

Belfast Community Co-op Board of Directors Meeting Minutes

March 26, 2025, Public meeting commenced at 6:01 p.m. Abbott Room of the Belfast Free Library and via Zoom.

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

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

Owners: Jamie Cermak, Babette Cohen-Solal, Beth Dickinson, Gina Ferendo, Becca Lane, Randy Mercer, Joseph Pearl, Ivy Richter, Ashleigh Russell, Michael Walter, Nicolle Whalen

Preliminaries

Agenda Review

The BOD approved the agenda by consensus.

Announcements

An owner changed her capital campaign loan to a donation. The directors expressed their gratitude and will be sending a thank you note.

There are Columinate trainings coming up which are required for new board members. The Explorations in Policy Governance series begins on April 1st, the next virtual CBL 101 will be held on April 12th, and the spring session of Financial Training for Directors will begin on April 29th.

The BOD will host the next Tea and Talk on Tuesday, April 8th at 5:30pm in the Co-op's Cafe.

The BOD is invited to participate in this year's annual Keeping Belfast Beautiful. The Marketing Dept will provide additional details about joining the clean-up team.

Owner Comments

None.

GM Reporting

Alignment

The Co-op hosted Bhoomi Devi Seeds, a local no-till seed company, for a pop-up event in the store on Saturday, March 22nd. The event was well received by Co-op shoppers, who could ask questions directly to the vendor and purchase seeds.

The Co-op will begin a four week targeted campaign that will double owner rewards points when they shop in specific departments. This campaign will highlight Earth Day, as well as the bulk department, wine selections, and meat & seafood. This will be the first targeted campaign of its kind that the Co-op has tried.

GM Update Report

The BOD noted that the gross sales reported for February look great and the preliminary numbers for March are showing sales up 37% over last year. The February data shows basket size in-line with this time last year, well above pre-pandemic (2019 & early 2020) levels and customer count significantly higher than this time last year, more in-line with pre-pandemic levels, which indicates an increase in sales.

The GM reported that the biggest struggle in the kitchen has been ensuring there is enough labor to keep up with demand.

There is a cash register built into the kitchen's external counter and operations expects this will be utilized in the summer. Additionally, the front end could use the register installed in the service office and the hand held POS for smaller purchases during busier times.

The BOD was excited to see silverware available in the cafe. Customers are allowed to take the silverware with them when they leave the Co-op and bring it back when they are done. Silverware can also be donated. All silverware will be sanitized before it is made available for use.

The Co-op's plans for Revision Energy to install solar panels in April will move forward on this timeline, even with potential issues caused by tariffs.

The BOD discussed not seeing the Co-op's electricity costs going down despite the new energy efficient equipment.

One big reason is that the Co-op now has significantly more equipment than before the renovation. Doug also clarified that the Co-op is no longer using oil, it relies on electricity and propane for power and heat. Doug should be finding out if the presentation proposals submitted for this year's CCMA were accepted on March 28th. Any accepted proposals will include registration fees for those presenters, additionally, Doug applied for and was granted two scholarships to cover registration. There are funds set aside in the BOD budget to send two directors, which would be used to cover travel and lodging. Any directors interested in attending should let Doug know by April 13th.

Board Action Items

Consent Agenda

The BOD accepted by consensus:

1. The February 26, 2025 BOD minutes and
2. Policy CI– Governing Style as in compliance.

B1 – Financial Condition & Activities

This B1 monitoring report addressed 2024 Q4 Oct, Nov, Dec. This was the first quarter in over a year that the store had been fully operational. Within the B1 monitoring report, compliance for several sub-sections of the policy is based on the Co-op coming in at or above the median value for various key indicators compared to co-ops in the same size range. This quarter the Co-op was below the median in a number of areas. Labor is the area of most concern, which affects, for example, sales per labor hour and gross income. The treasurer will be meeting with the Co-op's new fractional CFO, Joe Doura, on Thursday, March 27 and they will discuss why the Co-op is not meeting the target and what can be done to improve. Q4 is historically one of Co-op's slowest quarters and it is expected that some of key indicators would not meet the median goal. Because of the Co-op's seasonality, historically winter labor has balanced out with the summer months. Despite the issues with labor, there were only two sections of the policy that were not in compliance, and these sections were about solvency and days of cash on hand. There was partial compliance on some things, like sales per labor hour. Part of the plan for improvement is inventory reduction. Although there is a high rate of inventory turnover, which means that products do not stay on the shelf very long, the Co-op doesn't need to have as much inventory on hand as it does. With three deliveries per week, there is plenty of opportunity for items to be replenished through UNFI. Doug is working with NCG to negotiate with UNFI to send the Co-op a fourth weekly delivery on Saturdays, which would mean an even greater opportunity for inventory reduction and the deliveries on each truck could be smaller, which would have an impact on labor. One of the directors expressed how helpful it would be to have the report include the number of hours worked per month.

The BOD discussed seasonal labor reduction, however, this can be more costly due to onboarding, etc., and seasonal labor reduction has never been something the Co-op has supported.

Currently, the Co-op doesn't have the cash reserves to bring on more labor, which would generally happen at this point in the calendar year, to prepare for the busier summer months. Instead the Co-op is investing in cross-training various workers so they can jump into different departments as needed.

With inflation, operations is staying diligent and keeping on top of price and margin audits to make sure that items are priced appropriately.

The BOD accepted by consensus the B1 – Financial Condition and Activities monitoring report as in non-compliance with sections B1.3 and B1.4, partial compliance with the Global B1 and B1.2, and full compliance with B1.1, B1.5 – B1.15.

B4 – Membership Rights & Responsibilities

The BOD discussed that the notification owners were given regarding special meetings was not consistent with regularly scheduled meetings.

The Co-op's year-end financial review, which determines if a patronage dividend distribution is possible, has not yet been completed by Wegner CPAs. Completing the fixed asset declaration post renovation has taken longer than

expected. As there was no net income for the fiscal year, there will not be a recommendation for patronage dividend distributions.

Directors noted that the number of ballots cast in the 2025 BOD election was down from the past two years, although still well above quorum.

The B4 monitoring report also addresses owner's rights to request the BOD buy back their equity investment thus terminating their ownership. The Co-op going bankrupt is the only scenario in which these requests would no longer be fulfilled.

The BOD accepted by consensus the B4 – Membership Rights & Responsibilities monitoring report as in compliance.

C2 – The Board's Role

The BOD discussed the process of holding the GM accountable, which is through monitoring the B policies. It was expressed that this could be more effective if the BOD and GM set goals, measurable, achievable, and mutually agreed upon, at the outset of the monitoring period. The BOD expects to experience this going forward with the updated B2 policy, where they will be working with the GM to develop the next year's business plan. The BOD could also review policy D2 which lays out what accountability and successful GM performance looks like.

The BOD also discussed section C2.7 which states that the BOD will recruit qualified candidates. Currently, the BOD is just looking for candidates. It was suggested the BOD develop a skills matrix, which would establish a specific set of skills the BOD is looking for each election cycle. The BOD will be looking at honing their nomination process and perhaps forming a nominations committee.

The BOD accepted by consensus policy C2 – the Board's Role as in partial compliance with a plan for improving the nominating process.

Board Training Requirements

The BOD Guidelines set out the expectation that new directors will participate in a number of specific trainings within their first two years of board service. The Board Development Committee presented a recommendation for updating these guidelines. The BOD offered feedback and asked the committee to look at requirements for ongoing education for senior directors. The committee will revise their recommendation and present it to the BOD at a future meeting.

Board Discussion Items & Committee Reports

Annual Self-Evaluation

Each director was given an opportunity to reflect on their Board service during the past year.

Finance Committee

In his meeting with Joe Doura, the Co-op's new Fractional CFO, John will be discussing if the Co-op needs to move forward with a small capital campaign (targeted requests). Currently all sources of cash available to the Co-op are being used.

The financial goal is to have 10 days of cash on hand. For the BCC, \$40,000 is one day of cash on hand.

Owner Engagement Committee

The next Tea and Talk will be held on April 8th. Committee updates are found in the monthly meeting notes.

Strategic Work Committee

The Strategic Work Committee is looking for additional members.

Board Development Committee

The monthly meeting notes for the Board Development Committee included a recommendation to establish an Executive Committee. The BOD will review this recommendation in a future meeting.

Board Election

In the 2025 BOD election, 737 ballots were cast by owners in good standing, exceeding the 10% membership quorum, making the election valid. In this uncontested election, Kevin Cope, Ernie Cooper, Jim Miller, and Kim Relick received votes totaling more than 25% of the total valid ballots cast, and were therefore elected to the Board of Directors.

The BOD accepted by consensus the results of the 2025 BOD general election, thereby ratifying the election and officially seating Jim Miller, Kim Relick, Ernie Cooper, and Kevin Cope for three year terms. The BOD extended their gratitude to the departing directors, Charles, Corinne, and Collin for their service. Each made huge contributions to the BOD!

Closings

Owner Comments

None.

Debrief

Corinne thanked the BOD for taking her on as a fellow board member. She appreciated the space and opportunity to ask questions and learn. It was a rich experience and she was grateful to be with the BOD for the last two years. John thought the two hour meeting was good and the BOD has become much more efficient.

Homework Items

Full Board

1. Respond to all policy polls
2. Sign up for April Tea & Talk
3. Send feedback on the values process to the SWC
4. Let Susan and Doug know if you are interested in attending CCMA before April 13th

Owner Engagement Committee

1. Offer a possible framework for a Common Cents celebration that BOD members can consider and respond with ideas.
2. Learn about intersection of Marketing and OEC roles and responsibilities
3. Implement process for Board member calls to new Owners who express interest in serving on the Board and/or committees.
4. Evaluate how Owners and broader community view the current Ends Statement and share with SWC
5. Discuss using the Ends Report as the basis for an Owner Forum (possibly in conjunction with SWC)

Board Development Committee

1. Develop a plan in discussion with Thane to better utilize Columinate.
2. Re: Columinate Trainings
 - a. Flesh out the BOD Guidelines for training expectations for new & senior directors
 - b. Develop a system of compliance for utilizing Columinate services
 - c. Conceptualize ways trainings could be done as a group
 - d. Develop a Columinate services evaluation plan
3. Examine recruitment and nomination process in regards increasing the number of candidates and looking at C2.7 "qualified candidates"
 - a. Skills matrix?
 - b. Forming a nominating committee?

Strategic Work Committee

1. Stay on track with environmental sustainability and climate change as our first strategic initiative; review statements and policies from other Co-ops; consider recommending a clear commitment within our Ends and/or our policy register
2. Meet with Doug for conversation about goals and process; and his thoughts about incorporating environmental sustainability into our Ends and/or policy governance.
3. Find a grocery store leader in environmental sustainability and/or local food systems we could invite as a speaker for future owner forums. Check with Thane and Doug.
4. Discuss whether or not Board needs multi year plan
5. Discuss using the Ends Report as the basis for an Owner Forum (possibly in conjunction with OEC)

Doug

1. Update the Board introduction to the NCG Statement on Israel-Palestine Conflict, noting that the Co-op would provide country of origin information as possible.
2. Make sure we recast the budget in 6 months. Add the row for depreciation.
3. Include new indicators in the Update Report: cash & monthly hours
4. Compile resources in prep for April meeting re: what's happening in the grocery business

Susan

1. Talk to Thane about organizing local training

Public meeting adjourned at 8:05pm. Minutes respectfully submitted by Emily Berry, scribe.