagement Committee

1. Plan BOD work for the 2023 Annual Meeting
2. Look into Common Cents organizations at the A.M.

Susan

1. Organize BOD training with Ben Sandel (when appropriate)
2. Send doodle poll to BOD re: CFNE letter

Sasha & Emily

1. Review BOD guidelines & policies re:
 - a. Responding to employees
 - b. Communication norms (esp. email)

Debrief

Directors were given the opportunity to share comments, concerns, gratitude, and insights regarding the meeting.

Meeting adjourned at 8:37 pm. Minutes respectfully submitted by Emily Berry, scribe.