

Blue Hill Co-op Board Meeting

January 15, 2019, Blue Hill Public Library, Howard Room

Board Members Attending: Susan Snider, Mia Strong, Deborah Evans, Diane Bianco, Jim Picariello, Edie Dunham, Martha Shepherd (Staff Position), Jerome Lawther

Absent Board Member(s): Tim Tunney, Aaron Dority

Others Attending: Julia Klein (Minute Taker), Kevin Gadsby (General Manager), Bruce Stahnke (Architect)

Julia Klein, minute taker

Mia Strong, meeting facilitator, time keeper

Jerome Lawther, tasks and decisions

Approval of Minutes: **Susan moved to approve the November 28, 2018 Minutes with no changes. Jerome seconded the motion. The motion unanimously carries. Susan moved to approve the December 18, 2018 Minutes with a minor omission. Jim seconded the motion. The motion unanimously carries.**

Open Owner Time: No owners were present.

Relocation: A donation of \$250,000 toward green construction has been confirmed. This generosity is very significant and unprecedented in co-ops! Potential future relationship with the donor has been discussed.

Bill Gessner will not be returning to the relocation project as he is still in recovery. Another CDS representative has replaced him. More discrepancies altering the cash position have been found in the pro forma. Kevin is working to incorporate the donation into the pro forma. Phase 3 fundraising will be adjusted to reflect the donation. Lenders would like to close in February. Complexities of allocating funding in the pro forma were discussed. Kevin opened a line of credit of \$250,000 for working capital allowance with Bar Harbor Bank which is currently under review.

The board reviewed a memo from Kevin and entered a discussion of financial strategy toward closing on the loans. **Jerome moved that reduce the Phase 3 investment maximum from \$600,000, to \$300,000 allowing for funds to be released once \$150,000 fundraising threshold is met. Jim seconded the motion. The motion unanimously carries.** Kevin explained the process for adjusting the phase 3 investment threshold. The board discussed reducing the line of credit to \$150,000 for working capital which would accelerate approval.

Bruce presented the project guaranteed maximum price of \$424,000,000 which is subject to a few remaining cost savings. Bruce explained the process has been messy but generating the GMP was imperative. As pricing for cost reduction measures comes in, the number will drop.

Bruce presented a list of 7 items he feels should be added back. Decision deadlines are January 16 for some and others March 31st after closing. Susan requested a copy of the list. The addback total is \$152,584. A flooring decision between polished concrete or other materials is imminent. Kevin and Bruce shared their differing recommendations. Discussion ensued. Mixed flooring may be used in different areas. **Jerome moved to reallocate the floor budget up to original amount of \$23,180 leaving**

the choice of flooring to the GM and the architect. 7 directors were in favor of the motion and 2 opposed. The motion carries.

Edie moved to approve reallocating the remaining 6 items the architect outlined giving the GM discretionary powers regarding the appropriation of the items. Jim seconded the motion. The motion unanimously carries.

GM Reports: Kevin reported that the Co-op broke 3 million in sales this year for the first time ever! This was one of the best quarters ever! Membership and all other aspects are thriving. November is the first in 14 months to dip in sales due to turkey being smaller than usual. The Café and produce are doing great! Kevin is consulting with the attorney regarding paying out dividends. Fresh bread sales are down due to short supply. Other suppliers were discussed.

The new store opening date is being slated for summer 2019 but has been delayed by the ground freezing. The board inquired about the café manager for the new store and Kevin responded that he will settle on a hire in the next few weeks.

The current lease runs through June and can be adjusted to month by month. Transition to the new store and liquidation of old equipment will be discussed in spring. Negotiation with the landlord is needed on how to leave the building.

Board Monitoring: The board decided to resume the monitoring schedule after the store opens.

Agenda:

Relocation

Meeting Evaluation: Intense!

Due Date for the Board Packet: Items for the Board Packet will be due on Saturday, February 16, 2019.

Next Meeting: Tuesday February 26, 2019 6:30-9:00 PM, Blue Hill Public Library, Howard Room.

Minutes respectfully submitted by Julia Klein