

Middlebury Natural Foods Cooperative
Board of Directors Meeting
August 24, 2011
Approved 9/28/11

Board Members Present: Kristin Bolton, Ilaria Brancoli Busdraghi, Joseph Cadoret, Ross Conrad, Mary Gill, Kate Gridley, Kevin Lehman, Jay Leshinsky, Karen Miller-Lane, Tam Stewart.

Board Members Absent: Francisca Drexel.

Others present: Susan DeWind (staff liaison), Glenn Lower (General Manager), Reiner Winkler (staff).

Board Monitor: Tam

Call to Order: Jay called the meeting to order at 6:30 pm.

Member's Business: Kristin mentioned Annie Claghorn's appreciation for the GMO information on the MNFC website. Jay reported a conversation with John McLeod from Middlebury College. His studio art class has a project to design a community cooking and eating space which hypothetically could be at the Co-op. Jay asked would the Board benefit from this idea. Consensus was it could be part of the Co-op's education goal. Glenn said he would be interested in talking with him about the use of the downstairs space and a potential future connection with the store building.

Approval of Minutes: The minutes of July 27, 2011 were approved as amended. The vote was all in favor, with Ilaria, Kristin and Kevin abstaining, on a motion made by Karen and seconded by Kate. The Board later reopened the minutes for further amendment on a motion by Kate, seconded by Jay. All voted in favor of approval on a motion by Ross, seconded by Mary.

General Manager's report: The Neighboring Food Co-op Association (NFCA) is working on regional sourcing. They are collecting data on products and pricing to send to potential sourcing partners. The most promising now is Vermont Refrigeration Storage (VRS), a LLC of Sunrise Orchard owner Barney Hodges. They have a grant along with NFCA funds with which they are exploring getting fruits and vegetables from VT and New England farms for processing in several locations. They would be co-branded by NFCA and VRS and sold frozen possibly as early as October. Glenn reported that NFCA dues for MNFC are \$9,000/year to cover executive director costs. He sees them as an investment in the co-op community and time to build its programs.

Glenn will work with Reiner to find out if oats sold in the store are from the Canadian firm that has had their organic certification suspended. Ilaria asked if the store already has 25 % of its products being organic. Glenn said on average for the year, yes. Glenn then encouraged Board members to refer product issues brought to them by member-owners to department heads or to him.

Monitoring Report: Glenn reported that he is in compliance with all sections of EL 4 - Financial Condition. July was not as strong as hoped. Personnel costs were up 7% while sales were up by 4%. Discounts are over budget. Profit sharing is currently at zero. There will be efforts to be more efficient, add no unbudgeted hours and trim non-essentials.

Ross asked if the definition in Section 4.5 might be reconsidered. If more than 10% growth is in compliance, is there the risk of growing the business too fast? The Board's discussion about growth is different than what is implied in the EL standard. Kristin did not see being over 10% as a financial jeopardy. Kevin suggested that it could be handled outside of monitoring but there is no policy to address excessive growth and its impacts. Any changes to EL monitoring sections should go to the Executive Committee.

Kristin reminded the Board that Michael Healy suggested that the GM report on the EL headings as well as each sub-section.

The Board unanimously accepted the report on a motion by Ross, seconded by Kristin.

Conflict of Interest Form: The Board discussed the draft conflict of interest form in which Kate had added the requested wording from GP 6 and the By-laws. #3 was found redundant and removed. Board members will sign this document yearly after the May elections.

Kate Gridley Replacement: Kate has submitted her resignation from the Board due to her increased work commitments. The Board discussed options for filling out her term. There was consensus that youth, a different voice, experience and skills were all worth considering. Mary offered to leave the Education Committee to take Kate's place on Board Development.

Education Committee: Kristin started her presentation on the structure of Board work, reviewing what had been accomplished and a framework for planning future education work. The out line was: 1) review the process for building wisdom, 2) evaluate past work for strengths and need for improvement, 3) unfinished business and 4) areas for future study. In 2007 Ends were developed. 2008-9 were spent on the compelling questions of local food and carbon with a lot of engagement with the public. There was some policy review in 2010. There was Board consensus that improvement was needed around policy reflection and formation as well as engagement with member-owners.

Kristin reviewed the CBLD double circle graphic which shows the interaction of Board and operational work. Study and engagement in the top circle leads to developing and/or modifying policy which in turn filters down to the bottom circle for operational implementation by management. As this work is reported on through monitoring to the Board they can again reflect on the success of policies and if there is need for modification along with identifying new topics and trends for study. Right now slow money and affordability wait to be worked on. The November Ends report will give an indication of what is needed for meeting the environmental ends.

Meeting Monitoring – GP 3: This GP concerns Board Committees. There was consensus that all committees are serving the Board well and they are satisfied with the performance of GP 3. Jay said he would like to decrease committee time to have work

done more by the whole Board. It was agreed charters should be updated, especially for Buying Criteria; it needs clarification on how it reports back to the Board. There will be discussion if this committee needs to be a full committee instead of Ad Hoc.

Next Meeting: Communication Committee – Newsletter ideas
Buying Criteria charter
ELs report – several
Education Committee
Executive Committee

Vendor guidelines and other issues should be considered for integration into policy. Consensus was that committee minutes should be started up again for informational purposes only unless action is required. The Executive Committee will write an addition to GP 3 for this.

Jay will not be at the September meeting; Ross will preside.

Adjournment: The meeting was adjourned at 8:47 pm on a motion by Karen, seconded by Kate. All voted in favor.

Respectfully submitted by Susan DeWind