

Blue Hill Co-op Board Meeting
December 18, 2018, Strong Brewery

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

Absent Board Member(s): Jim Picariello, Jerome Lawther, Edie Dunham

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

Julia Klein, minute taker

Mia Strong, meeting facilitator, time keeper

Approval of Minutes: **The November Minutes were tabled for the January meeting.**

Open Owner Time: No owners were present.

Relocation: Kevin opened the meeting with the news that Bill Gessner has suffered a stroke and is in recovery. Kevin had begun to submit final numbers to Bill for the pro forma update and was forced to change his course of action. In this process Kevin noticed significant discrepancies. The pro forma included annual projections but monthly projections had been overlooked. Kevin began working with CDS and updates were quickly made. The pro forma now looks good. The final member investment gap is around \$341,000. Tim explained that the gap is now a solid number but a couple small variables remain.

Discussion turned to strategy for securing funding and proceeding with the project. Kevin stated that the contingency fund can be reduced now that many hard numbers have been received. Kevin, Bruce, and Tim expressed that it is essential to cut as many features as possible for project viability. Kevin must finalize contracts or risk price increases on materials and contracts in January. Funding sources are waiting for costs to be finalized in order to close on loans. The pro forma is being scoured for adjustments which could safely allow for gaps to be reduced and funding secured.

Phase 3 Investments – A minimum of \$250,000 must be raised in order to retain the investments. Phase 3 has opened well with \$43,100 is on deposit and \$15,000 in the mail one week from opening.

Loans – Tim circulated the letter he drafted to lenders proposing and demonstrating that the board has sufficient information to close on loans. He requested the board's feedback. Commitments to close must be finalized by Friday in order to secure contracts and equipment prices before January. The current equipment price is \$489,000 with a 50% deposit required. Kevin is negotiating for a 1/3 deposit instead. Kevin reported on a conversation with the Anahata Foundation in New York. They requested hard numbers for solar, the heat exchange system and car charging station as their foundation grants funding for green building projects. Kevin submitted a long list of specifically green aspects of the project. They will respond with a proposal from their foundation after the New Year. Slow Money has also renewed interest in the project and other grants were discussed.

Bruce updated the board on materials choices from the list discussed last board meeting. He mentioned that he discovered a 3rd and better cost-effective window option with a good warranty. A sample window

will be at the building site for examination. Bruce showed drawings of the proposed design with fewer windows. He reiterated the importance of securing funding now so that the positive relationship with E.L. Shea continues. Bruce stated his goal to add flooring back to the design since concrete will deteriorate and show repairs in the future. Flooring is \$17,000 and cannot be added in the future. Paving in the outdoor café may be added before opening in the summer. He emphasized that the owners who have invested in the project need to walk in and feel that it was worth it! Bruce explained that heat capture and mechanical design has not been altered because it is foundational to the project. Discussion continued. Kevin reported that the to-go bar, costing \$45,000 has been temporarily removed from the designs but can be added back later. Tim recommended creating a contingency add-back list with dates.

Kevin and Tim will be pressuring CEI throughout this week to commit to closing. **Aaron moved to send Tim's letter to CEI and Susan/Diane seconded the motion. The motion unanimously and enthusiastically carried.** Tim will copy the board in his email to Kevin. Kevin commented that if grants allowed for solar and the car charging station to be in place at opening it would be incredibly encouraging to owners!

Inquiries – The process for responding to questions from membership was reviewed. Susan, as board secretary, remains the “official responder.” Kevin is always willing to take questions.

Capital Campaign – Kevin circulated Capital Campaign information. The board discussed strategy for proceeding forward. Phone calling will begin after the New Year. The relocation story will appear in the Weekly Packet this Thursday. Postcards explaining Phase 3 are being mailed. Susan thanked Kevin and Tim for their work with the pro forma and for communicating with investors. Kevin thanked Susan for calls and fundraising.

Agenda:

Relocation

Meeting Evaluation: Very informative. Positive! Big steps forward!

Due Date for the Board Packet: Items for the Board Packet will be due on Saturday, January 5, 2019.

Next Meeting: Tuesday January 15, 2019 6:30-9:00 PM, Blue Hill Public Library, Howard Room.

Minutes respectfully submitted by Julia Klein