

Blue Hill Co-op Board Meeting
January 27, 2022, Blue Hill Co-op Cafe

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

Absent Board Member(s): Diane Bianco

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

Julia Klein, minute taker

Jerome Lawther, meeting facilitator, timekeeper

Jennifer Traub, tasks and decisions

Open Owner Time: Deborah shared that in a recent visit to the café she was able to hear a video conversation through the room. As noted in the December meeting, Kevin will follow up on creating signage for the café tables regarding video and cell phone conversations.

Approval of Minutes: Aaron moved to approve the December 16, 2021, Board Meeting Minutes with no changes. Jen seconded the motion. The motion unanimously carries.

GM Monitoring: Kevin opened his report stating that the refinance was a success, and the Co-op will begin to see savings in February! He noted that the lenders were thrilled to work with the Co-op.

B1 Financial Conditions – Kevin reported a 50% growth rate for much of 2021 but showed that growth trailed from October through December with rates of 4.5%, 6.1%, and 1.4% growth month to month over 2020. Kevin expressed surprise at the drastic decline, noting that December showed the lowest rate since the store opened. Budget projections were not attained due to the drop, however sales jumped from 5.7 million in 2020 to 7.4 million in 2021 showing excellent growth overall. The Café grew 70%. January 2022 has had several snow days amounting in an estimated \$40,000 loss in sales to date. Kevin cited major supply issues and shortages, drastic price changes, and high operating costs as the cause of the drop in growth. He noted that the savings of \$75,000 per year in interest will improve the financials. 2021 saw 397 new owners join the Co-op, the highest to date in a year. Kevin noted that the Giving Tuesday concept fizzled out after a single donation to the Co-op. Kevin will follow up with an owner who expressed interest in donating. Deborah requested that the board receive notification from Kevin when he places monthly financials in the shared folder.

The board discussed compliance and decided that, due to the board decision to take on debt, and in the presence of a reasonable explanation, the board is knowingly out of compliance with some ratios and should report compliance with B1. Jen noted that considering this understanding, April 2021 should have been reported in compliance. Jen will consult the April minutes and add clarification to the GM Monitoring Table regarding compliance. Tim noted that the debt service coverage ratio requirements are not included in the new loan agreement. Kevin will consult sales trend reports from NCG as he begins work on the 2022 budget, accounting for the current sales plateau. **Tim moved to approve Kevin's B1 Financial Conditions monitoring report as in compliance. Deborah seconded the motion. The motion unanimously carries.**

Refinancing – Tim shared details regarding the refinance explaining higher than expected closing costs. The Co-op worked with CEI and CFNE to settle on the final costs and Tim noted that, despite the increase, the price was excellent for the work that went into the process. Deborah noted the refinance closed at an ideal time for securing interest rates before the predicted spike.

Kevin reported that he obtained an estimate of \$11,400 for tiling the walls in all three bathrooms as planned in original designs. He asked for the board's opinion on the expenditure. Discussion ensued and the board offered their support of the project. Kevin may extend the tiling to include the Café walls as they are showing signs of wear.

Board Monitoring

D4 Monitoring GM Performance – Deborah presented her assessment of policy D4 as in compliance. **Jen moved to approve Deborah's D4 monitoring report as in compliance. Jo seconded the motion. The motion unanimously carries.** Deborah requested that board documents submitted by directors include the author's name, the date, and a title for clear identification.

Board Calendar Evaluation – Jen opened a review of the Board Calendar. She noted that current editing permissions allow any director to make changes leading to confusion. Kevin will assist in setting permissions for the secretary only to edit the calendar. The calendar will be reviewed as needed. Jen will manage edits and keep the updated calendar in the Upcoming Meeting folder. Discussion and decisions to update the 2022 Board Calendar were as follows:

- Board Monitoring: Jen will remove policy section headers from the monitoring calendars.
- Board Training: Aaron will research board training opportunities to be added to the 2022 calendar and will report to the board.
- Annual Meeting Date – Kevin suggested moving the annual meeting earlier in the year to increase the relevance of prior year reporting. Discussion ensued. Deborah recommended leaving the annual meeting in mid-September but supplying financial reports to the owners after processing end of year finances. Financial reporting at the Annual Meeting would highlight the first two quarters of the current year. The board supported the suggestion. Jen will remind the board to begin annual meeting preparations in June. Kevin will look into circulating 2021 annual financial reports in June.
- GM Compensation Committee – The committee will meet to sort out scheduling of GM Compensation review tasks and report at the next board meeting. The calendar may be adjusted for the 2022/2023 cycle.

Strategic Leadership Committee Report – Jenny reported that the committee meeting of six participants generated many ideas for Kevin to consider implementing in the store. Reusable café dishes, less obnoxious plastics in the bakery and grab-and-go cases, and stickers on produce were highlighted. The committee agreed to start with easy solutions and move forward from there. The café manager is looking into alternative plastics. In their research the committee found that NCG and many other Co-ops are working hard to reduce plastic, though efforts are stalled due to

supply chain issues. Jenny will follow up with Kate Tomkins who offered to write an article on compost for the Co-op newsletter.

Vacant Board Seat - A question was raised regarding whether the board should seek to fill the open seat which expires in October. The board Development Committee will consider pros and cons of appointing a director prior to the next election and will report at the February board meeting.

Customer Credit Accounts – The board discussed the creation of a customer credit accounts program, modeled after Weavers Way Co-op of Philadelphia’s EZ Pay program, as suggested by owner Greg Paulmier. Kevin will research the offering.

Strategic Leadership Program – Kevin presented a new program offered by Columinate training GMs in the creation of a strategic plan for the Co-op and board monitoring of the strategic process. A completed Strategic Plan is the intended outcome. The program is offered via a retreat-based model costing \$7,500. The board discussed the opportunity and affirmed the value of the time and monetary investment. Kevin noted that the cost falls under an existing budget line item. The board confirmed that the information would be transferable to future GMs and that the committee will be involved in the process. Kevin’s participation in the program received full board support.

February Board Meeting Date: The board agreed to reschedule the February board meeting to Thursday, March 3, 2021, to accommodate February vacation. The March board meeting will be held on Thursday, March 24 as scheduled.

Agenda:

GM Report

Finance Committee

Vacant Board Seat – Board Development Committee

C1 Governing Style - Diane

Meeting Evaluation: Expertly run!

Executive Session: GM Compensation

The Board recessed to Executive Session at 7:40PM.

The Board closed its Executive Session and reconvened the public meeting at 8:25PM.

Tim moved to adjourn the meeting; Deborah seconded. The meeting was adjourned at 8:25PM.

Due Date for the Board Packet: Items for the Board Packet will be due on Monday, February 21, 2022.

Next Board Meeting: Thursday, March 3, 2022, 6:00-7:30 PM, Blue Hill Co-op, Café.

Minutes respectfully submitted by Julia Klein