

Blue Hill Co-op Board Meeting
April 22, 2021, via Google Meet

Board Members Attending: Jo Barrett, Diane Bianco, Cheryl Boulet, Jenny Brillhart, Aaron Dority, Deborah Evans, Jerome Lawther, Jennifer Traub, Martha Shepherd (Staff Position).

Absent Board Member(s): Tim Tunney.

Others Attending: Julia Klein (Minute Taker), Kevin Gadsby (General Manager).

Julia Klein, minute taker

Diane Bianco, meeting facilitator, timekeeper

Jerome Lawther, task and decisions

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Open Owner Time: Diane welcomed Jenny Brillhart to the board of directors and invited her to speak. Jenny shared her background with Maine and her family's path to Blue Hill.

Jen raised a question on behalf of a friend and Co-op owner regarding the expected timeframe for installing electric vehicle charging stations. Kevin explained that several owners are inquiring, and that installation has been delayed due to a change in the configuration of charger sites. The installation expected by May is delayed by contractor availability and should occur in June. Electrical wiring is ready, but towers will be placed. The board inquired regarding charger specifications. Kevin responded that there will be two dual-port chargers, totaling four stations. Tesla's efficient chargers were cost prohibitive, so mileage won't be optimal.

Approval of Minutes: **Jo moved to approve the March 25, 2021 board meeting minutes with suggested edits. Deborah seconded the motion. The motion unanimously carries.** Julia presented the new process for sharing and suggesting edits to the minutes.

Decisions Process: The decision-making procedure was discussed. The board clarified that according to the consensus process unanimous approval is assumed. Only dissenting or abstaining votes are recorded individually.

GM Monitoring:

GM Monitoring Report B1- Kevin took questions on his report. Aaron thanked Kevin for a helpful report but agreed that debt is high, and depreciation is skewing the numbers. He asked how Kevin expects to see the debt ratio change with increased summer sales. Kevin responded that profitability will grow, however, metrics are not likely to change significantly. Favorable change in metrics requires a substantial reduction in debt service. Kevin and Tim crunched numbers and confirmed that adjusting the rates significantly improves metrics. Tim sent around a preliminary RFP. CFNE responded that they are willing to work with the Co-op. Kevin noted that the official RFP will go out in July after second quarter financials are in. Aaron asked whether a written plan with steps exists for Co-op's future. Kevin responded that this is in progress.

Jo raised a question regarding waste and shrinkage in the P&L, noting improvement. Kevin responded that irregular shopping with COVID resulted in increased waste in some departments, such as café and produce, while other departments did well.

Cheryl observed that B1 has recently been voted to be in compliance, with debt ratios technically out of compliance, while in the past the report was voted knowingly out of compliance. Discussion ensued regarding whether compliance should indicate that a reasonable interpretation and expectation has been met, or whether non-compliance should indicate that the metrics in policy have not been met despite the GM performing according to expectation. The pro forma predicts non-compliance and negative net income through year 3 with a turn-around in year 4. Kevin stated that he is willing to continue assessing B1 as knowingly out of compliance.

Financial Conditions – Q1: Kevin reported that the first quarter is on track to exceed sales projections by another 15%. He noted that he will reclassify a few store service expenses from the quarter to clarify their sources, highlighting a snow plowing bill for the season of \$12,000. Jen suggested putting plowing out to bid in the future to reduce cost. Kevin also noted that March payroll is up due to there being a 5th week in March 2021. **Jerome moved to accept the GM financial report B1. Aaron seconded the motion. The motion unanimously carries.**

Finance Committee: Jen took questions on behalf of the Finance Committee in Tim's absence. Lengthy discussion ensued regarding sharing financial reporting with the public through posting minutes and financials. Deborah noted that the bylaws outline responsibility to report to the owners but not to

the general public. Financial summaries are distributed to owners at the Annual Meeting. Kevin commented that it is common practice in Co-ops to post minutes, bylaws and annual reports though not full financial reports. **The board decided to reinstate a quarterly summary of board happenings in the newsletter.** Diane will write the first summary. Kevin will ask marketing to revise the sign announcing the next board meeting from stating “all are welcome” to “all owners are welcome.”

Cheryl opened discussion regarding opening a new investment offering toward restructuring the Co-op’s debt and enabling the payment of dividends on the original investments. She suggested a targeted solicitation of new owners to increase owner investment. She asked for board approval for Kevin to pursue legal counsel regarding a new offering. Discussion ensued and concern was raised about seeking more investments while dividends remain unpaid on the originals. Kevin noted that types of investments and timeframe need to be explored. July is an ideal month to target summer people returning to the area. He also emphasized that messaging is critical in public perception, noting that many co-ops have used this process to pay down original debt. **The board agreed that Kevin should hire a lawyer to research this investment option.**

Board Monitoring

Update on Board Seats - Deborah and Jo gave a summary of the board elections-themed webinar they recently attended. Electronic voting was discussed at length and best voting software was identified. This software allows for paper ballots for owners who need them. Attendees from other co-ops reported drastic increase in voting participation with electronic voting. Kevin commented that Co-op staff have been researching electronic voting and emailed a link to e-voting software to the board. He noted that the process is simple and easy to implement.

Jo commented that attendees were aghast regarding the Blue Hill Co-op board’s policy to consist of 3-15 directors. In preparation for the September election directors agreed to discuss the recent decision to open 12 board seats with Jade Barker in light of her recommendation for around 9-10 directors.

Board Training Seminar – Diane announced that she has scheduled a board training session with Jade Barker of Columinate. The training will be held over Zoom on Tuesday evening, May 18, 2021. Diane will confirm the starting time. Training topics will include an overview for new board members. Diane asked

directors to email her with questions for Jade. Directors discussed Jade's previous trainings and affirmed their great benefit to the board.

Annual Meeting – The Annual Meeting will be held on Thursday, September 23, 2021 with the monthly board meeting to follow. Diane met with Jennifer Coolidge and Max Mattes to plan for providing food from the Café. Wine and beer will be served with glasses. Number limits and indoor/outdoor gathering will be determined per COVID recommendations at the time. Kevin and Diane will present reports. Diane invited directors to email her with other ideas for the Annual Meeting.

Jen noted that any bylaw changes must appear on the ballot with director candidates. The board will discuss an inconsistency found between the bylaws and the policy register with Jade.

Director Resignation – **The board accepted Susan Snider's resignation from the board of directors.** Diane shared plans to invite recently resigned directors to the Annual Meeting to formally acknowledge their years of service to the Co-op throughout relocation. Kevin will remove Susan's bio from the website and bulletin board.

C3 Agenda Planning - Jerome presented a summary of policy C3 and shared his assessment that the board is out of compliance due to lacking a multi-year work plan. He noted that strategic planning exists in such documents as the calendar and mission and ends statements, however there is no single comprehensive plan. Discussion ensued. The board noted that for years the strategic plan was to relocate into the new store building. Having accomplished this, it is time to craft a plan for the future. Kevin clarified that the plan written by the board will be distinct from store business planning and budgeting. Kevin will share existing plans with Jerome, and the board will work with Jade Barker to create a work plan. **Jen moved that the board is out of compliance with policy C3 Agenda Planning, with a plan for compliance. Jo seconded the motion. The motion unanimously carries.**

Questions for Jade Barker:

Bylaw/Policy Register Inconsistency

Crafting a Work Plan

Number of Board Seats

Agenda:

GM Report

Finance Committee

Annual Meeting Preparation

C4 Board Meeting – Jen (Directors may email questions regarding the policy to Jen.)

Meeting Evaluation: Overcame technical difficulties!

Due Date for the Board Packet: Items for the Board Packet will be due on Monday, May 17, 2021.

Next Board Meeting: Thursday, May 27, 2021, 6:30-8:30PM, via Google Meet.

Minutes respectfully submitted by Julia Klein