

**Blue Hill Co-op Board Meeting**  
April 28, 2022, Blue Hill Co-op Café

Board Members Attending: Jo Barrett, Diane Bianco, Jenny Brillhart, Aaron Dority, Deborah Evans, Jerome Lawther, Jennifer Traub, Tim Tunney.

Absent Board Member(s):

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

Julia Klein, minute taker

Jerome Lawther, meeting facilitator, timekeeper

Jennifer Traub, tasks and decisions

Meeting commenced at 6:04 PM.

Approval of Agenda: **Jo moved to approve the agenda with a change. Diane seconded the motion. The motion unanimously carries.**

Open Owner Time

Kevin commented that plastic cake containers as well as other containers have been replaced. New ceramic mugs have been ordered for the café.

Approval of Minutes

**Jo moved to approve the March 24, 2022, Board Meeting Minutes with no changes. Diane seconded the motion. The motion unanimously carries.**

**Jo moved to approve the March 24, 2022, Executive Session Minutes with no changes. Diane seconded the motion. The motion unanimously carries.**

GM Monitoring

B-1 Financial Conditions - Kevin began by expressing that this was a difficult quarterly report to produce. Quarter 1 contained many variables resulting in nominal 2.2% growth. Compared to the 50% growth of 2020 and 60% growth of 2021, Kevin commented that he expected a retraction in growth but not to this degree. However, NCG statistics show that Blue Hill is among the few co-ops experiencing growth currently. Variables include snow days in January 2022, while 2021 had none, and the full moon sale which occurred monthly in 2021. Kevin's calculations revealed that without these variables 7% growth may have been possible, indicating that lost days deeply impact sales.

Kevin went on to explain the \$48,000 discrepancy found in the prepared food department's use of perpetual inventory. He shared that he received the recommendation to exclude this department from perpetual inventory because it is prone to error and is accurate only when every invoice is recorded immediately with updated prices. Kevin explained that he reminds departments to update costs in every meeting. Unfortunately, all recent growth in the café's volume and profitability has been negated by the discrepancy since costs were not being updated amid inflation. Consequently, the café has been forced to focus on costs and Kevin hired a consultant from NCG. The café was removed from perpetual inventory in mid-March.

Kevin took questions from the board. He affirmed that the discrepancy is due to failure to update costs and record shrinkage accurately and that the perpetual inventory system is effective in every other department when compared to the physical inventory. Aaron commended Kevin for his handling of the situation. Jo asked about tracking shrink. Kevin responded that he has established systems to resolve shrink issues and has assigned a staff member to update costs daily. He shared the consultant's comment that the situation is workable due to the Café's growth. Tim asked about loss mitigation. Kevin responded that he feels this is under control at 2-5%. The NCG consultant is also working to establish improved systems for recording waste. Follow-up check-ins are scheduled, and a contract has been established in the Café regarding monitoring loss.

Kevin expressed that he felt unable to report compliance with subsections C and D considering these indicators and having drawn on the line of credit more than anticipated. Discussion ensued regarding compliance. The board determined that Kevin presented a reasonable interpretation of difficult realities, some of which are affecting all co-ops. The board expressed support for Kevin and appreciation for his wise handling of difficult circumstances.

Kevin noted that the plan to increase base wage has stalled due to the slump in growth. The board inquired regarding the long-term plan. Kevin responded that he is looking to Quarter 2 numbers before developing a plan. He is currently maintaining dialog with staff regarding the issue. The Co-op is retaining staff with priority given to full-time and long-term employees. Kevin reported that a staff issue led to disciplinary action firing this staff member. Kevin consulted with the attorney, and with the staff's history of action prior to determining discipline. **Tim moved to accept the GM report with the exception that subsection D should be noted as in compliance. Deborah seconded the motion. The motion unanimously carries.**

#### Board Monitoring

C3 Agenda Planning – Jenny shared her assessment of C3 with the board noting that the Strategic Planning Committee's work will assist compliance with item 1. Jenny suggested a wording change in item 1 and made notes. Jen will add the suggestions to the calendar for review and confirm that policy wording review is scheduled for November. The board discussed item 2, clarifying the agenda approval process, and noting that the agenda is a draft until approved at the meeting. Julia will record approval of the agenda in the minutes. **Jen moved to accept policy C3 as in compliance. Aaron seconded the motion. The motion unanimously carries.**

Board Training – Aaron will email the board to gauge interest in the CBLD webinar in August. He will investigate registration details. The Co-op will cover costs.

GM Evaluation – Jerome emailed a GM Evaluation summary to the board and commended Kevin for his work. The board echoed the commendation and expressed appreciation for Kevin.

Board Development – Deborah shared plans for her and Jo to meet with two potential board candidates. One is interested in serving immediately to fill the vacancy. The other candidate is considering whether her schedule will accommodate board service. Discussion ensued regarding identifying and vetting candidates, and bylaws were consulted. The board discussed whether to pursue more candidates than available seats, resulting in a competitive election. Jen commented that she identified an owner on the list with bookkeeping expertise who may be able to contribute

to the Finance Committee. The board agreed to invite potential candidates to apply for board service but avoid guaranteeing a seat. It was noted that owners may also serve on a committee and receive a 10% working member discount.

Board of Director's Handbook – Jo shared the current handbook with the board and suggested updates, including switching from a printed document to a digital document within Google drive. She recommended removing board contact information as Co-op emails are the current form of contact. Jo offered to check for congruence between the bylaws and the handbook and noted that some wordsmithing will be required. Jen will change the handbook format to Google docs. The updates will be completed after elections. The board thanked Deborah and Jo for tackling this task.

Finance Committee – Tim presented a recommendation from the committee to pay redemptions maturing in 2020 and 2021, totaling \$72,100, using funds in reserve. The committee clarified that there is no restriction on the use of the reserve funds according to the bylaws. Kevin is crafting communication to owners regarding the option to donate their funds to the Co-op rather than redeeming, noting that the investment must be redeemed first, but owners then may choose to donate it back to the Co-op. **Deborah, moved to accept the Finance Committee's recommendation to pay investment redemptions of \$72,100 which matured in 2020 and 2021. Diane seconded the motion. The motion unanimously carries.**

#### Agenda

GM Report

Finance Committee

Board Training – Webinar Decision

Board of Director's Handbook – Jo

C4 Board Meetings – Jo

Board Development - Deborah

Meeting Evaluation: Lots of clarity!

Meeting adjourned 7:31 PM.

Due Date for the Board Packet: Items for the Board Packet will be due on Thursday, May 19, 2022.

Next Board Meeting: Thursday, May 26, 2022, 6:00-7:30 PM, Blue Hill Co-op, Café.

Minutes respectfully submitted by Julia Klein