

## **Blue Hill Co-op Board Meeting**

Tuesday, February 17, 2009

6:30 – 9:00 PM, Blue Hill Public Library

Attending: John Vincent, Gail Bartlett, Chip Angell, Becky McCall, Deborah Wiggs, Marianne Vandiver, Bob Sullivan (facilitating), Karen Doherty (General Manager), Brian Loring (Member-Owner), Amy Morley (minutes taker)

### Last Month's Meeting Minutes

Minutes of the January 2009 meeting were approved with no changes.

### Time Open to Owners

No owners that are not Board members spoke.

### General Manager Report

Karen shared her Manager's Report. Deb Suasanna has begun work on a feasibility study, but not yet billed us, and will be at the Co-op on February 26. It was discussed whether or not the \$10,000 payment for the feasibility study could be put off or paid in an installment plan. **Karen will look into the possibility of postponing payment or setting up a payment plan.** A member forum date to discuss and get information about changes to discounts will be at registers as soon as possible. Additionally, Karen will get information to Chip at his request about the fees the co-op pays to the credit card processor.

### General Manager Financial Report and Plan of Action

Karen presented the financial information from the 2<sup>nd</sup> quarter of 2009, and a summary of important points were reviewed during the meeting. She discussed what items in the budget were up or down and what items in income are up or down, both compared to 2<sup>nd</sup> quarter last year and year-to-date. She was able to furnish reasons behind the numbers both in terms of things taking place within our Co-op and within the grocery industry. It was asked if the Co-op should add to D1 policy that accounting happens on an accrual basis. Until recently, the Co-op was reporting on a cash basis. A financial plan of action was laid out in the GM's report.

### Monitoring Policy D1, Financial Conditions

Although we have a net profit of less than 1% year to date, the Board acknowledged that Karen is doing the best job possible under difficult financial conditions. Also worth noting is that the feasibility study will likely drop the net profit to less than 1%. The Board was made aware of this situation before the Board approved the spending. **D1 monitoring report was accepted as submitted.**

### Discussion of Financial Situation

Bob facilitated a discussion of the Co-op's financial situation. He handed out copies of Executive Limitation policies D1, D2, and D3. Board members reviewed them briefly during the meeting, then, given the economic recession, shared their greatest financial concern for the Co-op. The Board considered possible revisions to these policies which might clarify financial conditions. There was a lot of discussion about D1, #7 regarding

net profit and the inherently slim margins within the grocery industry. Suggestions included adding a requirement for a multi-year financial plan to D2 and adding the public image of the Co-op as an asset needing protection to D3. The GM asked the Board for clarity regarding the use of restricted funds. Also discussed was payroll budget during a recession. **A workgroup to more closely consider proposed policy changes to D1, 2, & 3 was formed, comprised of Chip, Bob, Marianne and Gail. They will bring a policy proposal to the next meeting.**

Nominating committee

The nominating committee agenda item has been moved to the next meeting.

Proposal: patronage dividend

Patronage dividends dispersal was discussed in terms of the requirements and logistics. By March 15, at least 20% of the net profit attributable to owners needs to be distributed. Net profit for the year was approximately \$4000, of which \$1900 was attributable to owner purchases. It was proposed that \$1520.50, or 80% of the \$1900 be distributed. This would mean that 904 out of 1125 owners will not receive a check because their portion would be less than \$2, the IRS dispersal cut-off (because the cost of dispersal outweighs the amount being dispersed) and the largest check would be \$16.32. It was felt that it is important that owners know the reason why these figures are so low; it's partially due to \$20,000 in discounts already given to supporting and senior owners. It was felt that this information should accompany the patronage dividend check. It was commented that continuous education is important because even without discounts next year, there may not be a patronage dividend if there is a loss. It was also suggested that perhaps the Board should send an annual report to owners instead of being dependent on going to annual meeting. **Hearing no concerns, the Board decided to disperse 80% of the \$1,900, or \$1,520.50 to owners.**

Next Month's Agenda:

Nominating committee to present new mandate for approval; Gail will monitor C1; officer transition discussion; follow up discussion about communicating with owners; Karen will monitor A6-8; Bob will monitor B3, Role of Facilitator; April meeting date.

Next Meeting:

Tuesday, March 17, 2009

Minutes Respectfully Submitted by Amy Morley