

Blue Hill Co-op Board Meeting
October 24, 2024, Blue Hill Co-op Café

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

Absent Board Member(s): Jennifer Traub, Tim Tunney (on extended break for personal reasons)

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

Julia Klein, minute taker

Aaron Dority, meeting facilitator, timekeeper

Annie Silver, tasks and decisions

Meeting called to order at 6:05 PM.

Approval of Agenda

Annie moved to approve the agenda with an addition. Jo seconded the motion. The motion unanimously carried.

Tasks and Decisions Check-In

- Jen will add the annual committee charters review to the January calendar.
- Kevin will look into engaging an HR consultant for himself and payroll staff. Consultation will focus on health insurance options, life insurance, and other HR compliance issues.
- Cheryl will share HR consultant's contact information with Kevin.
- Kevin will look at ICHRA (Individual Coverage Health Reimbursement Arrangements) regarding implications for Affordable Care Act subsidies if an ICHRA is offered.
- Aaron will send an RFP to Kevin.
- Kevin will engage Wegner to conduct a financial review and Audrey Griffin to assess internal controls.
- Kevin will increase the store's budget line "Legal and Professional" to provide for legal needs during the investment redemption process.
- The SLC will set a date for meeting in January to discuss next steps.
- Directors will review the Board Handbook and submit comments via email.

Approval of Minutes

Anne moved to approve the September 26, 2024 BOD Minutes with edits. Jenny seconded the motion. The motion unanimously carried.

Open Owner Time

Anne shared that she is happy to see the baked goods back! Aaron praised the gluten-free chocolate cookies. Kevin commented that consistency has been difficult to maintain. Cheryl asked whether the café will be open on weekends. Kevin responded that he hopes hours will improve but currently there are five staff in the café. There are new applicants and some previous employees returning. The store will be closing on a Sunday at noon for in-house inventory. Kevin noted that he has observed in the media a stream of closures due to labor issues. He hired two new workers last week but neither showed up. Anne suggested posting the job over the baked goods.

Holiday Board Meeting Dates: The board confirmed its decision to meet on Thursday November 14, 2024, and Thursday December 12, 2024, to avoid conflicting with the holidays. The fourth Thursday meeting schedule will resume in January.

Board Monitoring

D1 Unity of Control – Jen submitted her assessment via email that the board is in compliance with policy D1 and does not make unauthorized requests of the GM in general. Kevin echoed that this is generally the case with the occasional outlier. Brief discussion followed. **Jo moved that the board is in compliance with policy D1. Jenny seconded the motion. The motion unanimously carried.**

GM Monitoring

B1 Financial Conditions, Q3 Financial Report – Kevin reported 8.5% current growth and commented that NCG reports 16% of co-ops in decline with an average of 2.5% growth in September in the eastern quarter. Blue Hill saw 6.5% growth in September. The board commented that this was amazing considering staffing issues and the empty café. Kevin noted that the café is typically 15-18% of total growth but is down to 13%. Cheryl pointed out that net income is up 24% and Kevin shared that he has been able to put away cash, pay down redemptions, and remain ahead of last year's cash position. Discussion turned to the Co-op's current minimum wage of \$15 which will soon be raised to \$15.75. Aaron asked how the wage compares with other Co-ops. Kevin responded that it is comparable to many but higher than several. Maine's minimum wage is \$14.15. Aaron asked about strategy for increasing staff in the café. Kevin responded that if hires show up to work, the Co-op will work with them. He went on to report that the debt-to-equity ratio changed slightly with paying out redemptions, but all other markers are strong. There are just under 3,000 owners with 125 new owners. Cheryl asked about progress with the IRS Employee Retention checks. Kevin responded that he looks daily but has not been able to get information. Aaron recommended calling the Bangor office, and Cheryl noted that the national line is easier to get through than in the past. **Annie moved to approve Kevin's report on B1 as in compliance. Jo seconded the motion. The motion unanimously carried.**

GM Compensation Request for Proposals - Anne and Aaron updated the board on the RFP and explained the process. Aaron sent the draft to Kevin, and Kevin responded with suggestions. The Board needs Kevin's compensation proposal by December for a timely decision. The board asked about Kevin's life insurance. He responded that he needs to research the topic but hasn't prioritized it. Cheryl suggested that HR line on the budget to cover staff or a consultant for this type of research. Kevin responded that he has an excellent staff member who has been working on HR topics and training with NCG. Cheryl will give Kevin recommendations for HR assistance. The board affirmed that they would have approved life insurance in past years if details had been worked out. **Deborah moved to approve the Request for Proposal to be sent to Kevin. Jenny seconded the motion. The motion unanimously carried.** Aaron will send the RFP to Kevin and will receive his response.

Health Insurance - Kevin gave an update on employee health insurance noting that he is working with a consultant and researching ICHRA as an alternative to the health stipend. ICHRA would be tax free but must be applied directly towards a health insurance premium. Staff with

alternative insurance could receive the health stipend, but it would be taxable. Cheryl raised concern that there may be a negative relationship between ICHRA and the marketplace. Kevin will look into this.

Finance Committee Update – Cheryl presented a recommendation from the committee to engage Wegner to do a review of 2024 financial statements and Audrey Griffin to do an assessment of internal controls. She went on to detail costs for both services. **Anne moved to approve the recommendation from the Finance Committee to authorize Kevin to engage Wegner to review 2024 financial statements and Audrey Griffin to assess internal controls. Deborah seconded the motion. The motion unanimously carried.**

Board Budget – Aaron reviewed the 2025 budget for the board and asked how it compares with 2024. Kevin reviewed the 2023 and 2024 budgets and highlighted differences, noting BOD subscriptions for the email provider. Cheryl asked whether engaging Jeff Spaulding for legal questions comes from the board budget. Discussion ensued and Kevin clarified that the board legal line is for specific board related legal issues, but Spaulding has been compensated out of the store legal and professional line. Cheryl recommended allowing for significant funds in the board and store legal lines for legal consultation as necessary while preferred shares and dividends come due. Kevin will increase the store legal line. Discussion turned to the board discount, and it was confirmed that it matches the employee discount and is appropriate. The Annual Meeting and elections budget was confirmed at \$1,500. **Annie moved to approve the 2025 Board Budget with adjustments. Jenny seconded the motion. The motion unanimously carried.**

Strategic Plan – Jenny shared her notes from the Strategic Planning Committee meeting and answered questions. She highlighted that Kevin has already achieved or surpassed goals set in 2022. The committee discussed café growth. Cheryl commented that it may be time to evaluate and revamp the strategic plan. Kevin shared that he has met with staff to develop a plan for the next 5 years. Jenny noted that the document shows achievements to date, but the goal is to assess it each year and create a new plan. Since the plan is considered a living document, the committee felt that no board action is required, and the document may be changed as needed without board approval. Aaron asked whether the charter needs updating. Jenny responded that it is current and was updated last spring. A meeting date will be set with Jennifer Coolidge for January. Aaron expressed appreciation for the update and for the document.

Member Investors – Kevin shared that several member investors have expressed enthusiasm at the growth of the Co-op. He went on to share about successfully navigating a difficult investor relationship. Aaron noted that the Co-op is now communicating with investors in a timely manner.

Director's Handbook - Cheryl questioned why the board is reviewing the handbook and discussion ensued. Jo noted that the outdated handbook could be used as a loose template for a revised version retaining the section headings and discarding old information. Deborah recommended consulting NCG regarding new director training. Jenny noted that most of the policy is now covered by policy governance. Jo stated that she is available to work on the

revision before the election season is underway. Research is needed. The board agreed to read the handbook and comment over email. The revision will be discussed at the November meeting.

Agenda

Board Budget

Store Budget

GM Proposal in Response to RFP

Board Policy Language Suggestions from 2024 Review

D2 Accountability of the GM - Jenny

Ends Statement Review

GM Monitoring Report B7 Communication to the Board

BOD Handbook Discussion

Meeting Adjourned: 7:07 PM

Due Date for the Board Packet: Items for the Board Packet will be due on Thursday, November 7, 2024.

Next Board Meeting: Thursday, November 14, 2024, 6:00 Blue Hill Co-op, Café.

Minutes submitted by Julia Klein