

Middlebury Natural Foods Cooperative

Board of Directors Meeting

August 28th 2013

Approved 9/25/13

Board Members Present: Daryl Benoit, Ilaria Brancoli Busdraghi, Ross Conrad, Francisca Drexel, Steve Getz, Mary Gill, Kevin Lehman, Jay Leshinsky, Sheila McGrory-Klyza, Tam Stewart, Louise Vojtisek (via tele-conference for patronage dividend pro forma only).

Board Members Absent: none

Others Present: Melinda Bachand (substitute minute-taker), Reiner Winkler

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

Member's Business:

- Ross spoke of concerns that were brought to him by local vendors in relation to the Co-op's buyers. Ross stated that he had heard from multiple sources that buyers are not contacting local vendors to order more stock and/or to maintain open communication about the products being sold. This is with the exception of produce, which he had heard positive things about in this regard. Ross further expressed that having a process for each department - one that included a method for contacting local vendors - could help to increase local sales.
- Mary brought up the bulk bins and said that the method for storing the scoops could be more sanitary, as is it is easy for product cross-contamination and for a person's hand to come into contact with food items.

Approval of Minutes: On a motion made by Ross Conrad, seconded by Daryl Benoit, the minutes of August 28th, 2013 were approved as amended with most in favor and with Steve Getz, Tam Stewart, and Ilaria Brancoli Busdraghi abstaining.

GM Report:

- Solar Farm update: Glenn has been in communication with ACORN and Sun Common, with a meeting planned within a week or so. Currently, finding a host for the panels is the biggest obstacle. Moving forward, Glenn will investigate contracting between the Co-op and any potential host.

All board members voted to accept the GM report with none opposed or abstaining.

Board Education - Patronage Dividend Pro Forma: The board discussed Patronage as opposed to the Co-op's current method for rewarding members via a per purchase discount. This was examined with expansion in consideration.

- Glenn brought up the benefits of Patronage:
 - Members have a tendency to take on a broader *owner* role.
 - Less is expected to be paid by the Co-op in taxes.
 - Equity grows very fast in the Patronage scenario.
 - There would likely be a quicker return to profitability (post expansion).
 - The Co-op would be in a better position to handle potential future problems/issues.
 - With the 20% dividend, members aren't receiving an equal amount of ROI when compared to discount; however, the current 2% at register may potentially have less meaning than receiving a check in the mail.
- Reiner brought up the point that the thrill of one check annually will only be viable for a short amount of time; therefore there would need to be additional benefits that last throughout the year in addition to the Patronage.
- Glenn further explained that this is a way to get money from members for expansion – that this needs to be put across to them – so that they see how they are involved in the process.
- Jay suggested getting someone from a co-op who has recently made this change come in and speak; someone whom we could ask questions to. Louise added that the board should have a discussion prior to bringing in another party, having all questions in order upon their arrival.
- Mary proposed that members need to be onboard and understand the need for patronage prior to or in tandem with the presenting of the concept so that they comprehensively understand the benefits versus thinking that it is strictly for increased profit.
- Jay and Glenn will work to find someone from another co-op to come and speak on patronage.

Gas Pipeline Response: How, if at all, should the board (versus the Co-op) respond to the issue of the pipeline?

- Glenn, on the operational end, believed that the letter drafted by the Board is fine. He also stated that moving ahead on the solar project is a great way to show where we stand, though he doesn't feel comfortable making a promise against using natural gas. He does agree that the pipeline doesn't fit with our vision.
- Per the board, the options for addressing the pipeline are: (1) definitively stating our position; (2) making a soft statement that indicates that we are opposed without taking a strong stand one way another, or; (3) to remain silent.

- Ross moves to approve the statement already drafted. This is seconded by Tam. Jay brought to a vote with no discussion with one opposed (Daryl) and one abstaining (Francisca).

Board Elections Update:

- Mary requested having a booth at the Harvest Festival for Board members to discuss what they do to the members. Daryl suggested outlining expectations of board members (for generating interest) and listing what's involved in the meetings through the newsletter, a page on the website, or signage in the store.
- Per Reiner, placing a notice in the newsletter a few months prior to elections is moderately formal. He advises putting in an article from the Board (or someone on the Board) expressing what it means and feels like being in that position.

Ends Conflict: Ross feels that the Ends statement listed as *vibrant local economy*, (a.k.a. business growth), can have environmental consequences. This could be in opposition with environmentally focused Ends and creates a challenge and could potentially put the staff at odds if an environmental decision is in conflict with the local economy or vice versa.

- Ross suggested looking at making the ends more copacetic or, possibly, prioritizing them. He feels there should be a conscious decision-making process at some point where the Ends are concerned. He asks: "Do we want to look into this or is it not worth it?"
- Glenn explained that local merchandise is also, typically, more perishable items (dairy, produce, etc); therefore increasing local tends to also act to increase our carbon footprint. He suggests waiting until the Board retreat or for the presentation of his Ends report so that the Board can more thoroughly see where the Co-op leans and where the emphasis is placed.
- Most feel a tension between the wording of the various Ends. Is this okay or should it not exist? A few board members feel like it's a simple question of phrasing.

GP3 Self-Monitoring: Board committee principals:

1. Thumbs up ... meaning the Board agreed the policy is being followed.
2. Thumbs up
3. Thumbs up
4. Thumbs up
5. Thumbs up

Increased Board Stipend: Should the stipend be tied to attendance?

- Jay put forth the position that the Board stipend be paid annually and *not* tied to attendance (with the understanding that nonviable members be spoken to), VOTE passed with Ross opposed and Ilaria abstaining.

Review Decisions, Tasks, Assignments:

- It was decided to send a letter to the Addison Independent about natural gas pipeline (Sent by Jay).
- Committees are tasked to look at creating a work plan for themselves.
- Jay and Glenn will look at other co-ops that changed to patronage.
- The Executive Committee should meet about the ends to look at for retreat.

Next Meeting: Topics to include monitoring EC1 – EL 11, and follow-up to the Patronage discussion.

Adjournment: The meeting was adjourned at 8:45 on a motion by Jay, seconded by Daryl. All voted in favor with none abstaining.