

Blue Hill Co-op Board Meeting
March 24, 2022, Blue Hill Co-op Cafe

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

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

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.

Café Signage – Kevin presented a prototype Café sign regarding phone/video call volume. He noted that some staff expressed concern that visitors may feel policed, and the atmosphere be dampened. The board suggested that cell phone/video volume be emphasized rather than general noise.

E-Z Pay Program – Kevin reported that he is researching a customer credit program and ways to incorporate the program into the Co-op's point-of-sale system.

Open Owner Time

No owner comments.

Approval of Minutes

Jen moved to approve the March 3, 2022, Board Meeting Minutes with minor edits. Jo seconded the motion. The motion unanimously carries. The board discussed wording of a comment in the approved January minutes, under the Strategic Leadership Committee Update, and confirmed that it was recorded accurately. The board agreed to approve executive session minutes during the approval of the regular meeting minutes, and to call an executive session only if discussion is needed.

GM Monitoring

B-3 Asset protection – Kevin reported compliance with policy B-3 on all points, highlighting that insurance policies and account balances are in order. Deborah inquired regarding data backup frequency and location. Kevin will investigate backup schedules to ensure that this occurs daily and to secure offsite locations. Kevin went on to report that over 400 new owners joined the Co-op in 2021, breaking records! Diane inquired regarding insurance. Kevin responded that the insurance is Co-op-specific with competitive rates.

Discussion turned to growth and evaluation of the January budget, the first month of negative growth since store opening. Jen noted lost sales days due to snow but commented that there appears to have been an increase in sales in anticipation of storms. She suggested budgeting for snow days. January held no full moon sale which can impact sales dramatically. February showed a 2.25% increase and March 1.5% to date. Kevin is waiting to predict the year's budget

due to the slump. Café showed the greatest growth of all departments and is frequently full, often with Bay School and GSA students eating and hanging out.

Kevin reported on a significant blunder found in the POS system connected with the adoption of perpetual inventory, which is accurate when costs are accurately entered. It was discovered that due to the rapid change in costs some departments were not entering costs correctly. Also, a couple of departments were not recording waste. Working through the benchmarking process with NCG, and upon reviewing Café inventory, Kevin discovered \$48,000 in unaccounted inventory. Meetings and processes are underway to address the discrepancy. Shrink and other ratios are thrown off. Refinancing produced some odd ratios as well.

Jen inquired regarding an equity decrease in February. Kevin responded that the decrease is due to retained earnings adjustments. Increased electricity costs were discussed, and it was noted that rates have increased and that snow on the solar panels may have increased the draw. Kevin commented that electricity costs are still lower than in the previous store. The board expressed appreciation for Kevin's throughout reporting of details and great explanations. **Deborah moved to approve the B3 Asset Protection GM Monitoring Report. Jen seconded the motion. The motion unanimously carries.**

Board Monitoring

C2 The Board's Job – Jen presented her report, shared her assessment that the board is in compliance with each item, and noted that she included examples of compliance. The board affirmed that the comments and examples clarified the policy and helped assessment of compliance. It was suggested that this model be followed in future monitoring reports. **Jo moved to approve the policy C2 monitoring report as in compliance. Deborah seconded the motion. The motion unanimously carries.** Jo requested that the monitoring schedule be incorporated into the board calendar. Jen will edit the calendar to include director's names, with their assigned policy, in alphabetical order by first name. Jenny will report on C3 next month.

Board Training – Aaron emailed the board that he is ready to schedule any webinar of interest. Several directors expressed interest in a webinar regarding navigating the GM evaluation/compensations process, as questions arose during the evaluation this year. The webinar will occur in August and cost is to be determined. Jen and Jerome may attend. The board tabled the decision to enroll for the April meeting. Kevin noted that Carolee Coulter from Columinate is the guru on the topic.

GM Evaluation – Jerome commented that he has received some GM evaluation feedback from the board but is still accepting feedback via email. Feedback will be presented to Kevin in the GM Evaluation Committee meeting.

Daylight Savings Time – The board discussed returning to a 6:30 PM start for Board meetings with the return to daylight savings time. Consensus was reached to leave the meeting at 6:00 PM, but to consider a different location in summer when the Café is full until late in the evening.

Finance Committee – Kevin opened a discussion regarding the Co-op's obligation to preferred shareholders. He noted that the Co-op did not redeem shares last year but having refinanced, is

released from the debt service coverage ratio and liquidity covenant. The Co-op is now free to redeem shares at the discretion of the Board, upon evaluation of cash on hand. Kevin went on to explain assets highlighting funds in the Member Equity Account. Kevin reviewed history and bylaws (Co-op and Maine State) regarding Member Equity and noted that in the past there was confusion regarding use of these funds. Kevin shared that \$72,100 principle is due back to investors to date, including shares due in 2020 and 2021. Assets are sufficient to pay-out. The board clarified that the payment of the patronage dividend is a separate decision process and that dividends may only be paid if the preferred share principle is redeemed. As decided in the previous board meeting, patronage dividends will not be paid in 2022 due to the net loss in 2021.

The board agreed that if funds are legally available, Kevin should be authorized to pay out the preferred share redemptions due this year. The board suggested that the Finance Committee submit a recommendation at the April board meeting for authorization of redemptions due. The Finance Committee will meet to formulate the recommendation and hone wording regarding investments. Kevin noted that a few owners have expressed interest in returning their investment as a donation to the Co-op. The investment must be redeemed prior to donation, or investors may choose to retain their funds in the Co-op with potential gain in dividends in the future.

Board of Director's Handbook – Jo commented that the board handbook was due to be revised at the beginning of the year. The handbook will be located, scanned, and digitized if needed, and discussed at the April board meeting. Jerome will pass the board box to Jen.

P6 Conference – Kevin shared details regarding the P6 Conference in Belfast on Saturday, April 2, 2022. He plans to attend with Jennifer Coolidge and offered a free ticket to a board member. Jo expressed interest and will confirm her attendance with Kevin.

Revision Energy Event – Kevin shared that the Co-op will be hosting a ReVision Energy event outdoors on April 3, 2022, from 11-2, with information, games, a speaker, and the Sunsquatch mascot.

Agenda

GM Report

Finance Committee

Board Training – Webinar Decision

Board of Director's Handbook – Jo

C3 Agenda Planning – Jenny

Meeting Evaluation: Right on time and very informative.

Meeting adjourned 7:30 PM.

Executive Session: Board Seat.

Executive session adjourned 7:52 PM.

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

Next Board Meeting: Thursday, April 28, 2022, 6:00-7:30 PM, Blue Hill Co-op, Café.

Minutes respectfully submitted by Julia Klein