

**Middlebury Natural Foods Cooperative  
Board of Directors Meeting  
March 26, 2014**

**Board Members Present:** Daryl Benoit, Ilaria Brancoli Busdraghi, Ross Conrad, Francisca Drexel, Mary Gill, Jay Leshinsky, Tam Stewart, Louise Vojtisek.

**Board Members Absent:** Steve Getz, Kevin Lehman, Sheila McGrory-Klyza

**Others present:** Victoria DeWind (staff liaison), Glenn Lower (GM), Reiner Winkler (staff).

**Board Monitor:** Louise.

**Call to Order:** Jay called the meeting to order at 6:35 pm.

**Member's Business:** Louise mentioned the news of the Mexican drug cartel extortion of money from lime and avocado farmers and wondered if Fair Trade provides them any protection.

**Approval of Minutes:** On a motion made by Ilaria, seconded by Jay, the minutes of February 26, 2014 were approved as amended with all in favor and Daryl and Mary abstaining.

**GM Report:** Ross asked if the Co-op will add its name to the Businesses Against the Gas Pipeline list. Glenn said he had left a message about doing so and did not hear back. Ross was authorized to follow up on this.

Glenn brought the Board up to date on the Co-op Conversations. There have been eight meetings, those hosted in people's homes having the most attendees. Glenn is considering adding one for Rochester residents as well as ones for teens and Middlebury College students. Conversations often start with describing current challenges and explaining the recent land purchase. He thinks they have been very worthwhile with some central themes emerging, including education, prices, more local, satellite store, and keeping the Co-op's intimate shopping experience and not becoming a large supermarket. Michael Levine will help categorized the input.

Glenn asked the Board about a proposed \$10 voting coupon for this year's Board elections. Last year's \$2 coupon increased voting from the usual 300 to about 400. He is concerned about the ethics of paying for voting and that this will create an uninformed vote. The Board expressed concern for messing with the process, having a large member-owner coupon so close to the \$5 coupon this year and setting a precedent that might be regretted later. They supported staying with a \$2 coupon. More biographical displays in the store were encouraged.

**EL Monitoring:** Glenn started with the Income and Variance Report. Sales and profit margin were all good through December. There has been a sales growth slow down since then but net income has stayed strong. Next quarter will show if this is a trend though he will be including depreciation from expansion planning costs then rather than waiting until it is complete as he did last time and that will affect net income. Ross said he looked at sales, cost of goods and labor by department and found that the bulk department generates the highest net income.

EL 4 – Financial Condition – Glenn reported in compliance on all sections. Increasing the line of credit to \$200,000 has been approved by the bank.

EL 9.1 – Buying Criteria – Glenn reported continued tracking of the percentage of local and organic product sales for the whole store. This includes items produced or processed in Vermont or 35 miles from the Co-op. Glenn will check with Steve Getz about number of organic dairies in Vermont and how much of their milk is shipped out of state. Mary asked about posting a list of local products. Glenn pointed out that many are seasonal and it constantly changes. Pictures of local producers are displayed. Ross suggested using labels that are different shapes and colors to identify local products.

EL 11 – Local Vendor Policy – The guidelines remain unchanged and have been posted since September. There have been education events, field trips and newsletter articles.

The Board agreed that all monitored EL sections were reported on time, included appropriate data with reasonable interpretations and were in compliance.

**Retreat Follow-up:** Jay reported on Executive Committee work on a Board work “wish-list”. They propose four areas for future efforts:

**Growth** – This is currently being addressed in the member-owner engagement process. It should include the type of growth that is desired, not just in physical space or money and profits.

**Universal Access** – This includes affordability and accessibility for food security, child nutrition, outreach and sharing information electronically.

**Sustainability** – This includes balancing the tension between sustainability and profits, looking at new ways to do business, learning about and using the Act 113 Genuine Progress Indicators and leading by example in the community.

**Taking Positions** – This includes consideration of whether issues are operational or involve policy, involve risks for the Co-op or are a distraction from Co-op business. Tam suggested creating a process with which to evaluate issues for Co-op involvement.

Ross asked the Board to consider if the name “member-owners” is the best to reflect their status. He suggested “co-owners” instead and defining owner benefits. Jay said those are different from member-owner dividends. This will be part of the discussion of patronage dividends which will be included in any growth planning.

There was consensus that electronic communication updates should have a high priority. Glenn said this will be in his next business plan.

**BDC Charter Review:** The charter for this committee now includes more than elections. Orientation, training and self- assessment have created much more work. Glenn suggested that self-assessment could be included in GP4 review instead. Ross suggested that meeting attendance be included. If this is incorporated into GP4, Tam suggested that, to keep a clear picture of Board work, it should be monitored more frequently than annually. There was consensus that there is a need for more discussion on self-assessment and how to create an intentional process for it rather than a “grade”. This discussion and possible revision of GP4 for its inclusion will continue at a future meeting.

**NOFA/Gas Pipeline:** Jay felt that a policy for taking positions on issues should be in place before considering asking NOFA to delay a Memorandum of Understanding with Vermont Gas. Ross felt that would not be in time for the PSB hearings and a MoU now would have the appearance of supporting the project. Ross gave some background information about the hearing process. Daryl suggested that the Board pledge to not use the gas infrastructure as part of expansion.

A motion by Daryl to ask NOFA to resist the pipeline did not receive a second. Ross made a motion, seconded by Tam, that the MNFC Board of Directors ask NOFA to delay any Memorandum of Understanding with Vermont Gas until as late as possible in the year and oppose the project as an intervener. All voted in favor. Ross will forward this to NOFA.

**GP 2 Monitoring:** This was tabled for a future meeting.

**Board Elections:** There are seven candidates including three incumbents for four seats. Voting will end on Wed. May 28<sup>th</sup> at 7 pm to allow two days for counting votes. Showing the movie Food for Change at the annual meeting was suggested.

**Next Meeting – April 16:**

EL3 – Business Plan

BDC – GP4 revision

**Adjournment:** The meeting was adjourned at 8:45pm on a motion by Louise, seconded by Daryl with all in favor.

Respectfully submitted by Victoria DeWind