

Blue Hill Co-op Board Meeting

Feb. 26, 2026, Blue Hill Co-op Café

Board Members Attending: Jo Barrett, Cheryl Boulet, Susan Brookman, Aaron Dority, Deborah Evans, Anne Gilchrist, Jennifer Wolf

Absent Board Members: Jenny Brillhart, Annie Silver

Others Attending: Kevin Gadsby (General Manager), Jennifer Wahlquist (Ownership and Outreach Coordinator)

AI and Sarah Pebworth, minute takers

Aaron Dority, meeting facilitator, timekeeper

Jennifer Wolf, tasks and decisions

Meeting called to order 6PM

Approval of Agenda

Added NFCA—Jennifer Wolf

Patronage Dividends deleted

VOTE: Anne moved to approve the agenda, Susan seconded. The motion carried unanimously.

Tasks & Decisions

Kevin to update redemption figures and statement of cash flows for budget

Susan to be added to email for Strategic Leadership Committee

Aaron will report back with more information after contacting George regarding NFCA membership.

Board members should email possible candidates (assuring they are interested and eligible) to Jo and Deborah.

Jo will look up deadline for bylaw changes for the ballot.

Anne and Jenny to meet with Jennifer Wahlquist in the next month or so to discuss annual meeting, food, and need for a tent.

NFCA Board

Aaron discovered he can't be on the board. Jennifer Wolf had two productive conversations with NFCA. They were hoping to have contested board elections, and have already gotten the president from Belfast co-op to run. Jennifer discovered we can participate even if we aren't on the board. She might attend March 21 meeting. Yesterday they contacted Jennifer Wolf and said that they were still looking for another person to run, now have two seats but only one candidate.

Aaron: Why is it valuable to have a Blue Hill Co-op board member on their board?

JWolf: Being part of the group would be beneficial regarding information about health insurance, retirement plans and to pool resources. One group call was a variety of relevant topics. "I'm not sure being on the board would add benefit beyond just participating. I'm hesitant to be on the board but could be a liaison."

Cheryl: Co-op is already a member of NFCA.

Approval of Minutes

VOTE: Anne moved to approve the Jan. 22, 2026 minutes as amended, Jo seconded. The motion carried unanimously.

Open Owner Time and Change for Good

No discussion

TASK: Aaron to talk with Jennifer Wahlquist about the Change for Good presentations

Board Monitoring

C1, Governing Style

Cheryl: Reported via email. It's a very big policy so tricky. I do think we're in compliance.

VOTE: Anne moved to accept C1 as in compliance, Deborah seconded. The motion carried unanimously.

GM Monitoring Reports

B3, Asset Protection

Kevin—provided report and additional information. Realizes B1 report needs final inventory adjustment for December. Perhaps push this report to next meeting. Quarter 4 was a mixed bag. I can get into details when we discuss. In September, we made a claim for spoilage, business disruption because we had to close, and equipment repairs.

Aaron: Has this affected our premiums?

Kevin: We'll know soon. In April that policy is up for renewal. I haven't seen an increase yet. We have directors' and officers' insurance coupled with employment practices liability. We can get a split coverage for a similar premium but double the coverage. Other quotes coming in.

JWolf: I had a conversation with Rob Clapp and he would like to be asked for quotes. He would love MBG to be considered. He might not be competitive but he expressed interest.

TASK: B1 report is moved to March meeting and will include final inventory adjustment for December.

TASK: Kevin will consider Rob Clapp from MBG when seeking insurance quotes.

VOTE: Susan moved to accept B3 as in compliance, Jo seconded. The motion carried unanimously.

Café Update

Kevin: There's some good work going on.

The co op cafe continues to demonstrate a clear turnaround in sales performance. Following a sustained period of decline, which started in quarter 4 of 2024. We were down over 13% that quarter, which was, I think, the lowest point that we'd ever seen.

First quarter 25, it was still down, but it started to go the other way. 6.6%; second quarter, down 2.7%; third quarter, down 3.5%; fourth quarter up 13%.

Year to date, through last Saturday, for a complete week, we were up about 6.7%.

4th quarter, 2025 sales, increase 13%, signaling a meaningful rebound, driven by focused operational and pricing improvements, even while costs were elevated.

Final B1 financial shows the cost of goods were up, and labor is up. Every category of cafe expenditure was up. Some of that was known going into this whole phase of working with a consultant. There was a lot of labor hours that went into recipe testing and costing and getting into our costing database. They pretty much rewrote the entire database on costing, which we've just implemented, and part of that exercise is to make sure that the costs are accurate.

Inflationary pressure and costs are changing all the time and that requires staff, who are now trained by the consultant, to continually update costs in the system. This shows that if this item costs this much, and you set your expected margin, it'll show you what the cost increase would be. Does this warrant a price increase? That's the exercise that we've been going through.

Just in the last week and a half, we've seen a measured increase in margin dollars for the department, because before they were updating these costs on a regular basis, we were losing margin dollars. Once the cafe gets into a place where they're on top of these things regularly, we should continue to see an increase in margin dollars and a contribution to the overall store margin, which is really important.

While costs were elevated during the quarter, this was anticipated and tied directly to deliberate investments in recipe development, staff, training, operational testing, and prices and updates. The return to positive sales growth, beginning in quarter 4, coincides with the initiation of structured work of the cafe consultant suggesting that recent interventions are having their intended effect. Even with some deficiencies, the cafe team rallied during that period.

Café sales are up 7% year to date. Cost of goods and waste remain within manageable ranges. As sales volume continues to build, labor as a percentage of sales is expected to improve as efficiencies stabilize. Significant progress has been made in improving pricing accuracy and margin discipline, recipe costs have been comprehensively updated in the point of sale, and staff have been trained on maintaining consistent pricing. Early results, since implementation, indicate notable margin improvement, reinforcing confidence in the corrective measures taken.

A recent report from the National Restaurant Association said that the independent food service sector shrunk by 2.3 in 2025. with 90% of operators feeling the pinch from food costs, labor, insurance, and overall inflationary pressures; 42% said their businesses were not profitable in 2025; 60% of operators said their businesses deteriorated during the year.

I was on a recent call with our NCG rep, where each quarter, we go over quarterly results. When you compare our café's performance with other NCG co-ops of similar size, we outperformed them in many areas, even with what looks like poor performance for us. Everyone is struggling in a similar way.

Our cafe consultant, Michelle, will return March 14 to 18 to implement additional production and workflow enhancements, with a continued focus on efficiency, consistency, and scalability.

Recruitment for a cafe manager remains active. Several interviews have been completed with additional conversations scheduled.

Kudos to the crew and the job they're doing without a manager.

Aaron: Have you talked to the café crew as a group about the results?

Kevin: with the leadership, I have. Brett and I have regular zoom meetings with the consultant.

In summary, the cafe is moving from a phase of testing and correction into one of consolidation and improvement, with sales growth, improving margin controls, and upcoming consultant support, and continued progress towards securing dedicated cafe leadership. I believe the department is positioned for increased operational stability and improved financial performance over the coming quarters.

Overall, in spite of challenges, for the year, we landed on key performance indicators pretty spot on.

Aaron: Manager position is still posted?

Kevin: Yes. I have another interview next week.

Kevin: The whole store waste amount is 1.2% which is really good. Typical grocery store waste is 2.5%-4%. It's the highest in food service and produce. Average is between 4-10%, ours in 4th quarter was 3.9%, and that's higher than we've seen in a while.

Kevin: Café morale is good.

Jennifer Wolf: Kudos to the café team.

Finance Committee Update

Susan is now on the Finance Committee.

Cheryl: Proposed bylaws changes have been run by the Maine attorney and CPA Audrey Griffin, both who specialize in co-ops. They signed off on everything that you have seen except 8.3 which I have since changed. The very last sentence in 8.3 should be struck ("Each owner agrees...").

Co-op procedure has been to publish previous bylaws and suggested changes and reasons why (per the advice of our attorney and CPA).

VOTE: Deborah moved to approve recommended Article 8 bylaw changes, Anne seconded. The motion carried unanimously.

TASK: Kevin to give Cheryl permission to add documents to the drive

TASK: Finance Committee to provide Deborah and Jo proposed text and rationale for bylaw changes for ballot

Executive Session entered at 7:08 ended at 7:20

Discussion: Board recruitment

VOTE: Deborah moved to appoint Michelle Keyo to fill the soon-to-be-vacated director's position of Jenny Brillhart beginning with the April meeting. Jo seconded. The motion carried unanimously.

Her term will expire in 2027.

Tasks and Decisions

TASK: Aaron to talk with Jennifer Wahlquist about the Change for Good presentations

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VOTE: Anne moved to adjourn the meeting, Susan seconded. The motion carried unanimously. Meeting adjourned time

Due Date for Board Packet: March 19

Next Board Meeting: 6-7:30pm, Blue Hill Co-op Café

Next meeting agenda items

Plan annual celebration; board nomination/ petition timeline/ ballot items?

Board monitoring, C2, The Board's Job: Deborah

GM monitoring, Ends report: Kevin