

**Blue Hill Co-op Board Meeting**  
October 28, 2021, Blue Hill Co-op Cafe

Board Members Attending: Jo Barrett, Diane Bianco, Cheryl Boulet, Aaron Dority, Deborah Evans, Jerome Lawther, Jennifer Traub, Tim Tunney.

Absent Board Member(s): Jenny Brillhart.

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: **Cheryl moved to approve the September 23, 2021, Annual Meeting and Board Meeting Minutes with clarifying edits. Tim seconded the motion. The motion unanimously carries.**

GM Monitoring:

Financials - B1, B2 – Kevin reported that the budget was reviewed by the Finance Committee when it was used for the RFP. He reviews the budget quarterly per NCG’s recommendations and uses the pro forma to develop realistic projections. The 28% growth budgeted in quarter 3 (Q3) came in with actual growth at 27%. Ratios are trending in a better direction with a cash positive Q3. Kevin reported compliance with B1 and B2 and took questions. He explained equipment expenses related to installing heat pumps and EV chargers. The Co-op is waiting for a second grant toward the chargers and heat pumps. Operations and wage expenses look good. The board discussed high Annual Meeting expenses and identified postage and printing as possible culprits. Current numbers of owners and active owners were reviewed. Aaron asked about low staffing in the Café. Kevin explained difficulties with retaining Café staff and cashiers. He will be hiring 3 new employees and is hopeful that stability will improve. The Café has returned to 18% of total sales for the first time since opening of the new store! Kevin noted that he has been dealing with logistics of a COVID case on staff.

Kevin is working with an NCG consultant on a plan to increase wages to \$15 per hour. A spreadsheet was developed to outline the costs of three plan options. The plans set wages at 25% of total sales. Wages are currently 23%. The review also showed wages lower than national benchmarks in several key positions. Cheryl noted that money is saved in retaining staff as opposed to costs due to turnover and re-training. The Finance Committee will review the recommendations. Pressure to increase wages has come from some owners. Refinancing commercial debt to free up funds has been the priority. Wage increases may be the next step. Aaron suggested providing tangible benchmarks to help the staff feel the progress toward the goal. Kevin noted that bonus pay, and wages have increased. Discussion ensued. **Aaron moved to approve the GM report. Jo seconded the motion. The motion unanimously carries.**

Finance Committee – Tim gave a recommendation from the Finance Committee that the Co-op should proceed with a refinance with CFNE and CEI. CFNE and CEI offered 4.75% interest at a

10-year fixed rate and 25-year commitment. LISC will no longer be involved. No loan covenants are associated, and the institutions do not require an appraisal allowing for swift closing and lower closing costs. The Co-op will be able to continue its line of credit and deposit relationship with Bar Harbor Bank. Closing is expected in Late November or early December. Tim, Kevin, and the Finance Committee expressed that they were thrilled with the positive responses the Co-op received from these institutions and several others who gave generous offers. The offer is better than anticipated! The board celebrated and discussed the refinance thanking Tim, Kevin, and the committee for their excellent work! **Deborah moved to approve the Finance Committee's recommendation for refinancing the Co-op's commercial debt. Jo seconded the motion. The motion unanimously carries.** The refinance will save \$96,000 per year, which can be prioritized for paying dividends and increasing wages. Kevin will craft a letter in response to the offers regarding the decision.

### Board Monitoring

Election Results – Deborah briefed the board on the election results. She asked the board to accept the election results, update the bylaws, and distribute updated bylaws as needed. **Jen moved to accept the 2021 board election results. Jerome seconded the motion. The motion unanimously carries.** Jerome will amend the bylaws to reflect the elected changes. Deborah thanked Jo Barrett, Jen Traub, Jennifer Coolidge, and Diane Messer for their work processing ballots. Committee members noted that envelopes should be formatted differently in the future due to difficulty reading postmarks. Also, confusion seemed to exist about voting for directors – some owners voted for only one rather than for all. The committee will begin work this winter to establish electronic voting for the next election, on making board service more attractive to owners, and on balancing board terms. The board mentioned some owner pushback regarding the elimination of the staff board seat.

Election of Officers – Diane expressed appreciation for her time working with the board as president and announced her decision to step down. She will continue serving on the board until her term finishes in 2022. **Aaron nominated Jerome Lawther as President. Jen seconded. Jerome accepted the nomination. Diane nominated Aaron Dority as Vice President. Tim seconded. Aaron accepted the nomination. Deborah nominated Jennifer Traub as Secretary. Jo seconded. Jennifer accepted the nomination. Jerome nominated Tim Tunney as Treasurer. Jo Seconded. Tim accepted the nomination.**

Board Budget – Tim will draft the board budget for submission and approval over email. The budget will be based on the current 20% board discount. A reduction in the amount of board discount used over the last year was noted.

GM Compensation Committee – Diane and Jerome will initiate a committee to prepare the GM Compensation RFP for submission to Kevin.

Board Monitoring D1 Unity of Control – Jo determined that the board is in compliance with policy D1. **Jen moved to accept Jo's review of policy D1 as in compliance. Deborah seconded the motion. The motion unanimously carries.**

Agenda:

GM Report

Finance Committee

D2 Accountability of the GM, Review of Ends Statement - Diane

Meeting Evaluation: Exciting and enthusiastic! Deborah moved to applaud Diane for her years of graceful leadership of the board through massive transition. The board seconded the motion!

Due Date for the Board Packet: Items for the Board Packet will be due on Monday, November 8, 2021.

Next Board Meeting: Thursday, November 18, 2021, 6:30-8:30 PM, Blue Hill Co-op, Café.

Minutes respectfully submitted by Julia Klein