

Belfast Community Co-op Board of Directors Special Meeting Minutes

December 27, 2024, Public meeting commenced at 10:00 a.m. via Zoom.

Directors Present: Corinne Burr, Ernie Cooper (Vice President), Susan Cutting (president), Rio Greeley, John Krueger (treasurer), Jim Miller, Charles Sterbach, Valerie Tate (secretary)

Absent: Todd Bluhm, Collin Thompson

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

Owners: Jamila Levasseur, Joe Pearl

Board Meeting Approval

Ernie clarified that the board's bylaws require 7 days' written notice for meetings, but a shorter notice can be agreed upon if necessary.

The BOD agreed by consensus to hold this special meeting.

Agenda

This special meeting agenda had one topic: approval of a NCG loan. The BOD approved the agenda by consensus.

NCG Loan

A director expressed disappointment about needing a loan but was pleased with the favorable terms offered by NCG.

Another director questioned the loan agreement's lack of clarity regarding potential changes in the amounts of pre-existing loans from CFNE and member-owner loans. It was suggested that these changes should be acknowledged in writing by the lender. Doug agreed to check with NCG about the potential changes in the CFNE loan amount. It was also suggested that the NCG's terms should be acceptable to them, and if additional loans from CFNE are sought, that's a concern for CFNE, not the BOD.

The following background was provided by the Board Secretary for the benefit of owners who were in attendance: The renovation came in on budget. We are ahead of projections for sales. We are paying our bills on time. We are busier than we've ever been at this time of year, which is great for our seasonal business. However construction took 3 months longer than planned, and we lost the revenue during the summer that we count on to carry us through the lean months of winter. In order to maintain 10 days of cash on hand, while also stocking shelves and paying workers, Operations is working diligently to manage cash flow, reduce expenses, maximize sales, reduce unnecessary inventory, find discounts and rebates, and leverage attrition by reallocating labor. Our fractional Chief Financial Officer through Columinate Financial Services recommends that, since co-ops run better when financial security is assured, we should pursue multiple sources of funding to get us safely through the winter with a cushion of support until our coffers are replenished in the spring. We are about to increase our line of credit with the Cooperative Fund of the Northeast by \$150K. Our decision today is about a Co-op Assistance Loan of \$150K from our association, National Cooperative Grocers (NCG) at an interest rate of 4%. CFNE, NCG and our CFO see these loans as bridge financing and fully expect that the spring will bring us back to stable footing.

The BOD approved by consensus the terms of the NCG loan of \$150K at 4% interest.

Owner Comment

One owner expressed her concern about the Israeli products being sold in the store, drawing parallels between the situation in Gaza to the Holocaust during World War II. She called on the BOD to take a stand and boycott Israeli products; and suggested a referendum of owners on the topic.

Another owner introduced himself as a Jewish, echoed the sentiments expressed by the previous owner, and expressed his surprise and confusion at seeing Israeli products in the store seemingly for Hanukkah that were not appropriate for the holiday.

The Board President acknowledged the pain and difficulty of the Israel-Palestine conflict.

The Board Secretary provided background information about the deliberation and action by the Board following the initial comments from three owners on the subject. She referred to signage identifying country of origin in the

produce department; the Board's research into how other Co-op's are responding; the Board's alignment with the recent statement of the National Co-op Grocers (NCG) on the Israel-Palestine Conflict which is reproduced on the Co-op website; and the rights of shoppers to refrain from purchasing products from Israel. She noted that the General Manager has a plan to make sure that product displays are appropriate for future holidays. The Board Vice President clarified that regularly scheduled meetings include owner comment periods at both the beginning and end of the meetings during which Board directors listen, but do not engage in dialogue with owners regarding their comments at that time.

Next steps

- Doug will check with Robin at NCG to clarify that the total loan amount from CFNE may change.
- Doug will confirm with NCG that they acknowledge the potential for increased member loans in the future.
- The BOD will consider including the Israeli product boycott topic in the agenda for the next meeting during the upcoming agenda planning meeting.
- Doug will review the Hanukkah product display and ensure appropriate items are included for future holidays.

Public meeting adjourned at 10:24 a.m. Minutes respectfully submitted by Emily Berry, scribe.