

**Middlebury Natural Foods Cooperative
Board of Directors Meeting
September 24, 2014**

Board Members Present: R.J. Adler, Ilaria Brancoli Busdraghi, Ross Conrad, Francisca Drexel, Mary Gill, Kate Gridley, Kevin Lehman, Jay Leshinsky, Sheila McGrory-Klyza, Tam Stewart, Louise Vojtisek.

Board Members Absent:

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

Board Monitor: Louise.

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

Member's Business: Ross reported a suggestion from a member-owner that MNFC make a contribution to the legal fund to defend Vermont's GMO labelling law in the suit brought by Monsanto. The estimated need is \$1 million, of which \$300,000 has been raised. The Board generally supported the idea and hopes this would set an example for other co-ops to join together to do this as well.

Approval of Minutes: On a motion by R.J., seconded by Ilaria, the minutes of August 27, 2014 were approved as amended with all in favor and Francisca, Kate, Kevin and R.J. abstaining.

GM Report: Jay and Glenn will attend the NFCA Annual Meeting in Hanover NH on Sept 27th. Jay encouraged attendance at the CBLD101 training on January 10th.

The deli department is doing well with interim management by Glenn. Advertising for an executive chef instead of a manager has brought in new applicants; three were interviewed recently.

In response to a question from R.J., Glenn said the sales growth has no real seasonal fluctuations except maybe for the end of year holidays. There are too many factors to make tracking give reliable results. Cheese sales have grown due to expanded display space.

The Board agreed that their contact information in the New Member Packet will only be through the President by his phone number and the board@middleburycoop.com email address.

Long Range Plan: Glenn presented his latest draft noting a choice will be made for the front page picture, larger font for Ends and the inclusion of an introduction explaining the Co-op Conversation process. Suggested changes included: the title and background information include a date to identify the report for future reference, a short outline of all three goals, mail it to member-owners as well as have it available in the store, editing for consistency with proper phrasing and words, number the different drafts and post it on basecamp for final comments.

Ross expressed concern that the plan moves the Co-op to repeating this process again in 10-15 years. He is not sure what the solution to that is but felt at least Goal 2 should include more narrative on supporting and/or supplying buying clubs or co-ops in other towns.

Tam suggested that each section should include how MNFC will get ahead on digital information. While some technologies are "customer facing", others are behind the scenes, such as a web portal for local vendors to ease ordering and deliveries. Concern was expressed that not

all customers want to engage with technology in their shopping experience. The goal should be to balance the technology/digital needs of the Co-op with the comfort level of member-owners. A positive outcome might be the interactions that will naturally ensue as a result of technological innovation in the store and varying levels of proficiency in its use. Recipe sharing on-line was one idea for using technology.

Executive Limitation Monitoring:

EL#1 - Staff Treatment: Glenn reported in compliance except for #1.7. He has not been able to do manager reviews on schedule due to his interim role managing the deli. Ilaria asked if a different process would help to get them done on time. It was agreed that staff be informed of delays so they do not feel forgotten. Glenn will research more information on Workman's Compensation but there have been fewer claims. Most injuries have been minor or ergonomic issues.

EL#2 – Treatment of Customers and Member-owners: Eric does a 3 hour customer service training for new staff and all staff takes shorter refresher workshops annually. Generally customers love the store but there also are many requests to carry specific products, they want their needs met, have customer service issues and want lower prices.

EL#5 – Asset Protection: Over \$1/2 million at People's Bank is used as regular cash flow. Loans to Four Pillars Farm and Sevanando are being paid back.

EL#6 – Compensation and Benefits: Glen said that MNFC personnel costs at 21% are lower than those at other co-ops which shows more efficiency. MNFC sales/labor hour is above \$110 which is better than other co-ops. With the EL calling for equitable compensation internally as well as in the market, Ross noted that we compensate our staff at a higher level than other co-ops, and co-ops pay their staff more than privately owned grocery stores do. He wondered at what point does the excellent compensation paid to staff become inequitable to the membership.

EL#7 – Communication and Counsel to the Board: Consensus was the Board feels "lavishly" informed. This policy will be edited this year for clarity.

EL#8 – Emergency Management Succession: Managers have a total of 105 years of experience due to low turnover. There is longevity on the Board as well.

EL#9 – Buying Criteria: 28.5% of sales are local products. Numbers of organic sales is not available; it is always paired with local. Glenn will look into getting it graphed separately. Produce is included in the local tracking but it is too hard to track it in total sales.

EL#10 – Cooperative Economy: No comments

EL#11 – Vendor Policy: The policy does not include organic with the emphasis on local. Local farmers like to sell to the Co-op as bills are always paid on time.

Except for EL #1.7, the Board agreed that all Glenn's EL reports were on time, had reasonable interpretation of adequate data and were in compliance. It was agreed that the quantity and quality of the data provided gives the Board a good understanding of how the Co-op operates.

Retreat Planning: Jay suggested that there are many topics for discussion. Doing Board field trips was considered possibly at another time of year. Sheila suggested digital communications and what it means for MNFC. Information gathered before the retreat on what other co-ops have done for that would be helpful. Ross suggested looking at fiscal responsibility based on the Long Range Plan. It was agreed that a half-day creative retreat with fun ways to get to know each other better is a good idea. Jay will see if February 28th works for CDS.

GP Revision: The Executive Committee has looked at the CDS policy templates for revisions and they will compare them to the Boards policies for simplicity, directness and similarity to policies of other co-ops. They wish to be proactive on revisions and will start with the templates and make additions specific to MNFC rather than starting from scratch.

Next Meeting – October 22:

BGM 1,2,3 and Overview

EL#4 monitoring

Digital technology consultant

Executive Session: The Board went into Executive Session with Glenn for a real estate issue at 8:37 pm on a motion by Kate, seconded by R.J., with all in favor. The Board came out of Executive Session at 8:51 pm on a motion by R.J., seconded by Kate, with all in favor.

Adjournment: The meeting was adjourned at 8:52 pm on a motion by Tam, seconded by Kevin, with all in favor.

Respectfully submitted by Victoria DeWind