

**Middlebury Natural Foods Cooperative  
Board of Directors Meeting  
September 30, 2015**

**Board Members Present:** R.J. Adler, Ilaria Brancoli Busdraghi, Ross Conrad, Lynn Dunton, Kevin Lehman, Jay Leshinsky, Sheila McGrory-Klyza, Tam Stewart, Louise Vojtisek.

**Board Members Absent:** Nadine Barnicle, Kate Gridley.

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

**Board Monitor:** Louise.

**Call to Order:** Tam talked about the Three Types of Governance model - Fiduciary, Strategic and Generative. He particularly focused on Generative in looking at broad issues and the need to be flexible to move to other modes of governance when needed. He mentioned the recent discussion of conventional versus organic dairy on Basecamp. There was consensus on the Board that they should give agenda time to this issue to see if it needs further consideration, if there are any larger concerns and where the Co-op should be on the conventional-organic spectrum. There was concern that this topic needs extra agenda time or possibly be a retreat topic.

**Member Business:** R.J. asked if receipt printing at the registers can be optional to decrease waste. Glenn will find out. He also reported producers asking about having a producer discount at the register. Glenn said he is trying to move away from discounts rather than adding them. Having producers become members would give them the benefits.

**Approval of Minutes:** On a motion by R.J., seconded by Ross, the minutes of August 26, 2015 were approved as amended with all in favor and Ilaria and Sheila abstaining.

**GM Report:** Glenn presented his request for Board approval of a MNFC loan to the East Aurora Co-op, a start-up in Aurora, NY. MNFC gave \$50,000 to the NCG Loan Fund but that only funds expansions and second stores. However, NCG would oversee the Aurora loan which all agreed would give some assurance of success. Ross questioned the wisdom of giving out loans when MNFC will be borrowing for its own needs. Glenn replied that MNFC has one of the strongest balance sheets among co-ops. There is value in supporting other co-ops in that more co-ops create buying power for NCG and help meet the growing competition from conventional stores.

Ross asked if the Board had not previously made a policy that gave Glenn a pool of money with which to make loans without Board approval. Glenn and Louise will research the minutes.

With the draft approval terms Glenn presented being unclear, Tam moved, seconded by Jay, to authorize the General Manager to invest \$20,000 into the North Country Cooperative Development Fund (NCDF) to be paid back within 10 years at 3% interest to help secure a \$250,000 loan to the East Aurora Co-op. All voted in favor.

Glenn said he has been encouraged to install security cameras as other co-ops are now doing for safety audits as well as to prevent burglaries. They can cover accidents, ergonomics, in and outside theft and money handling.

**EL Monitoring:** Glenn said he does prefer to do ELs all at once but is open to change. The only out of compliance he has is in 1.7 as he is two weeks late with Reiner's review. The policy does help to keep him on track and he will be up to date very soon.

EL 1 – Staff Treatment: Most the data comes from the staff survey. Ross noted in regard to 1.1 the previous decision to remove the Board from the grievance procedure for staff but the language should reflect that grievances against the GM would still go to the Board. For 1.3, Michael Healy recommended replacing it with a CDS template. This will be reviewed and added to a future agenda. Lynn asked why there was lower participation in the survey. Glenn was not sure and shares the concern.

EL 2 – Treatment of Customers and Member-Owners: No comments or questions.

EL 5 – Asset Protection: Glenn was asked if the cardboard compacter was a lease or purchase. It is a lease. Lynn asked about Treasurer's review of insurance cover pages. Glenn said it comes later in the year. There was discussion of approvals for equipment purchases as part of expansion. Glenn suggested using a CDS template. Currently old equipment is sold, donated to start-up co-ops or scrapped.

EL 6 – Compensation and Benefits: Comparisons on benefits is more reliable over time rather than a single moment in time. Cashiers were used as it is the most similar positions across store types.

EL 7 – Communication and Counsel to the Board: Lynn asked if an annual audit is done. Glenn replied no, only a review is done with occasional full audits.

EL 8 – Emergency Management Succession: This is unchanged from previous years. With short staffing Reiner was not able to attend tonight's meeting but will continue to in the future.

EL 9 - Buying Criteria: Jay noted that graphs show sales but not the percentage of sales of local and organic. Glenn was asked if there are ways to get that information or a percentage of change. Produce is the hardest department to track. He can provide data for local but not organic so easily and the cost of getting that data should be considered. He suggested what data he gets can go in the Ends report.

EL 10 – Cooperative Economy: Glenn talked about the importance of supporting other co-ops and GMs. He offers peer support often and was very disappointed in the loss of the Rutland and Poultney GMs.

EL11 – Vendor Policy: No comments or questions.

The Board consensus was that the EL reports were on time with reasonable interpretation of sufficient data and were in compliance with the exception of 1.7.

**GP 4 - Board Meetings and Attendance:** The Board reviewed proposed changes to the GP intended to ease the burden on the President to monitor attendance and put responsibility for attendance on each director. Editing was started including removing some language. While the importance of attendance should be reflected in the GP, there was concern that having absences on the agenda is awkward and overly personal. After discussion on some of the procedures, it was agreed that Tam would make further changes to bring back to the Board that will depersonalize them and seem less punitive.

**Executive Session:** At 8:32 pm, on a motion by Tam, seconded by R.J., the Board went into Executive Session for real estate issues with all in favor. At 8:36 pm the Board came out of Executive Session on a motion by Ross, seconded by Tam, with all in favor.

**Next Meeting:**

Organic vs. conventional discussion  
GP 4 revision  
Staff treatment EL proposed CDS replacement  
Revisit Asset Protection – Michael Healy suggestion  
Aurora Co-op loan and GM loan policy  
Heather Wright – Board Education on unions  
BGM monitoring  
EL 4 – Financial Condition

**Adjournment:** On a motion by Ilaria, seconded Sheila, the meeting was adjourned at 8:40 pm with all in favor.

Respectfully Submitted by Victoria DeWind