

**Blue Hill Co-op Board Meeting**  
March 28, 2024, Blue Hill Co-op Café

- Board Members Attending: Jo Barrett, Cheryl Boulet, Aaron Dority, Anne Gilchrist, Annie Silver, Jennifer Traub, Tim Tunney.

Absent Board Member(s): Jenny Brillhart, Deborah Evans.

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 6:04 PM.

Approval of Agenda

**Jo moved to approve the agenda with adjustments. Annie seconded the motion. The motion unanimously carried.**

Approval of Minutes

**Annie moved to approve the February 22, 2024 BOD Minutes with edits. Jo seconded the motion. The motion unanimously carried.**

Tasks

- The board will check with Jennifer Coolidge regarding the 501(c)(3) status of Round-Up Recipients.
- Jen will note policy C2 for unclear wording in point 3.
- Jen will email conference and training opportunities to the board.
- Aaron, Jo, and Deborah will plan the Annual Meeting.
- Jen will email Kip regarding Annual Meeting submission deadlines.
- Anne and Jenny contact the Café regarding food and Edie Dunham regarding playing the piano for the Annual Meeting.
- The Finance Committee will review the budget, develop specific review requests, and develop RFP for the 2024 audit.
- Kevin will check to see if building insurance is adequate.
- Kevin will review the insurance payee list.
- Kevin will revise the Employee Handbook.

- Open Owner Time

Tim asked how the Co-op selects and approves Round-Up recipients. Kevin responded that the Co-op often receives requests from organizations and this year the organizations were voted on by the owners. Annie asked whether the Co-op vets organizations and whether they are all 501(c)(3). Anne raised concern regarding the legitimacy of some organizations. Kevin responded that organizations are vetted by Jennifer Coolidge and that 501(c)(3) status may be checked online on the 501(c)(3) website. Kevin directed Tim to the Co-op Website under Change for Good to nominate an organization for the Round-Up.

Board Monitoring

C2 The Board's Job – Jo reported compliance in several areas, highlighting that a significant portion of the Annual Meeting is dedicated to owner questions and discussion, and voting participation has dramatically increased with online voting. She raised concern that point 3 is vague regarding roles and noted that training has been available to the board but has not been widely utilized. Jen commented that

the GM compensation process has not been completed in a timely manner, but the board has addressed the issue by creating a better meeting schedule and separating the GM evaluation and compensation processes. **Anne moved that the board is in compliance with policy C2. Annie seconded the motion. The motion unanimously carried.**

#### GM Monitoring

B3 Asset Protection – Aaron thanked Kevin for the extensive insurance and asset protection report. Kevin explained that renewal due dates are upcoming, and he has been looking at the real estate and building and wondering if coverage is sufficient or whether he should seek insurance for a higher replacement cost. Upon discussion, the board affirmed that it is likely more insurance will be needed and inquired whether a new appraisal would be required based on today's values. Kevin will reach out to the agent regarding the increase and noted that labor and materials have increased faster than insurance has risen. He commented that the agent works with Co-ops all over the country and understands Co-ops and their needs. Aaron questioned whether director and officer insurance is adequate. Tim raised a question regarding why LISC is still listed among payees on the insurance. Kevin will investigate this and a couple of other organizations which should be removed from the policy. Aaron commented that while he appreciates that the agent is familiar with Co-ops, he wondered if there is competition for better rates elsewhere. Kevin responded that these were the best rates when he purchased the insurance, but current rates are worth looking into. Cheryl requested insurance documentation.

Jo inquired regarding what types of contracts the Co-op is under which could put assets at risk. Aaron asked which categories of contracts need review by the board. Kevin responded with a list of the few contracts the Co-op is under and noted that most were reviewed by the board when instated.

Cheryl noted that the employee handbook was last reviewed by a lawyer 5 years ago and questioned whether it should be reviewed and updated. Kevin responded that he plans a large overhaul using Co-op-specific information and will submit the handbook for review by a lawyer when finished. Jen remembered past conversations on the board regarding creating an HR position and wondered if recent staffing shifts would allow for hiring HR. Kevin responded that he has been discussing this possibility with a consultant and that within \$5-10 million Co-ops this is often a budgetary constraint, but with anticipated growth this year he hopes to move towards hiring HR. Jen noted her hope that strengthening the administrative team would increase efficiency and lighten Kevin's load.

Kevin went on to discuss the budget, which he had set for 5% growth, but after growing 19% in the first quarter, he increased expected growth. He commented that he does not expect this rate of growth to continue through the year since last year's first quarter was slow. However, Kevin explained that he feels confident adding more administrative staff due to strong growth. The Finance Committee will review the budget before the next BOD meeting. Kevin reported that he has newly hired a bookkeeper, a payroll administrator, and IT.

Kevin turned to perpetual inventory reporting that all problems are resolved for 2023. As of March 1, 2024 perpetual inventory is no longer connected to QuickBooks and skewing the journal entries. PI is still being used as a helpful tool, but errors are being caught before they transfer to the books. Aaron inquired whether staff providing quality control and keeping inventory in check is adequate. Cheryl requested 2023 financial statements including Q4. **Jo moved to approve Kevin's report on B3 as in compliance. Tim seconded the motion. The motion unanimously carried.**

Finance Committee Update – Tim shared that the committee had not met but had discussed the timing of the Co-op's next audit. The last audit was 8 years ago in 2016 preceding the preferred share offering. The committee discussed whether to pursue the audit this year or to wait and audit 2024 financials. Wegner is engaged for a financial review on May 20, 2023, and the committee considered whether this should be

changed to a full audit. The review will cost around \$10,000. Wegner is willing to perform an audit but would like to know areas to focus on. Cheryl expressed her belief that proposals should be pursued from several institutions since Wegner's familiarity with the books may be a hindrance to an objective audit. Wegner recommended going through with the review but addressing additional specific questions from the board. Discussion ensued. Kevin noted that all Maine Co-ops use Wegner, and they service hundreds of Co-ops across the country. He added that Wegner's yearly reviews offer more depth than the last audit. Aaron suggested a rigorous RFP process. The board agreed that this is a good time for the audit due to inventory issues, staff turnover, and growth over the last few years, and that the health of the organization may be increased by taking the time to audit and consider ways to simplify. The board went on to discuss authorizing the committee to pursue RFP and whether to audit 2023 or 2024. **Cheryl moved that the Co-op should proceed with the contracted financial review from Wegner for 2023, but submit an RFP to 3-5 potential auditors, including Wegner, for an audit of 2024. Tim seconded the motion. The motion unanimously carried.** The Finance Committee will meet to review the budget, develop specific review requests, and develop and send RFP for a 2024 audit. Cheryl will email regarding her availability to meet with the committee.

Plan Annual Celebration – The board agreed to hold the Annual Meeting in the same style as in recent years. Anne and Jenny will work with the Café to plan food, based on products from Co-op, and music for the Annual Meeting. They will contact Edie Dunham to play the piano. Discussion ensued regarding meeting details. Jo recommended introducing the candidates at the start of the meeting to allow for owners to meet and talk with candidates before voting. Anne commented that the meeting started too early last year with food beginning an hour ahead. She suggested starting food a half-hour ahead of the meeting this year. The Lessons Learned document was referenced. Anne suggested focusing on interacting with owners and moving monitoring reports to the May and July board meetings. Jen referenced the board calendar regarding moving monitoring reports. Tim suggested retaining a brief business portion of the meeting. The following order was suggested: Annual Report, Introduce Candidates, Year Review, Committee Presentations, Open Owner Time. Aaron, Jo, and Deborah will plan the meeting. The Annual Report booklet and deadlines were discussed. The booklet should contain reports from the President, Treasurer, and the Strategic Leadership Committee. Jo reminded Annie, Jenny, and Aaron to submit photos and bios to Deborah or Kipp by April 18, 2024. Jen will request Annual Report materials deadlines.

Chili Cook Off – Annie updated the board on the Chili Cookoff sharing an email from Jenny. She noted that the event was rescheduled due to weather and power outages yet was well attended considering the conditions. \$323 was raised for the Tree of Life and Simmering Pot. A GSA student played the piano. The board offered kudos to Annie and Jenny for their determination to hold the event despite difficulty. Gift certificates and prizes from the Co-op encouraged participation. The winning recipe will be available as well as an email about Simmering Pot and Tree of Life. The Strategic Leadership Committee has other ideas and observations and is considering a dessert fundraiser in August.

Strategic Leadership Committee – Anne shared that the committee has focused on addressing trash and reducing plastic. Jenny published an article in the newsletter clarifying the nuances of the trash/plastic situation at the Co-op in the broader community. Jennifer Coolidge has created a Slash Your Trash challenge encouraging owners to reduce their waste.

Board Training – Kevin offered training opportunities to the board. The P6 conference of Maine Co-ops will meet in Augusta on Saturday April 6, 2024, and a free ticket is available to board members. CCMA (Consumer Co-operative Management Association) will be hosting their annual event in Portland this year with co-ops nationwide. The conference will be held May 30 - June 1, 2024, and a free ticket is available. Kevin will attend both conferences. Anne recommended a 3-hour online board director training

on April 20, 2024. She participated in the training in January and noted that it was helpful. Jen will email info and links to the board.

Agenda

GM Reporting – Financial Conditions, Ends Report

C3 Agenda Planning - Tim

Meeting Adjourned: 7:42 PM

Due Date for the Board Packet: Items for the Board Packet will be due on Thursday, April 18, 2024.

Next Board Meeting: Board Meeting Thursday, April 25, 2024, 6:00 PM, Blue Hill Co-op, Café.

Minutes submitted by Julia Klein