

Blue Hill Co-op Board Meeting
August 28, 2018, Blue Hill Library, Howard Room

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

Absent Board Member(s): Jerome Lawther

Others Attending: Julia Klein (Minute Taker), Kevin Gadsby (General Manager) Bruce Stahnke (Architect), Kevin Gresser (Project Manager)

Julia Klein, minute taker

Mia Strong, meeting facilitator, time keeper

Approval of Minutes: **Susan moved to approve the June 19, 2018 Board Meeting Minutes and the July 17, 2018 Annual Meeting Minutes with minor adjustments to the attendance list. Diane seconded the motion. The motion unanimously carries.**

Open Owner Time: No owners were present.

Relocation: Kevin opened the discussion with updates on preferred shares and the Co-op's excellent year to date growth. Shares currently total over \$1,100,000 in cash on deposit with commitments for another \$100,000. Donations have exceeded the expected amount and Kevin applied for a grant from the Quimby Foundation. Kevin went on to detail new findings from a conversation with the attorney regarding preferred share dividends. It was discovered that it is not legal to accrue dividends when they are not paid out in loss years. This improves the cash position in the pro forma in years 1-3 when loss is expected. Currently the pro forma reflects accrual of dividends. Detailed discussion ensued. Tim stressed the importance of understanding the rubric for determining whether to pay out dividends on preferred shares.

Kevin met with a representative from Bar Harbor bank working on a package covering the amount being offered by 3 other lenders combined. Bar Harbor bank may also cover a loan for the gap in member investments. Tim made a point to clarify his position at Bar Harbor bank and that he has not been involved in negotiations except to sharing specific information with Kevin's permission. He recommended applying at all local banks.

Discussion moved to additional funding for solar and obtaining grants. Kevin reported that the Co-op Fund of New England is anxious to close on their loan package. Board felt that the September 30th deadline should be upheld allowing for offers to come in from other organizations.

Diane reported on a tea held to discuss fundraising with several well-qualified potential investors. Much interest in and excitement about the project was expressed and the word is spreading. Attendees mentioned creative funding ideas such as a matching challenge and recommended reaching out to the Parker Ridge community.

Kevin reported that Jeff Spaulding is compiling papers for the next preferred share offering as the current phase ends in October.

Bruce presented 3 relocation timeline options for the board to consider. The timelines were developed because of the challenge of keeping the project on schedule while the paperwork is still in process. While much of it is complete, electrical engineering is on hold until the equipment design is finished. Consequently project costs are still undetermined. The board entered a lengthy discussion of

risks and benefits of each schedule option. It was determined that the original 8 month schedule with earth work beginning in September would avoid numerous financial and physical pitfalls of starting at later dates. Earth work can be initiated while other numbers are being finalized and financing secured by the end of October. The board and staff agreed unanimously that relocation must happen as the Co-op cannot continue to exist in its current location and already owns the land and has invested \$400,000 into the project. The earth work package totals \$750,000 spread throughout the project. Bruce recommended that starting without finalizing total costs is not ideal. Earth work is a relatively low risk place to start and will always be useful for the future. **The Board moved to table until next meeting the GM Report, Board Monitoring of C6 and C7, and the Election of officers in view of the decision on the table. The motion unanimously carries.** Discussion moved to cutting costs and contingency funding. Kevin mentioned that member equity totaling \$140,000 may be used for capital needs. **Jim moved to approve the start of earth work at the South Street site beginning the relocation project! Deborah seconded the motion. The motion unanimously carries.** Jim emphasized that the decision to pour cement should be made immediately once financing is settled. Mia suggested that upcoming board meetings should include only basic board monitoring tabling the monitoring reports for later. The board discussed presenting the ground breaking to the public such that it is celebrated but the need for continued fundraising is stressed.

Agenda:

Board Elections

Relocation

Conflict of Interest Forms

Meeting Evaluation: Revolutionary! Quantum! Landmark decision!

Due Date for the Board Packet: Items for the Board Packet will be due on Saturday, September 8, 2018.

Next Meeting: Tuesday, September 18,(or before as needed) 2018 6:30- 9:00 PM, Blue Hill Public Library.

Minutes respectfully submitted by Julia Klein