

Blue Hill Co-op Board Meeting
February 22, 2024, Blue Hill Co-op Café

Board Members Attending: Jo Barrett, Cheryl Boulet, Jenny Brillhart, Aaron Dority, Deborah Evans, Anne Gilchrist, Annie Silver, Jennifer Traub.

Absent Board Member(s): Tim Tunney

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

Julia Klein, minute taker

Aaron Dority, meeting facilitator, timekeeper

Jennifer Traub tasks and decisions

Meeting called to order at 6:10 PM.

Approval of Agenda

Jenny moved to approve the agenda with adjustments. Deborah seconded the motion. The motion unanimously carried.

Approval of Minutes

Jo moved to approve the January 11, 2024 BOD Minutes. Annie seconded the motion. The motion unanimously carried.

Tasks

- Jenny will connect with Brooklin Boatyard's insurance agent.
- Jo will review the Board Calendar for election dates and will email details to Jen.
- Jo will give Jen updated postcard dates.
- Jo will follow up with Jennifer Coolidge regarding owners without emails.
- Jen will create a list of BOD meeting dates for 2024.

Open Owner Time

Jo commented that she has not been asked to round-up for a cause at the registers recently and inquired whether policy changed. She added that donations are down for organizations supported by the round-up. Kevin responded that cashiers need a reminder.

Jen noted that the Café registers inconsistently prompt her to leave a tip and she is unsure what is expected. Kevin will investigate. He commented that the feature was added to the POS during covid per customer's request.

Annie commented that cashiers have not been asking shoppers if they would like to become owners. Jo commented that she appreciates when cashiers welcome non-owners and thank them for shopping at the Co-op. Kevin will talk with the front-end management regarding reminding cashiers to offer ownership and the round-up donation.

Board Monitoring D4 Board Management Relationship – Jen explained the process for monitoring GM performance using the GM Monitoring Table with excerpts from the minutes. She noted that Kevin's reporting is timely. She commented that the GM Compensation and

Evaluation are due in March and referenced the decision from the February meeting to conduct a brief evaluation for 2023 and move the process earlier for 2024. Jen will change the calendar to reflect a September evaluation going forward. Aaron affirmed that it is appropriate for both the Comp and Eval to be conducted by the same committee but as two separate processes. Jen asked for feedback regarding whether the GM Monitoring Table is used during the evaluation and is helpful. **Jenny moved to approve policy D4 as in compliance. Deborah seconded the motion. The motion unanimously carried.**

C1 Governing Style – Jenny shared her assessment that the board is in compliance with policy C1. She commented that the Co-op follows C1 and the Co-op principles responsibly. The board appreciated the addition of the Co-op principles to the report. Jen noted that previous year's reports are archived on the drive if directors would like to reference them. Jenny commented that the policy register is dated 2016 with no changes noted. The board affirmed that they review the policy yearly. **Jen moved to approve C1 as in compliance. Jo seconded the motion. The motion unanimously carried.**

GM Monitoring

B1 Financial Conditions – Kevin opened his report noting the deluge of financial information and highlighting the inventory conundrum. Q4 sales are up 17% and the Co-op continues to be listed since May 2023 in the top performing Co-ops nationwide with sales over 10%. Kevin showed the P&L with and without the ERC applied. The board inquired where the credit may be applied. Kevin went on to explain the inventory adjustment and that the number listed is not trustworthy due to perpetual inventory being out of sync with QuickBooks. He detailed how the cost of goods may become erroneously inflated after running through PI into QB. He shared that after consulting NGC he discovered that they have worked with many Co-ops and no solution to the problem has been found due to human error in inputting the numbers. He took questions from the board and emphasized that the difficulty arises due to the system being live with costs being inputted inaccurately at times or products coming to the Co-op mislabeled from the supplier. He went on to share that after consultation consensus is that PI must be shut off for good. This would require that all items be booked to cost and physical inventory performed more frequently. Jen inquired how many months included errors. Kevin responded that he has closed out prior years, but he and one other person will work back to the beginning of 2024 to clean up the invoices. He emphasized that the physical invoices show the true cost. Concern was raised about accountability with department managers who oversee the recording of invoices. Kevin affirmed that processes are in place for accountability and without PI problems will remain small rather than growing exponentially. He expressed optimism that shutting down PI will allow for a better system moving forward and commented that he has received support from other Co-ops who have turned off PI in their POS. Kevin commented that he hopes to have the perpetual inventory issues resolved before reporting on Q1 in April as it will impact filing 2023 taxes. An extension may be needed.

Kevin noted that the Co-op lost both the experienced bookkeeper and IT in the last year to retirement. Jen remarked that Kevin has needed to work in so many roles and asked whether some jobs may be hired out. Kevin responded hiring is underway but though the work is exhausting he is uncovering areas which are not working and has support from NCG.

Aaron requested an update on health insurance. Kevin explained the possibility of participating in an ICHRA fund allowing the \$400 health stipend to be tax free for both employer and employee. Employees could use the stipend to buy their own insurance from the marketplace. Employees with other insurance would still be eligible for the stipend. Aaron asked what percentage of staff would be eligible to participate. Kevin responded that he has not crunched numbers yet.

Deborah inquired regarding wholesale purchases from Isle au Haut. Kevin responded that a group from the island makes wholesale purchases through the Co-op seasonally. **Deborah moved to approve Kevin's report on B1 as in compliance. Annie seconded the motion. The motion unanimously carried.**

Finance Committee Update – Jen took questions on notes from the Committee meeting. The Employee Retention Credit is not yet approved by the IRS. The Committee explained that a gray area in the qualifications make parameters unclear. The Board thanked Cheryl for offering her expertise working with Wegner to provide clear documentation. The IRS may question or contest the ERC up to 6 years after it is awarded, and the best possible data for back-up is critical.

Strategic Leadership Committee – Annie briefed the board on the Committee's meeting in which it was decided that Jenny will work on a newsletter article to address concerns about recycling and packaging to be sent to Kevin tomorrow. The article will explain that the problem is primarily with the community dump's processing of recycling rather than the Co-op's handling of waste. The Committee decided to bring back the popular Chili Cook-off organized by Jennifer Coolidge last year to raise funds for the Simmering Pot and the Tree of Life. Volunteers are needed. The cookoff will be held on a Saturday in March. Kip will design graphics and spread the word. PR will state that the recipe must be displayed.

BOD Candidate Vetting – The Board Development Committee noted that BOD Candidate vetting is not needed because Aaron, Jenny, and Annie are running again.

Patronage Dividends – Kevin and the board affirmed that the Co-op is not able to pay Patronage Dividends until investments are paid, and the Co-op is not financially able to fulfill either at this time. **Jen moved that the Co-op is unable to pay a patronage dividend for 2023. Anne seconded the motion. The motion unanimously carried.**

Agenda

GM Reporting – B3 Asset Protection, Ends Report

C2 - The Board's Job, Jo

2024 Store Budget

Department Manager Salaries

Health Insurance

GM evaluation

Meeting Evaluation:

Recessed to Executive Session: 7:13 PM – GM Compensation Plan Follow-up, GM Evaluation

Reconvened Public Session: 7:44 PM

Meeting Adjourned: 7:47 PM

Due Date for the Board Packet: Items for the Board Packet will be due on Thursday, March 21, 2024.

Next Board Meeting: Board Meeting Thursday, March 28, 2024, 6:00 PM, Blue Hill Co-op, Café.

Minutes submitted by Julia Klein