

Blue Hill Co-op Board Meeting
October 20, 2015 Blue Hill Co-op Cafe

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

Absent Board Member(s): Diane Bianco, Jerome Lawther(?)

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

Julia Klein, minute taker

Aaron Dority, task and decision keeper

Jim Picariello, meeting facilitator, time keeper

Time Open to Owners: No owners were present. Aaron asked about the carrot sign. Bruce's report from is that the sign needs to be redone as it molded and must be sanded down. Jay Peterson has been asked to wait for a new message.

Reminders – the Board has a password protected page on Co-op website with Board bylaws. Mark or Mia will forward GM search tool and send link to CDS library.

Approval of Minutes: **The September 15, 2015 Minutes were approved with a correction to wording under Project Manager/Relocation Update stating “two weeks from having necessary materials.”**

Board Development Discussion: Susan raised concern regarding the number of Directors on Board in relation to Relocation responsibilities. The Board responded with a Board development history overview. Mia mentioned the need for a new Board Development Committee. Aaron mentioned a list of prospective candidates and that project manager candidates may be possibilities. The Board clarified the procedure for appointment to the Board. Susan voiced concerned about the amount of time each Director can devote to relocation with full time jobs and young families. She recommended looking for candidates with specific skills and plenty of time. Shawn asked if there is benefit to adding more Board members versus Committee members. Aaron expressed reservations about adding numbers and becoming a dysfunctional Board as has happened in the past. Discussion followed regarding how to interpret bylaws regarding Board expansion and appointment. Edie suggested that the focus should be on populating committees until next annual meeting, specifically the Capital Campaign Committee.

Board Process

Project Manager/Relocation Update: The Project Manager position has been posted to non-profit boards as there are crossover skills with fundraising. 6 candidates have emerged and 2 interviews will be conducted over the next 2 Mondays.

Aaron reported that share offerings are very close to being finalized. The Board discussed ironing out details of the loans and share offering. The Board affirmed that with so much to do it is not too soon to hire a Project Manager.

Results from the building site test holes came back excellent! DOT requires the driveway to be placed directly across from the Bay School drive. Aaron reported finalized design details. Susan inquired about the preference for preferred shares over

loans. The Board responded the emphasis is on Preferred Shares as they are a harder sell and, being an equity payment, they don't require a definite payback. Details were discussed. Aaron expressed need to finalized and approve the SEC filing and go to the donors. Mark mentioned that people are offering help to the Relocation Committee and are being told to wait until everything is in place.

Board Retreat: The Board Retreat will take place on December 12th from 9am -4pm. A light and airy meeting room is needed. The Blue Hill Library Howard Room will be booked as a backup while a more comfortable all-day arrangement is sought. Jim will discuss topics with Jade Barker. The Board brainstormed ideas. Mia expressed interest in Board Development during relocation, using more structure in policy as the Board grows, and the consensus majority process. Susan mentioned interest in Public outreach. Jim suggested restarting the Member Stimulation Committee with the new fulltime Marketing person. Financial management and any presentation Jade recommends were brought up. Susan asked whether thought has been put making the transition between Mark and the new GM for the Board and also for the staff. Mark is currently preparing for transition in operations and will stay on for a month with the new General and Project managers.

Discussion

GM Report: Mark gave the GM report. The apple pressing was a success being well attended and well run. Bar Harbor Bank will spend a day in the store buying coffee for everyone. Mark obtained quotes for an audit and is beginning the process. He's looking into a generator to run the entire store possibly from Colwell Diesel. Jim questioned whether a generator could be leased for a couple of years. Hiring is underway for upfront and the café. In financials, the Café is doing well at 20% of total sales though a couple of other departments are suffering. The Beer department is focused on local and organic. Discussion followed regarding meat's problematic presentation and price. Mark recently lowered margins to increase sales. He also successfully dropped the margin on local produce to help with sales though it needs to be raised a bit. Produce Manager Matthew is doing a great job and sales have increased. Mia suggested considering dropping the margins on all local products. Mark responded that prices for local are the best they can currently be. Mia relayed a complaint from a local farmer that he was not allowed to sell his non-certified organic apples to the Co-op. The P&L reflects catching up from a slow winter though the grow margin has been strong. Wages and benefits are up a bit with the effort to work toward livable wages. Aaron asked how percentages compare with other Co-ops. Mark took questions about the financials.

The Board Budget is \$21,000 and will probably be over by \$4000. The budget will need to be expanded next year for the Annual Picnic etc. The bookkeeper is going to shop around for worker's comp insurance. Susan asked about food and business losses associated with power outages. Mark responded that insurance rates went up because the Co-op didn't have a generator. Mark summarized the balance sheet reporting that total current assets are behind last year by \$20,000 but that is due in part to the down payment on the land. The Co-op has less in current assets but more in fixed assets and a new liability. Membership is up. Equity was discussed with the Board voicing the need to figure out patronage dividends.

NCG Membership: Mark explained that the Co-op alone lacks buying power and leverage for better pricing. Joining NCG allows for much lower credit card fees etc. Financially it's a good deal. They also offer training for improving as a grocery store. However the Co-op is required to follow their rules. Aaron asked if there are complaints about the rules. Mark responded that while the Co-op Deals flyer can present stocking hassles it does create a good baseline product offering. Other requirements include recording and such. Susan voiced concern that it seems corporate and questions were raised about fees for non-compliance. Mark voiced the General feeling among GMs that because all members have money at stake there should be guidelines and consequences for non-compliance. Mark stated that the Co-op could use more NCG services such as the tool to track the store's environmental impact. **The Board moved to approve the Member Co-op Board Resolution from NCG.**

GM Search Committee: Mia contacted former GM search Committee members and all are busy. The Committee has 5 members but needs 2 more. The Board brainstormed names to contact including Keith Herklotz, Sloan Russel, Laura Moore, and Gail Bartlett. Edie will contact Sloan. Board Committee members decided to begin meeting on Tuesday October 27th at 10 am at the Library. Mark suggested including Staff as they know what they are looking for. Mia will scan and email notes from the original GM Search Committee Meetings.

Staff Concern: Mark brought a concern to the Board from Staff regarding the change in the concealed carry laws and whether the Co-op should respond with signage on the door. After consideration the Board responded that no signage should be put up.

Agenda for Next Meeting:

Relocation

GM Search

Board Training

SEC Filing (Aaron will add 3 years of Relocation meeting notes to Drop Box.)

Livable Wage and Audit

Generator

Board Budget

Store Budget

Meeting Evaluation: On time! Too many flies!

Due Date for the Board Packet: Items for the Board Packet will be due on Saturday November 7, 2015.

Next Meeting: Tuesday November 17, 2015 6:30- 9:00 PM Blue Hill Co-op Cafe.

Minutes respectfully submitted by Julia Klein