

Blue Hill Co-op Board Meeting
November 17, 2015 Blue Hill Co-op Cafe

Board Members Attending: Jim Picariello, Jerome Lawther, Diane Bianco, Mia Strong, Aaron Dority, Susan Snider, Edie Dunham, Shawn Fowler (Staff Position)

Absent Board Member(s): No absent Board Members

Others Attending: Mark Deeny (General Manager), Julia Klein (Minute Taker), Tom Reeve (Project Manager)

Julia Klein, minute taker

Mia Strong, task and decision keeper

Jim Picariello, meeting facilitator, time keeper

Approval of Minutes: **The October 20, 2015 Minutes were approved with minor grammatical changes.**

Time Open to Owners: No owners were present. Jim introduced Tom Reeve the new Project Manager to the Board. Aaron shared Tom's background in the field and announced that he would be starting in early December. Tom gave a personal introduction of himself and his family.

Board Process

Project Manager/ Relocation Update: Aaron reported that he and Bruce are compiling a briefing book for Tom. This will contain all documents that have guided relocation decision making and will be presented to the Committee for approval. Next steps in relocation will be to finish SEC filing, look at the pro forma and restart with Gary Friedman. Relocation notes are always on Dropbox. Bruce will move forward with repositioning the driveway according to DOT specifications which will necessitate minor parking area modifications. The DOT will be consulted for clarification of their requirements. All changes are within budget. Also, soil testing came in well under budget! Aaron asked Tom to talk with all Relocation Committee and Board members by January for information and perspectives on relocation. Board contact information needs to be updated!

Board Training: Jim gave an update on Board training arrangements. Mark secured the Farmhouse Inn for December 12, 2015 9am-4pm. Lunch and snacks will be provided. The Board suggested that Tom could benefit from attending. Jim forwarded topics discussed last month to Jade to formulate curriculum. Mia shared that she talked with Jade about re-adopting some aspects of Policy Governance that may be helpful. Jim will connect with Jade again. Jade will stay at the Inn.

Board Budget: Mark gave an overview of the revised 2016 Board Budget. He reported that the Board is currently on budget but expected to exceed as a few expenses are pending. The overage is largely due to the lobster picnic. It was agreed that tickets for the picnic could be sold for \$5 more next year. The Board discussed increasing the \$1700 designated for Board Training. The Budget should allow for at least 2 Directors to attend

CDS training per year. Aaron questioned whether training should occur yearly or every other year. The Board agreed to answer this at the end of the upcoming training. Mia asked if the CDS package is available without training. Mark will look into it. **Jerome moved and the Board seconded approval of the Board Budget.**

SEC Filing: No update.

Discussion

GM Report: Mark gave the GM Report. He highlighted that the Co-op will be sponsoring a talk at Library, reported on Thanksgiving turkey sales, and mentioned that the Co-op will be giving away cups of soup at the Christmas tree lighting. Mark contacted suppliers of generators but no one has shown up yet. Jerome asked about cost of not having a generator versus having one. Diane will give Mark contact information for a reliable place in Brewer. No update was ready on livable wage. Mark is working with numbers to rough costs, examining the need, and waiting for a quote on the financial audit. NCG provided a spreadsheet to help determine livable wage. Jerome asked whether there are other ways to compensate for livable wage without raising wage. Mark responded that he is looking at benefits. Question was raised and briefly discussed regarding Board compensation.

Store Budget: Mark presented the Store Budget Dashboard and commented that due to seasonality of the area comparing quarters is difficult. Rolling Annual Sales indicate a steady growth in the past 12 months. Membership has increased by 40% however Mark explained that Membership numbers on a given day are fluid due to equity payment rules. Mark stated that the gross margin percentage needs to come down from 40% and that ratio numbers show significantly more cash than debt. Mark projects that 2015 will come in a little lower than 2014.

Mark set a sales growth of around 3% for the Budget rough draft. He will work more with the livable wage number and expressed the need to find and shave off savings in operating expenses. Aaron emphasized the need to separate Relocation spending from the budget. Discussion ensued. Mark talked about the relationship between operations and relocation and the need to report on all. Aaron suggested talking to Bruce to verify his numbers for use in Budget projections. Dividend questions were discussed and Mia suggested including a budget line for the previous year's dividend payment. Mark can do this. The Budget will be approved in January.

GM Search Committee: Mia reported on the Committee's progress. She will be using the Survey Monkey results to create a matrix of qualifications and will send the matrix to the Board for approval over email. The Committee is streamlining the job description to become more professional and attractive. Shawn will create a Staff survey. The Committee made a budget recommendation of \$9000. Ads will be placed in local papers as well as online. Some ads are more expensive than expected. The Committee works well together and has a tight timeline. Mark recommended having an email set up and a job description page on the Co-op website to direct applicants to and suggested the

Chamber of Commerce. The Committee hopes to start print ads by December 1 and will send flyers to other Co-ops.

New Board Application: Bob Sullivan requested an application for Board service. The Board discussed the fact that he is already on the Finance Committee and could no longer be the Co-op's accountant if he sat on the Board. Jim will email Bob.

Agenda for Next Meeting:

Store Budget

Livable Wage

Audit

GM Search

Relocation

SEC Filing

Generator

Project Manager Report

Meeting Evaluation: Awesome, efficient, entertaining!

Due Date for the Board Packet: Items for the Board Packet will be due on Saturday January 9, 2016.

Next Meeting: Tuesday January 19, 2016 6:30- 9:00 PM Blue Hill Co-op Cafe. No December meeting.

Minutes respectfully submitted by Julia Klein