

**Blue Hill Co-op Board Meeting**  
March 15, 2011 Blue Hill Public Library, Howard Room

Board Members Attending: Keith Herklotz, Chip Angell, John Miller, Ruth Sullivan, Allison Watters.

Absent Board Member: No absent directors

Others Attending: Michael Luciano (Interim General Manager), Steve Benson (facilitator), Julia Klein (minute taker), Mia Strong (owner, former board member), Henrietta Clews (owner, former board member), Eileen Mielenhausen (staff), Mark Scarano (owner), Chris Ramsay (owner)

Julia Klein, minute taker  
Steve Bensen, meeting facilitator  
Keith Herklotz, decisions and tasks,  
Allison Watters, time keeper

Approval of February 15, 2010 Meeting Minutes: **The minutes were approved with no changes.**

Time Open to Owners:

- Chris Ramsey alerted the directors that board meeting minutes have not appeared consistently on the Co-op's website and have been spotty and difficult to access.
- Henrietta Clews expressed her concern regarding the use of policy governance in board operations. She feels that it has crippled the board, restricted its power and ability to function, and has turned it into a rubber stamp. Based on her experience serving on other boards, she views policy governance as unnecessary and would like to see it eliminated.
- Mia Strong expressed her frustration after having attended the February board meeting and leaving angry at the way the recruitment of new directors was handled by the board, and at personal comments directed toward her. She stated that if policy governance is used, it should be applied consistently rather than situationally. Also, the Nominating Committee should consist of more than one person. Finally, she expressed her disappointment at the "badgering" of a prospective board member which apparently resulted in her declining to sit on the board.

**Director's Response:**

- The Secretary, in response to Chris –has updated the archived minutes as of March 15th.
- The Vice President, regarding policy governance – This system could be utilized to ensure accountability to the owners, but instead it has become bulky and misused. Change is needed.
- Chip, in response to Mia – The whole board should function as the nominating committee.

New Board Member: **A proposal was made and approved to accept Allison Watters to serve as a director.** Allison was warmly welcomed by board.

Chip's Board Member Status: **Chip Angell was removed from service on the Board of Directors by vote due to failure to adhere to the cooperative principles upheld by the board, in spite of previous requests for change. With two thirds of the board in consensus that this matter required immediate action, 3 directors voted for the motion, 1 voted against, and 1 director abstained. According to Chip's desires this matter was determined in open session.** A lengthy discussion was held beginning with the reading of a letter to Chip, written by the other directors, which stated the board's intentions for his termination and detailed the charges. Policy concerning termination was then reviewed, directors voiced their concerns, and Chip's responses were heard. The letter and minutes of the full discussion are on file and available upon request.

Market Study Release: **A proposal was made and approved that the Store Relocation Committee will expand a letter to the owners composed by Keith Herlotz to include a more complete summary of the market study. Sensitive information will remain confidential. The summary will be approved by the board before release to the owners.** Discussion was held regarding the implications of releasing the full Market Study to the owners.

GM Search Committee: **A proposal was made and approved to accept an adjusted GM Search Committee budget in which the allowance for meals was reduced by \$200, and lodging by \$300, increasing the funds for recruiting to a total of \$1700.** Money may be added to the budget at a later date for travel, lodging and meals if necessary. **Proposals were approved for the Timeline and the GM Job Description. The Mandate was tabled for the next meeting. The discussion of the GM Compensation was tabled for executive session.**

GM Report: The interim GM reported that income in January of 2011 had increased 1.5% over January 2010. February yielded a lower income due to store closures on 3 snow days. The GM reported on consultant fees accrued between July 2006 and February 2011 and demonstrated how they impact the store. **Michael will compile a report of unbudgeted moneys spent on consultation with NCGA last year, particularly via phone. A director requested that the GM clearly mark all documents sent to the board for ease of access.**

GM Monitoring Report: **A proposal was made and approved to postpone the monitoring of A2 until the April meeting. This will allow the Board to decide what will be expected from Interim GM in this report. Also, Michael will be relieved of the D7- Ownership report in April. However, he will obtain ownership numbers from Eileen to present next meeting. The board will email a sample A2 report to Michael.**

Freedom Panels: **A proposal was made and approved to allow a capital expenditure of no greater than \$12,000 to update Freedom Panels in the Co-op cash registers with efforts made to keep the cost to a minimum. The Interim GM will inform the board of current pricing. A director suggested that since the new Freedom Panels have**

a life expectancy of only 5 years, other cash register systems which allow for cost efficient updates should be priced for the future.

Relocation Committee: The Treasurer presented a summary, in response to Bob St. Peter's request that owners be informed of the status of the relocation process, which may be distributed in the newsletter and at the store. Highlights from the summary were as follows: the Relocation Committee is considering existing buildings as well as property outside of downtown with capacity for a 5000 square foot store with 64 parking spaces; the timeline for the new store is roughly 3 years from the initial study; Once property is secured, information may be released and the process will move forward. The Co-op is currently in good financial standing to be considering relocation. **Relocation information will be emailed to Allison to update her on the proceedings.**

Meeting Evaluation:

Agenda for April Meeting:

GM Search Committee Mandate

A2 – GM Monitoring Report

GM – Ownership Numbers

Due Date for the Board Packet: Items for the board packet will be due on **Saturday, April 9, 2011.**

Next Meeting: **Tuesday, April 19, 2011** 6:30 - 9:00 PM Blue Hill Public Library, Howard Room.

Minutes respectfully submitted by Julia Klein