

Blue Hill Co-op Board Meeting –February/March
March 23, 2023, Blue Hill Co-op Café

Board Members Attending: Jo Barrett, Jenny Brillhart, Deborah Evans, Anne Gilchrist, Jerome Lawther, Annie Silver, Jennifer Traub, Tim Tunney.

Absent Board Member(s): Aaron Dority

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

Julia Klein, minute taker

Jerome Lawther, meeting facilitator, timekeeper

Jennifer Traub, tasks and decisions

Meeting called to order at 6:00 PM.

Approval of Agenda

Anne moved to approve the agenda with adjustments. Annie seconded the motion. The motion unanimously carries.

Open Owner Time

Anne offered kudos to Kevin on management changes in the Café. She noted that the Café is doing a great job with quality, quantity, and diversity of food. However, the café is still short-staffed, closing early, and running out of food and sandwiches. Kevin commented that afternoon and evening staff are needed as well as an assistant kitchen manager.

Anne commented on the Soup-er Bowl event that the chili, particularly board members' chili, was good. Public participation was excellent. She expressed her hope that the event would happen again next year, perhaps start earlier, and that all recipes would be available! The board heartily agreed.

Julia shared concerns she has encountered in the community regarding a change in inventory of local products at Tradewinds when it transfers to Hannaford in May. She asked how to recommend that people submit requests for new products to be carried at the Co-op. Kevin responded that he is already working with several local vendors about beginning to sell in the Co-op.

Deborah inquired, per an email received by the board, regarding transparency in labeling organic and non-organic ingredients in the Café. She would like to see organic labeling. Kevin responded that dialog has begun in the Café on the topic.

Deborah suggested a 'Did You Know' featuring USDA organic labeling. She explained her discovery that the USDA uses different colored labels to signify levels of organic. She will research the topic and send info to the board and Kevin.

Approval of Minutes

Deborah moved to approve the January 12, 2023 BOD Minutes with edits. Jen seconded the motion. The motion unanimously carries.

Did You Know - Kevin reported that the 'Did You Know?' segment on e-receipts generated significant response. Many owners have opted for e-receipts only.

Annual Meeting Date

Deborah reported that the petition for appearing on the board ballot is now on the Board of Directors webpage. Jo noted that the petition supports Annie's C2 monitoring report calling for robust solicitation. The first announcement for the annual meeting has been published in the *Harvest Herald* including a save-the-date and an alert to the earlier annual meeting. It was also posted on Instagram. Jen will forward the Instagram announcement to the board. Deborah will forward the CSV file containing 180 bounced emails from last year's election to Jennifer Coolidge.

Board Calendar – Kevin noted that 2022 financial reports from the board president and treasurer will go to the printer in May. Jen will check with Kipp regarding the Annual Report deadline and will leave a reminder on the calendar for this year. Jo will submit the notes and recommendations she and Aaron compiled on the 2022 election. Jo reminded the board that no mass mailing of ballots will occur this year. Paper ballots will be produced in the store upon request. Postcard reminders will be sent to owners. Ballot details need to be finalized. Jo, Jerome, and Anne confirmed their desire to re-run for board service. They declined the opportunity to update their bios.

Position on Positions - The board discussed a recent request to take a position on a local issue. The board unanimously agreed that this is not the Co-op's function in the community and past positions have resulted in contention. They affirmed the importance of making everyone feel welcome at the Co-op. Jen asked how the Co-op should respond to requests to take a position on an issue. The board responded that anyone is welcome to set up a table at the Co-op and educate the community on an issue, but the Co-op does not have the capacity within its purpose to take positions.

Board Monitoring

D4 Monitoring GM Performance - Tim presented his report noting his assessment that the board is in compliance with D4. He clarified question 5 regarding Kevin's evaluation. The board confirmed that the evaluation was completed in January. **Jo moved to accept policy D4 as in compliance. Deborah seconded the motion. The motion unanimously carries.**

C1 Governing Style - The board reviewed Aaron's emailed C1 monitoring report. Aaron reported compliance. **Tim moved to accept policy C1 as in compliance. Jenny seconded the motion. The motion unanimously carries.**

C2 The Board's Job - Annie presented her report on C2 noting her assessment that the board is in compliance with all points. The board commented that Annie's first monitoring report was nicely done. **Anne moved to accept policy C2 as in compliance. Jo seconded the motion. The motion unanimously carries.**

Minutes Archive – Jen shared that Kipp is overhauling the Co-op website design and asked whether the board would like all board meeting minutes from 2012 forward to be posted on the site. The board decided to feature recent years but provide a link to archived minutes. Jen will respond to Kipp.

GM Monitoring

Kevin opened his report reading accountant Bob Sullivan's response to the board's question regarding the Income Tax Prediction line item in the budget. He explained that its calculation is complicated, but it is the 5-year provision for income tax in the budget. Tim elaborated and discussion ensued. The board agreed that this provision is an asset to the Co-op.

B1 Financial Condition Q4 - Quarter 4 showed a shrinking cash position, some anticipated, and some needing improvement. Kevin explained the dip into savings and the line of credit particularly for the self-checkout installation. This impacted ratios on the monthly monitoring reports. Kevin went on to explain that work continues with the point-of-sale and perpetual-inventory systems. Another issue was identified in early March resulting in negative inventory numbers. Kevin will go back into 2022 records and correct errors. He noted that he expects the issue will not affect ratios significantly. Despite the difficult quarter the Co-op grew by 3% while most Co-ops saw a reduction of sales and growth slowed to 2%. Equity and fully vested owner numbers are up.

Kevin submitted financials to Cometrics for perspective on inventory and costs. He also met with a representative from NCG. He will be reviewing purchasing with department managers to adjust away from heavy purchasing after the holidays and noted that significant cash was pulled out for redemption and other operating needs. He went on to reference the capital expense for expansion and its effect on the Co-op's current ability to meet benchmarks. The board asked whether the physical inventory is different from inventory within the POS. Kevin responded that the number in Quickbooks is from the POS, but this number is skewed due to wrongly allocated products. He hopes for improvements once corrections are made and will resubmit metrics to NCG etc. to reevaluate comparison to other Co-ops. Conversations continue regarding the debt load. A large group of investments will be due for redemption soon.

Kevin stated that he believes it is reasonable interpretation to report B1 as in compliance with the acknowledgement that some ratios are off. He commented that Blue Hill is the second most seasonal Co-op within NCG. **Jen moved to accept Kevin's report on policy B1 as in compliance. Jenny seconded the motion. The motion unanimously carries.**

B3 Asset Protection - Jo asked about backing up digital records. Kevin responded that the Co-op has server and cloud backup. Discussion ensued and Kevin affirmed his belief that current digital backup is sufficient. Discussion turned to insurance and Kevin stated that all coverages and policies are available for review by the board. Deborah asked whether the policies fulfill recommendations for Co-ops. Kevin responded that the Co-op uses a co-op-specific insurance agency which provides insurance to 275 Co-op's across the country. **Jo moved to accept Kevin's report on policy B3. Anne seconded the motion. The motion unanimously carries.**

Finance Committee – The committee met recently to fulfill minimum requirements to meet before quarterly reports are due. The committee focused on understanding legally available funds and upcoming investment redemptions. Financial strategies for reducing expenses during winter months were also discussed with a focus on elevated winter electricity rates. Board discussion ensued regarding the Co-op's electricity use and production and researching and securing a flat-rate electricity option for easier budgeting.

Ends – The board decided to table the ends for review next month.

Agenda

GM Reports/Ends Report, B1- Q1

C3 Agenda Planning - Deborah

2023 GM Compensation and Evaluation - Jerome

Meeting Evaluation: Pretty good.

Meeting Adjourned: 7:27 PM

Due Date for the Board Packet: Items for the Board Packet will be due on Thursday, April 27, 2023.

Next Board Meeting: Thursday, April 27, (changed to May 4) 2023, 6:00-7:30 PM, Blue Hill Co-op, Café.

Minutes submitted by Julia Klein