

**Blue Hill Co-op Board Meeting**  
September 15, 2020, Zoom Meeting

Board Members Attending: Aaron Dority, Deborah Evans, Diane Bianco, Edie Dunham, Jennifer Traub, Jerome Lawther, Jim Picariello, Martha Shepherd (Staff Position), Susan Snider, Tim Tunney

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 were present.

Approval of Minutes: The August 18, 2020 Minutes will be emailed to the board for approval in October.

GM Monitoring:

Monitoring Report – No formal GM report was due as per the policy governance calendar. However, Kevin sent much information to the board this month. He requested feedback from the board regarding how they prefer monitoring reports to be addressed at board meetings. Discussion ensued. The board agreed that a broad summary highlighting unique points, with opportunity for questions, is helpful. Details may be passed to the board through minutes from finance committee meetings.

Kevin noted that depreciation adjustments will now appear monthly on reports. Depreciation was previously entered once, at the end of the tax year, but has been redistributed due to increases from the new store. Aaron inquired whether the profit and loss comparison will be affected by the new depreciation schedule. Kevin responded that it will this year but should not in following years. Tim explained depreciation to the board based on spreadsheets from July and August. He clarified that depreciation does not reflect on sales performance but is simply tax policy. Susan inquired regarding the PPP loan forgiveness. Kevin responded that the Co-op is still waiting for an answer. Tim noted that the bank has 60 days from August 10th to submit to SBA, and then an additional 90 days. He expects funds to be fully forgiven barring policy changes.

Google Suite – Kevin and Stan continue work on Google Suite but have encountered a security glitch. Troubleshooting is underway and the suite will be available soon.

Café – The Café continues to grow despite COVID limitations with the last few weeks being the busiest on record. Kevin commented that he is encouraged to see the courtyard full of people when he arrives each day. He expressed that the Café still has far to go and room for the menu to grow. He sent current menus to the board as encouragement. Jim

noted that fresh bread sales are down and the bread shelves are rarely stocked. Kevin responded that many vendors have been stopped production due to COVID or have reduced to 1 day per week. Maintaining consistent bread deliveries has been a challenge. Kevin is considering hiring a bread baker in the Café.

Redemptions – Kevin reported that LISC rejected the Co-op's request to waive the debt service covenant restrictions and permit the Co-op to pay out redemptions. The other lending group members agreed with LISC's decision based on the uncertainty of these times. Kevin is crafting a letter to investors to be reviewed by the finance committee prior to submission. Tim recommended starting dialog with local banks regarding refinancing. He noted that with a full year on the books in the new store performance can be assessed. However, he explained that the Co-op's weakness is in demonstrating ability to service debt and that it is premature to go out for RFP. He suggested that the finance committee begin gathering information for a future RFP. He explained that debt calculations do not include grants and other unusual funding. Currently a deficient cash flow is shown when extra funds are removed. The lending group has emphasized that cash should be held for later if needed. Tim suggested being mindful of payroll and cost of goods sold. He shared current loan rates at around 4.25%, compared to the Co-op's loans at 5.5% - 7.25%, and noted that prepay rates will fall after February 10, 2020. He felt that a refinance could be pursued after February if autumn sales remain strong.

Expense Control – Kevin is considering the creation of an HR position incurring a new expense on the balance sheet. A recent staffing issue cost Kevin significant time reviewing and clarifying policy. Hiring is on hold but may happen in the future.

#### Board Monitoring:

Elections and Board Vacancies - Edie reported that Jim and Jerome are up for reelection this year. She explained the two vacancies noting that Mia's term continues for one year expiring in 2021, and Paul's two, expiring in 2022. Jen proposed nominating Cheryl Boulet to serve on the board. She spoke of Cheryl's background as an accountant and longtime Co-op member. Cheryl is willing to be considered for nomination. Jim and Jerome suggested inviting her to a board meeting and a finance committee meeting. Tim expressed the value of having another perspective on the finances. **Jen moved to nominate Cheryl Boulet to the board and invite her to fill out an application. Susan seconded the nomination. The motion unanimously carries.** Jen will contact Cheryl and invite her to the October meeting. Cheryl's seat will be active upon her acceptance of the nomination and she may sign conflict of interest forms in October.

Annual Meeting – Diane announced that the annual meeting will be held on Tuesday, November 10<sup>th</sup> at 6:00 PM. She suggested the possibility of directors meeting in person while inviting owners to join via zoom. Discussion ensued. After expressing varying comfort levels with meeting in person the board decided to hold the meeting over zoom

with an open invitation to owners to attend. Details will be discussed at the October meeting.

Ends – Jerome will email the revised ends statement to the board for discussion at the October meeting.

Policy Governance:

Policy B4 - Susan proposed changes to clarify policy B4 and took questions regarding formatting. The board began review and discussion ensued. Double negatives were identified. Kevin suggested rearranging the policies to clarify the requirements. Jerome and Edie and Aaron volunteered to rewrite B-4. Aaron will forward Jade's email from April 3<sup>rd</sup>, 2016.

**C7 Board Committee Principles – Susan moved to accept policy C7 Board Committee Principles as in compliance. Deborah seconded the motion. The motion unanimously carries.**

C8 Governance Investment – **Policy C8 was tabled for the October meeting.** Jim will review and present the policy.

Board Calendar – Diane and Susan will compile calendar content. Jen will create a Google sheets calendar and PDF and email it to the board.

Agenda:

GM Report

Board Budget

Annual Meeting

Ends

Calendar

Term Limits

C8 Governance Investment - Jim

D1 – Jen

Meeting Evaluation: Not not good.

Executive Session: Personnel

Due Date for the Board Packet: Items for the Board Packet will be due on Saturday, October 10, 2020.

Next Meeting: Tuesday, October 20, 2020 6:30-9:00 PM, Zoom Meeting.

Minutes respectfully submitted by Julia Klein

