

**Blue Hill Co-op Board Meeting – December/January**  
January 12, 2023, Blue Hill Co-op Café

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

Absent Board Member(s): None.

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 called to order at 6:02 PM.

Approval of Agenda

**Jo moved to approve the agenda with adjustments. Anne seconded the motion. The motion unanimously carries.**

Open Owner Time

Julia commended the variety and competitive pricing of organic produce at the Co-op making a recent special diet easier. Jo noted the new “Did you Know” feature in email blasts highlighting aspects of ownership and explaining how to take advantage of email receipts, bulk ordering, etc. The board asked Kevin to report on responsiveness to “Did You Know” regarding e-receipts.

Approval of Minutes

Jen noted that while the B8 GM monitoring report is listed in the minutes no discussion or vote is recorded. Discussion ensued and the board decided to approve B8. **Anne moved to accept B8 as in compliance. Jo seconded the motion. The motion unanimously carries.**

Jen highlighted a statement under Bylaw Changes Update, and clarifying discussion ensued. Edits were made and the bylaw regarding termination of ownership will be referenced in the minutes. **Jen moved to approve the December 1, 2022 (November) Board meeting minutes with changes. Jenny seconded the motion. The motion unanimously carries.**

Google Drive

Jerome explained how to avoid deleting files in Google Drive due to a recent incident. Discussion of settings ensued, and it was suggested that all materials be sent to Jerome (President) or Jen (Secretary) for uploading into the Drive. Jen, Kevin, and Jerome will discuss settings. Kevin will review permissions with Stan.

2023 Board Calendar

The board discussed changes to the calendar. Jerome will adjust the GM Compensation and Evaluation schedule for the next meeting. Jen presented the new board monitoring assignments and noted that, due to the combined December/January meeting, two monitoring reports will be in February. Tim will report on D4, and Aaron will report on C1. The Annual Meeting timeline will be reflected in the new calendar.

### Election and Annual Meeting

Jo and Aaron compiled a list of items to remember or improve for the next election cycle. Aaron presented the list and noted goals to increase turnout and reduce overall cost and staff time. Aaron will email the memo to the board. Jo and Deborah have scheduled several tasks and Deborah has the list of invalid emails. Staff will cross reference for correct email addresses.

Jo and Deborah presented a suggested countdown to the June 22, 2023 Annual Meeting. They proposed leaving the vote open for a week after the meeting rather than closing at the meeting. This would focus the meeting on generating excitement about voting and candidates. Jen inquired whether the bylaws support the change. Jo responded that bylaws have been examined and the change complies. Jen asked whether the timeline allows for an owner to petition for a board seat. Jo responded that a template for petition will be created and owners desiring to run would need to collect signatures by April 22, 2023. The board suggested that the opportunity to petition could be presented in Did You Know. Jo, Jerome, and Anne need to confirm their interest in reelection by the next meeting. A notifying postcard will be the only mass mailing for the election, reducing postage costs significantly. **Jo moved to approve the Annual Meeting to be held on Thursday, June 22, 2023, with the monthly meeting to follow. Jenny seconded the motion. The motion unanimously carries.** Kevin affirmed that the June annual meeting will work with the financial reporting schedule, and he will be able to produce the annual report. Jen will adjust the calendar for the meeting and the annual reports.

### Finance Committee

Tim presented the committee's patronage dividend recommendation based on 2021 financials. Due to a loss and no net savings the committee recommended that the Co-op does not have funds for patronage dividends. The committee will meet again before the next board meeting to review the decision-making process and develop a tool for board authorization of redemptions, investment dividends, and patronage dividends. Discussion ensued regarding definition of legally available funds, reviewing whether past patronage dividends have been determined correctly, and creating a tool that is consistent, reportable, and defensible. Jen noted that the debt service covenant ratio which bound legally available funds has been eliminated with the refinance.

Discussion turned to redemptions. It was noted that the Co-op is not obligated to redeem an investment unless requested, though the Co-op can compel redemption as done this year. Reminders could be sent out 60 days before investments are due allowing the board time to prepare for redemption requests. It was noted that legally available funds depend on cash flow, and redemption impacts cash flow. Patronage dividends may be distributed only after redemptions and investment dividends have been fulfilled.

Tim highlighted the retained patronage number on the balance sheet which has remained the same number for years and noted that the issue is convoluted. Kevin will reach out to Bernstein Shur for clarification, a legal and accounting firm dealing with Co-ops. Kevin will also review previous communication with the usual accountant for clarification. **Tim moved to accept the Finance Committee's recommendation that the Co-op is unable to issue a 2021 Patronage Dividend based on operations. Deborah seconded the motion. The motion unanimously carries.**

Tim shared a BDN article on the Belfast Co-op's plans for a \$6.1 million renovation. Tim will email the article to the board. The board expressed appreciation for when and how the Blue Hill Co-op relocation was accomplished!

#### GM Compensation Committee Charter Approval

The board reviewed the charter. Anne and Jen questioned wording regarding the number of people needed on the committee. Clarification and wordsmithing of items 4 and 5 ensued. **Anne moved to approve the GM Compensation Committee Charter as amended. Jo seconded the motion. The motion unanimously carries.**

#### Board Monitoring

D3 Delegation to the GM - Jo presented her report and shared her assessment that the board is in compliance with D3. **Deborah moved to accept policy D3 as in compliance. Jenny seconded the motion. The motion unanimously carries.**

#### GM Monitoring

B9 Emergency GM Succession - Kevin presented his report and noted excellent team results from the Confidence of Ability Survey and compliance with other areas. **Jo moved to accept B9 as in compliance. Jenny seconded the motion. The motion unanimously carries.**

B2 Planning and Financial Budgeting – Kevin created a draft of the 5-year budget forecast with actuals for 2022 and is waiting for the financial review. 2022 showed 2.7% growth. Weeks one and two of January 2023 have seen 14% growth. He noted the challenge of projecting financials in this strange economic climate and is working with a template. He is also working with NCG who has joined with a few Co-ops to innovate a new financial reporting system. Kevin noted that this has been helpful for charting and comparison and will be incorporated into reporting for the next 5 years.

Tim raised a question about income tax prediction. Kevin responded that he uses standard and existing benchmarks to forecast but he is unsure how the accountant predicts it. Depreciation is a factor. Kevin will follow up about the 5-year forecast for provision for income tax. **Anne moved to accept B2. Jenny seconded the motion. The motion unanimously carries.**

#### Agenda

GM Reports - B1 Financial Conditions, Ends Report

D4 Monitoring GM Performance -Tim

C1 Governing Style - Aaron

Board Training - Aaron

Calendar Adjustment - GM Compensation and Evaluation

Meeting Evaluation: In-depth!

Recessed to Executive Session: 7:30 PM - GM Compensation

Reconvened Public Session: 7:38 PM

**Tim moved to accept the amended GM compensation proposal discussed in Executive Session. Aaron seconded the motion. The motion unanimously carries.**

**Tim moved to accept the GM contingency pay as discussed in Executive Session. Jo seconded the motion. The motion unanimously carries.**

Meeting Adjourned: 8:30 PM

Due Date for the Board Packet: Items for the Board Packet will be due on Thursday, February 9, 2023.

Next Board Meeting: Thursday, February 16, 2023, 6:00-7:30 PM, Blue Hill Co-op, Café.

Minutes submitted by Julia Klein