

Middlebury Natural Foods Cooperative

Board of Directors Meeting

June 26, 2013

Approved 7/24/13

Board Members Present: Ilaria Brancoli Busdraghi, Ross Conrad, Francisca Drexel, Steve Getz, Mary Gill, Kevin Lehman, Jay Leshinsky, Sheila McGrory-Klyza, Tam Stewart.

Board Members Absent: Daryl Benoit, Louise Vojtisek

Others present: Damian Chamberlain (member-owner), Victoria DeWind (staff liaison), Liz Eller (MNFC customer), Glenn Lower (General Manager).

Board Monitor: Tam

Call to Order: Jay called the meeting to order at 6:31 pm.

Member's Business: Liz Eller talked about her concern that the MNFC offerings in wine do not include enough organic or bio-dynamic and local options when so many more are available at reasonable prices. She felt this was contradictory to MNFC values and encouraged the Co-op to include more of these in the store. Jay thanked Liz for her input and explained that this would be an operational issue, not part of Board functions. Glenn said he would talk with the buyers about this issue.

Approval of Minutes: On a motion made by Kevin, seconded by Jay, the minutes of May 22 were approved as amended with all in favor and Ilaria, Sheila and Steve abstaining.

GM Report: Glenn said the financial monitoring report was postponed until next month due to the audit. It was agreed that a regular auditing schedule is a good idea even if not required. The cost of an audit is \$8-9,000. Glenn said there is an annual review as required by the bank.

Appreciation was expressed for the inclusion of industry news in the report.

Ross asked if there will be a staff customer survey and does the Board want to join in that or do their own. It was agreed it should wait until the real estate situation is clear but the Board can start planning their questions now.

Glenn announced that Emily Mathews is the new marketing and education assistant manager.

Glenn will not be at the July Board meeting. A discussion about the ACORN solar project will be on the agenda with Steve Koch and Reiner in attendance.

The report was accepted by the Board.

Board Compensation: The discussion was continued from the last meeting. Glenn reviewed his proposals on compensation. In the long view, changes will benefit future boards. He suggested stipend payments in June. As payments over \$600 would require 1099 forms to be submitted, there could be the option for a director to cap theirs at \$599. Stipends for directors that leave mid-year could be prorated. And he recommends a 4% yearly increase. He said he has reviewed his proposed changes with the management team which supports them.

There was discussion on whether the stipend should be correlated to meeting attendance with no clear consensus. It was agreed that a change is long overdue, the work plan this year will be

extensive, larger stipends will make the Board more professional and will encourage people to take on leadership roles. It was agreed the shopping discount should remain unchanged for now.

The draft responsibilities and expectations list was thought helpful and should be finalized. Jay said these proposals have not been written as policy and the Executive Committee can do this for Board approval. It was agreed to approve the money now and that changes will be announced in the member newsletter for transparency.

Ilaria made, and Mary seconded, the motion to approve the new compensation schedule of:
\$600/year for any Board member
\$900/year for a committee chair
\$1200/year for VP, Treasurer and Secretary
\$2100/year for the President

with an annual 4% increase upon annual approval by the Board. Those who serve on the EC and are chair of a committee will receive EC compensation only. All voted in favor. Glenn reported that Louise had sent a message that she supported the change.

Calendar/work plan: 2014 Annual Meeting will be June 7 and will not be on the Green due to railroad reconstruction. The CBLD 101 workshop is likely on the last Saturday in January and should be added to the calendar. The retreat was changed to February 8 so it is not so close to the workshop. The primary focus of the Board for the coming year will be growth and expansion and Board development. It was agreed that researching patronage dividend should be part of the expansion study for building equity.

Board Position on Political Issues: Glenn said in the past the Board had given the ok to staff to take a position on issues. The Board has as well on GMOs and the Middlebury Town Plan so there is precedent for taking positions. There was consensus that involvement in issues should be related to Ends and would be part of Board leadership. Procedures and policy for involvement will be worked on by the Communications Committee for Board approval.

There was consensus that educating people about the VT Natural Gas pipeline would fall under MNFC Ends. It was agreed that MNFC should sponsor a public forum for educating people by discussing issues and creating open town-wide dialogue rather than taking a public stand itself. Kevin offered to draft a letter in the newspaper for the Board that promotes a forum, anchored in Ends, sponsored by MNFC and hopefully with other groups such as ACORN Renewable Energy.

Conflict of Interest: It was agreed that signed forms as well as a verbal declaration are both needed for transparency. This should happen annually at the June meeting. Kevin said he is working with Sun Common which does solar installations, possibly for MNFC. Steve said he works with Organic Valley, a MNFC vendor, and is husband of a staff member. Jay works with Renee's Garden which may have a sales representative approach MNFC. Ross said he is an occasional vendor at MNFC with honey and mushrooms. There were no other declarations from other Board members. Daryl and Louise will make theirs in July.

Monitoring: GP7 – Relationship to Member-Owners: As the financial report is late the Board agreed that it is out of compliance now but will be in compliance within the month. Ross made a point that in #1 people are more important than the business and that MNFC is not an entity but

its member- owners are. A motion was made by Jay, seconded by Tam, to change “will” in #2 to “shall”. All voted in favor.

Monitoring: GP8 – Staff participation on the Board: A motion was made by Jay, seconded by Ilaria, to change “of” to “on” in paragraph two and to number paragraphs and capitalize Executive Committee and Board. All voted in favor.

Annual Meeting Minutes: It was agreed to remove the description of the straw poll on page 2.

Next Meeting – July 24:

- Draft Gas Pipeline letter
- ACORN Renewable Energy – Peter Carothers
- EL4 – financial – Steve Koch
- Work Plan – Patronage Dividends: how and why
- Review GP1 and Overview
- Conflict of Interest – Daryl and Louise
- Survey questions

Adjournment: The meeting was adjourned at 8:44 pm on a motion by Ross, seconded by Mary. All voted in favor.

Respectfully submitted by Victoria DeWind