

## **Blue Hill Co-op Board Meeting**

November 28, 2018, Blue Hill Co-op Cafe

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

Absent Board Member(s): No absent board members.

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

Julia Klein, minute taker

Mia Strong, meeting facilitator, time keeper

Jerome Lawther, tasks and decisions

Approval of Minutes: **Susan moved to approve the October 16, 2018 Board Meeting Minutes with no changes. Diane seconded the motion. The motion unanimously carries.**

Open Owner Time: No owners were present.

**Relocation:** Kevin and Bruce opened the meeting circulating value engineering documents and explaining the process of reducing costs throughout the project while maintaining quality construction. The board asked questions about how costs were broken down. Kevin Gresser walked the board through the documents line by line to explain how the spreadsheet relates to work done and yet to do. He noted which prices are fixed contracts versus estimates and detailed the completed site work. He worked through design changes.

Crosswalk - Discussion turned to financial responsibility for the crosswalk. Bruce explained why the Co-op is now paying for the crosswalk. Through numerous laborious meetings the Co-op is now responsible for all costs and maintenance until the potential sidewalk project happens in the future. The issue may then be revisited and responsibility perhaps shifted. The Co-op is negotiating with the local schools to share the responsibility. Aaron questioned whether the storm water catch system is sufficiently sized for a potential increase in storm sizes. Discussion turned to storm water and deed restrictions on back of the property with affirmation that this has been considered.

The board proceeded to Phase 2 of the documents to work through Cost Savings suggestions. Bruce highlighted his recommendations and pointed to suggestions requiring discussion. He explained that there are tradeoffs for everything and that while the changes are not his first choices they are necessary with the current financial picture. The board discussed options for flooring, roofing, windows, outdoor seating, pavement, lighting and the generator. Jim expressed concern that cutting windows out of café could change its appearance of being a warm glowing inviting space as you drive up. Deborah asked Bruce to experiment with reducing windows in the design to see how it changes the look. Mia was concerned about changing the iconic look of the building. Kevin stated that some changes need to be reviewed by the design people to determine feasibility.

Aaron questioned what the contingency fund could cover. Bruce emphasized that this is a difficult question that is informed by the pro forma and value engineering documents. Bruce worked through the document's line items showing expenses and funds available. He explained that a large

portion of the contingency fund will be used to purchase non-construction items such as the point of sale system, interior signage, etc. The existing gap in funds is now increased by \$258,000. Fund raising must resolve this before loans can close.

Kevin gave an update on fundraising. The current need is for at least \$600,000. The Phase 3 public offering is ready to open and is limited to \$600,000. Raising half of that amount is required in order to retain the funds. To date there are verbal commitments for \$50,000. There is \$100,000 in EMDC donations. Discussion turned to the possibility of reducing the contingency fund to bring down the total cost. Equipment costs may also be reduced. Another strategy could be to proceed with lower cost options but choose upgrades toward the end of the project as funding allows. Bruce explained that the Fluxware heat capture system is the remaining cost variable as it is a unique custom product.

Kevin Gresser asked for permission to begin framing in the next couple weeks. He summarized the work completed to date and invoiced amounts.

Mia turned the discussion to fundraising, decisions and a plan forward. Kevin stated that lenders require the guaranteed maximum price (GMP) in order to finalize funding and they will not release money until member investments are raised. Kevin is keeping the lenders informed about the phase 3 investment launch. Fundraising mechanics were discussed. The need for the GMP was stressed as the financial way forward was considered.

Elections: Mia noted to Edie and Jerome that board recruiting for the election should begin.

Agenda:

Relocation

Meeting Evaluation: No evaluation was mentioned.

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

Next Meeting: Tuesday, December 18, 2018 6:30-9:00 PM, Blue Hill Public Library, Howard Room.

Minutes respectfully submitted by Julia Klein