

**Blue Hill Co-op Board Meeting**  
June 24, 2021, Blue Hill Co-op Cafe

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

Absent Board Member(s): No absent board members

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

Julia Klein, minute taker

Diane Bianco, meeting facilitator, timekeeper

Jerome Lawther, tasks and decisions

Open Owner Time: No owners present.

Approval of Minutes: **Jo moved to approve the May 27, 2021 board meeting minutes. Deborah seconded the motion. The motion unanimously carries.**

GM Monitoring:

GM Monitoring Report

B5 Treatment of Customers – Kevin shared his assessment that customers are treated well. He is quick to respond to concerns and interact until owners are satisfied. He noted that even unpleasant interactions throughout this difficult year have always ended on a positive note, with one exception. He commented that NCG offers a third-party customer satisfaction survey known for its helpful feedback. This may be utilized in the future.

Kevin took questions from the board. Tim inquired about the operation of the Co-op's custom HVAC and refrigeration system. Kevin responded that since working out initial issues with the system and with maintenance personnel it has worked well with few glitches. **Aaron moved to approve the GM report. Jen seconded the motion. The motion unanimously carries.** Kevin reported that the Co-op is trending at around 50% growth over last May. Profits have increased but Kevin is working to reduce operational expenses. He went on to report that the Café shot up to the 3<sup>rd</sup> highest department in sales in the first two and a half weeks of May behind only grocery and produce, generating 16% of sales. Sales are breaking records. Kevin shared that the Café hired a baker, formerly a baker at Chase's Daily in Belfast, who fills the shelves with delicious pastries by 8:00 AM which sell out daily! Seashell Sushi prepares sushi on site which also sells immediately. Kevin noted that finding employees has been challenging and Max has resorted to hiring all who apply, many of whom are young and require training. Deborah inquired about the opportunity to serve the Café's food to the KYC and the Golf Club. After consideration Max and Kevin decided to deliver sandwiches and hold off on dinners and events for now. The board expressed support for the decision to keep the commitment small and done well. Kevin shared that he values the visibility the opportunity provides for the Co-op.

Minor complaints about sandwiches were discussed with the reminder that Max and Kevin welcome conversation with customers about improving the food.

Finance Committee – Tim reported that the committee has been meeting regularly to focus on two projects: drafting an RFP for board review and creating a 4<sup>th</sup> investment offering with Jeff Spalding’s counsel. Both projects require more work before presentation to the board. The RFP is slated to go out in July with hopes for responses in September.

Discussion turned to GM spending limits between board meetings without board approval. Tim proposed a \$10,000 limit with an annual limit of \$60,000. The amounts may be adjusted as needed. Jerome proposed that the policy be included among executive limitations in policy B1. The board reviewed B1. Kevin and Tim will draft a GM spending limitations policy to be considered for inclusion in B1. Cheryl suggested an emergency approval option for the board treasurer or president. It was noted that the limits provide structure for Kevin to know when he needs board approval and assurance to the board that money is not overspent. Kevin reported that he purchased a bakery case.

Kevin went on to explain that considerable cash funds are left over from construction. The funds are considered fully disbursed and sit in the savings account. The Co-op pays interest on these funds though they are not being used. However, this cash, with the line of credit, serves the liquidity covenant and maintains the days of cash on hand. He noted that there are also opportunities to make improvements to the store. Kevin reminded the board that he had requested a waiver of the debt service coverage covenant, but all distributions were denied.

### Board Monitoring

#### Proposed Bylaw Changes:

- Number of Board Seats/Staff Board Seat- Jo and Deborah addressed concerns, including clarification that the board is not obligated to fill all 9 seats if a director resigns. They stressed the importance of reading both the bylaws and the policy as emphases differ. The board reviewed wording and reasons for the change. The proposed change will be refined by the lawyer.

The board discussed the necessity of legal counsel regarding the staff board seat with its inherent conflict of interest. Kevin recommended consulting NCG and Columinate for best practices. Jen suggested a non-voting staff position. **Aaron moved to approve legal counsel for a bylaw change to establish 9 board seats, remove the staff seat from the board, and to establish voting by email. Tim seconded the motion. The motion unanimously carries.** Whether or not the staff seat bylaw change will appear on this year’s ballot will be determined at the July board meeting.

- Equity Upon Death - Kevin reported that he’s received four requests this month to transfer equity and investments to a partner or family member of a deceased owner. The topic is not addressed in the bylaws. Discussion ensued noting that the corporation has the right to create the necessary rules. The board determined that Kevin should consult lawyer Jeff Spalding at Eaton Peabody as he has handled all other investment issues. Kevin requested approval from the board to address the concept of equity transfer. A second vote will be needed when wording returns from the lawyer. **Tim moved to approve Kevin to consult Eaton Peabody regarding the**

**transfer of equity upon death. Jenny seconded the motion. The motion unanimously carries.**

- Board Voting Procedure - Jen and Jo presented their proposal for a bylaw change to mirror the policy register regarding board voting, referencing a chart of three options for procedure. Discussion ensued weighing the importance of consensus, versus 2/3 majority vote, versus simple majority vote. **Tim moved to approve sending to legal counsel bylaw change version two, a 2/3 majority board voting procedure. Cheryl seconded the motion. 8 directors voted in favor of the motion. 1 abstained. 1 dissented.**

C5 - Director's Code of Conduct – Jo shared her assessment that the board is in compliance with C5 and asked for clarification regarding employees running for board seat. **Tim moved that the board is in compliance with C5. Deborah seconded the motion. The motion unanimously carries.**

Annual Meeting – The Annual Meeting will be held on Thursday, September 23, 2021, beginning at 5:30 PM, with the monthly board meeting to follow. Diane and Jenny are planning food with Max. Kip will advertise 15-45 days prior. Kevin or Diane will welcome owners and introduce new directors. Cheryl asked whether financial statements will be reviewed in time for the annual meeting or if internal statements will be presented. Kevin responded that he does not expect reviews to be finished but will investigate.

Deborah proposed using the annual meeting to kick off a shorter voting period and introduce candidates, rather than as the culmination of voting. She noted that other boards use this schedule to cultivate interest in board service, many of whom have competition for director seats. Voting would begin at the meeting to be concluded by the next month's board meeting. Deborah explained that the adjustment would work within existing timeframes in the bylaws, but would move the voting period on the calendar. Diane will invite the three recently resigned directors to the annual meeting to thank them publicly for their service.

Director Resignation - Martha Shepherd resigned from the staff board position. The board expressed appreciation for her years of service.

Agenda:

GM Report  
Finance Committee  
C6 Roles - Jenny  
Staff Board Seat

Meeting Evaluation: Consensus. Sad goodbye to Martha!

Due Date for the Board Packet: Items for the Board Packet will be due on Monday, July 12, 2021.

Next Board Meeting: Thursday, July 22, 2021, 6:30-8:30 PM, Blue Hill Co-op, Café.

Minutes respectfully submitted by Julia Klein