

Middlebury Natural Foods Cooperative

Board of Directors Meeting

January 25, 2012

Approved 2/15/12

Board Members Present: Kristin Bolton, Ilaria Brancoli Busdraghi (arrived 6:55), Joseph Cadoret, Ross Conrad, Mary Gill, Kevin Lehman, Jay Leshinsky, Karen Miller-Lane, Tam Stewart, JS Woodward.

Board Members Absent: Francisca Drexel.

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

Board Monitor: Tam

Call to Order: Jay called the meeting to order at 6:30 pm. He suggested adding GM Report to the Agenda but there was nothing of note other than issues already on the agenda.

Member's Business: Tam mentioned great help he received from a staff member in scheduling meeting space.

Approval of Minutes: On a motion made by Ross and seconded by Tam, the minutes of December 14, 2011 were approved with all in favor.

Retreat Follow-up: There was review of Kristin's summary on writeboard which included the questions with 8 votes and more at the retreat. Potential ideas and questions were part of the summary as well as who/what/when actions.

Jay asked for further discussion of the proposal at the retreat to disband the Education Committee and merge its work with the Board Development Committee work. It was agreed the two charters have similar goals. There was a motion by Ross, seconded by JS, to combine the Education Committee statement into the BDC charter. All voted in favor. Jay agreed to revise the charter wording and post it on basecamp. It was suggested that Kevin and Francisca will join the BDC Committee and Kristin will serve only on the Executive Committee.

Glenn presented a rough estimate worksheet that reflects current Co-op efforts toward affordability and accessibility. There are many price reductions to make food more affordable. He explained in detail about the discounts for staff, member-owners, seniors, wine and special orders as well as discount coupons. The weekly 6-item sales act as loss leaders. The true cost of the program is hard to assess with its large volume and increased labor with little or no margin. This program does build interest, provides good service and fosters other purchases. In addition there is reduced margin on local food, the NCGA sale program and the Truck Load Sale. Approximate cost of the above is \$787,000 or about 8% of sales.

Glenn broke down how one income dollar is spent. The net income is 2 cents or 2% of sales. Natural food margins tend to be higher than conventional. Most co-ops have higher margins than MNFC as it tries to keep prices down. Glenn feels MNFC profits are healthy but not excessive. The budget is tight and, to keep the necessary 2% net profit, some existing sales or discount programs would have to end to support new ones.

The accessibility part of Glenn's worksheet included the new HOPE project (to raise deliver and store local food), Empty Bowl Dinner, NOFA Share the Harvest, EBT, WIC, 3-Squares, Food Shelf donations, the Annual Meeting meal and cooking classes.

Glenn thinks there is great potential with the HOPE project. He is not sure yet what MNFC's role will be. He feels it may better reach more people as it may be hard to get low income people into the store. The ideas of replacing discounts with lower prices and giving the option to funnel wine discounts to HOPE were suggested.

The proposed public meeting on food security and economic accessibility for March was discussed. This would be a round table to engage the community with organizations to hear what they are doing, who they are serving, their needs and local demographics as well as let them know what MNFC is doing. Glenn, Joseph and Mary will work on organizing this event.

(Tam left the meeting at 7:45)

Buying Criteria: Glenn presented the management team concerns about the added wording defining trans fats. They feel it is an unnecessary technicality, can be confusing to explain and should be kept simple as an educational tool. There was lengthy discussion on the issue. Ideas included making an educational brochure on trans fats, writing about it in the newsletter but no change to criteria wording or having the more specific wording just in the EL with a simpler version for the public. There was no consensus. The wording "artificial trans fat" was suggested instead and Glenn will take this to the management team for their consideration.

Local Vendor Policy: There was discussion about whether the policy should be for all vendors instead of just local. Some felt that a policy for local vendors meets the Co-op End of a vibrant local economy. It was asked, could this be an operational guideline instead of policy to ensure consistency and accurate information? How it is reported on continues to be a consideration. The suggested global wording "Being committed to the promotion of locally grown and produced food..." which Reiner wrote was supported as being more proactive and positive. It was suggested that consistency and accurate information could be added to his statement. Glenn will reconsider the wording and how it is reported on for the next meeting.

Self-Evaluation GP 5- Policy Creation: There was acknowledgement that the management team has been used as a subcommittee in writing policy. This seems a good way to reflect operational concerns that the Board would otherwise be unaware of and staff appreciates the opportunity to have input. It was suggested that the management team might be added to the GP or at least include the recognition of the value of their input.

Next Meeting: February 15 – Market study, GP-6, elections, vendor and buying criteria policies, BDC charter and round table meeting.

Adjournment: The meeting was adjourned at 8:40 pm on a motion by JS, seconded by Kevin. All voted in favor.

Respectfully submitted by Susan DeWind