

Blue Hill Co-op Board Meeting

September 18, 2018, Blue Hill Library, Howard Room

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

Absent Board Member(s): Edie Dunham, Diane Bianco

Others Attending: Julia Klein (Minute Taker), Kevin Gadsby (General Manager), Max Treitler, Samantha Haskell (local business owners) Robin Byrne (Staff)

Julia Klein, minute taker

Mia Strong, meeting facilitator, time keeper

Approval of Minutes: **Susan moved to approve the August 21, 2018 Board Meeting Minutes with minor clarifications. Aaron seconded the motion. The motion unanimously carries.**

Open Owner Time: The board welcomed Samantha Haskell and Max Treitler and invited their comments. Samantha stated that she came in response to buzz she's been hearing about the land clearing for relocation. She hoped to hear updated information directly from the board. She spoke to a general feeling that there has been a lack of transparency in the process. Brief discussion followed regarding concerns the public has voiced.

Relocation: Kevin opened with an update on the dividend payout process. He is discussing with the attorney whether to pay dividends in the first round of investment. Deciphering a clear answer has taken time and the full calendar/fiscal year needs to be completed. The dividend consists of a percentage of net profit. This year is predicted to be profitable. Discussion ensued regarding details and percentage of profit to pay. **Jerome moved to send a letter to the phase one investors explaining the dividend payout process. Deborah seconded the motion. The motion unanimously carries.** Kevin will email a draft to the board for approval.

Discussion turned to the \$723,900 gap in investment funds needed before this investment phase closes. The question was raised whether to allow Phase 2 for accredited out of state investors to expire at the end of October and open a new Maine-only phase for all financial brackets. **Susan move to instruct Jeff and Kevin to open Phase 3 fundraising for Maine residents of any economic standing. Aaron seconded the motion. The motion unanimously carries.** The attorney is exploring other forms of investing.

Kevin commented to Samantha that the impression of the Co-op's lack of transparency may be due in part to the SEC's requirement that fundraising be private, making clear communication difficult. Kevin affirmed his open door and willingness to address questions with anyone.

Kevin reported on bank loan funding status. Bar Harbor Bank referred the Co-op to Sally Garand of Maine Rural Development finance authority of Maine regarding a possible \$500,000 to bridge the gap. Fundraising will continue and be used to pay down the gap loan. Discussion turned to signing the commitment letters with CEI and Co-op Fund of New England authorizing them to commit to and reserve funds for the Co-op. The deadline is approaching. The board raised clarifying questions. The commitment letter from LISC is still in process. Tim recommended holding a line of credit to maintain liquidity. Conversations will be held with all organizations on Monday. Final equipment specs came in and have

gone out to bid. A meeting will be held between Kevin, Bruce and E.L. Shea. Following, the board will hold a special meeting to decide how to proceed with relocation.

Kevin reported that August saw the highest sales in the Co-ops history and membership growth was up 9% from last August!!! The month's sales equaled sales for the Co-op first entire year open!! Applause and discussion followed.

CEI Construction Protocol – CEI expressed concern that site work commenced before funding arrangements were finalized. Kevin is in conversation with Daniel Wallace clarifying that site work will not go beyond what may be used for any project at any time in the future.

Crosswalk - Kevin reported that though the Co-op holds permitting from the town planning board that included a crosswalk the town is now resistant to allowing it. Meetings will continue and local schools will attend. Discussion ensued and concerns were raised. Deborah urged Kevin to obtain minutes from all meetings in which the Co-op's project was discussed. Board members will attend the next planning board meeting.

GM Report: The board calendar was discussed. Kevin stated that investment shares currently total over \$1,100,000 in cash on deposit with commitments for another \$100,000. The board discussed risks and benefits of dividend payment schedule options. Kevin clarified that member equity funds may be borrowed for relocation and paid back. More is currently in reserve than the Coop is legally obligated to save.

Conflict of Interest Forms: Susan circulated conflict of interest forms and collected signatures from directors.

Elections:

Jerome moved to reelect Mia Strong as Board President. Deborah seconded the motion. The motion unanimously carries.

Jerome moved to reelect Jim Picariello as Vice President of the Board. Tim seconded the motion. The motion unanimously carries.

Jerome moved to reelect Susan Snider as Board Secretary. Tim seconded the motion. The motion unanimously carries.

Jerome moved to reelect Tim Tunney as Board treasurer. Aaron seconded the motion. The motion unanimously carries.

Discussion ensued regarding developing strategy for attracting new people to the board and passing on wisdom.

Monitoring: The Board agreed to suspend policy monitoring until November in order to focus on the relocation decision process. Monitoring will be moved to the beginning of the agenda for efficiency.

Agenda:

Relocation

Meeting Evaluation: We are resigned to our lots! (Jim)

Due Date for the Board Packet: Items for the Board Packet will be due on Saturday, October 6, 2018.

Next Meeting: Tuesday, October 16, 2018 (or before as needed) 6:30- 9:00 PM, Blue Hill Public Library.

Minutes respectfully submitted by Julia Klein