

**Middlebury Natural Foods Cooperative
Board of Directors Meeting
November 18, 2015**

Board Members Present: R.J. Adler, Nadine Barnicle (7:55), Ilaria Brancoli Busdraghi, Ross Conrad, Lynn Dunton, Kate Gridley, Kevin Lehman, Jay Leshinsky, Sheila McGrory-Klyza, Tam Stewart, Louise Vojtisek.

Board Members Absent: None

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

Board Monitor: Louise.

Call to Order: The meeting was called to order at 6:30 pm with a review of the agenda.

Member Business: None.

Approval of Minutes: On a motion by R.J., seconded by Jay, the minutes of October 28, 2015 were approved with all in favor and Ilaria and Kevin abstaining.

GM Report: The Board discussed the NCG Member Agreement. Glenn supported renewing the agreement as it offers the Board direct communication and access to information as well as the GM. Ross asked about the NCG patronage dividend. Glenn said income other than dues can count as dividend. Ross also express his disappointment in the NCG Carbon Offset Program as it could be seen as an excuse to pollute rather than trying to reduce pollution. It was agreed it is better than nothing.

On a motion by Ross, seconded by R.J., all voted in favor to approve the NCG member resolution authorizing the General Manager to sign the updated NCG member agreements.

Glenn informed the Board that the 24th Empty Bowl dinner was a success with all tickets sold as well as extra bowls. Bowls were primarily made and donated by Kathy Clarke at the Middlebury Studio School. He noted the extra work required for the event but feels it is worth it in raising awareness of those in need. For next year, a larger space may be considered. It was suggested that the College Ceramics Club or the Career Center could be asked for bowl donations as well as using wood bowls. The Board thanked Karin for her work organizing the event.

Ends Report Monitoring: Glenn noted that he again included staff contributions in some sections. The Board thanked him for continuing to do so and found the report clear and focused.

Healthy foods – Glenn noted there are new organic produce measurements as Black River now invoices organic separately from conventional. CVOEO, HOPE and Community Suppers are the primary recipients of food donations. Sheila suggested contacting the Bristol food shelf as well.

Glenn attributed the increase in sales growth to Greg's closing but the overall trend for co-ops is still slower growth. The Board discussed the challenges of pricing, the balance of conventional vs. organic, limits from buying criteria and how to be more main stream and more accessible to the whole community. This could be a retreat topic.

Ross noted the “No Progress” for Food For All memberships. He questioned the number as a measure of success. The steady number could be a sign of success because there are fewer people in need, not that the Co-op is not reaching people. Glenn noted that most New England co-ops have FFA type programs and food shelf activity is increasing.

It was noted in the “whole foods” departments the percentage of sales is steady and not losing to grocery and should grow more in the future. Reiner said many customers are using their own containers when shopping from bulk bins. Bulk growth is decreasing faster than other departments but is steady in percentage of store sales due to good store location and being an independently managed department. R.J. suggested offering “How to Shop at the Co-op” classes and raise awareness with recipes, videos and orientations.

Vibrant local economy – In spite of being very labor intensive, Glenn noted strong growth in the sales of local products, now supplied by 290 vendors. The member-only and weekly sales are focused on local vendors. Non-local could sell better but that is not MNFC’s priority. Local is the constant focus, especially now in the deli in spite of its challenges. Local dairy and cheese are very successful compared to imports. It was noted that Vermont farmer’s markets have fewer shoppers due to more competition.

Environmental sustainability and energy-efficient practices – Success comes from supporting values, not monetary success. Container recycling for 30 vendors is an important program in spite of time and space challenges. Reiner noted that the dairy cooler continues to be cooled for free with outside cold weather air and should be noted in the next Ends report.

Cooperative democratic ownership – The successful change to patronage dividend was noted as well as the 11 Board articles in the newsletter – more than ever. The number of member-owners continues to increase. Ross noted that no customer survey was done. Combining a Board survey with a staff survey may be considered. Glenn noted that 75% of sales are to member-owners and a market study of non-member customers was being done by asking where they live. This is to measure the potential for adding new member-owners.

Learning about these values – Glenn noted the web site redesign by Brandthopology should be complete by Dec. 2015 (later changed to Feb. 2016) and a blog will go live later in the year.

The Board consensus was the Ends report was on time with reasonable interpretation of sufficient data and in compliance.

EL 12 – Informational Technology and Digital Communications: Glenn noted that the digital improvement plan is in place and on track to be completed in 2016. He is considering electronic voting for the next election though it will have to be done well. Hunger Mt co-op has had lower voter participation since they started electronic voting. Perhaps it can be phased in and have an in-store computer. How well the Co-op is reaching people by email and if newsletters are read needs to be assessed. Rewards for voting should be given. It was agreed that directors post ideas on this issue on Basecamp. Glenn was asked to provide cost and labor estimates for technology work in his next report.

The Board consensus was the EL12 report was on time with reasonable interpretation of data provided with a request for more data on technology and in compliance.

GM Evaluation: The Ends report marks the completion of the monitoring cycle. The next Board review is BGM3 review. This may include an internal report on monitoring by the GM to the Board, external reports by a third party (i.e. an audit report) and Direct Board inspection which could include a Board officer meeting with staff. GM compensation for the fiscal year will be

reviewed. Lynn asked if raises are tied to any parameters. Glenn said it is in line with staff raises. The review will be in executive session at the December meeting with just Board members. (Nadine arrived).

Retreat 2016: Kate led the discussion saying that the retreat serves many functions including Board education and growth, in-depth discussions and team building. With the transition of expansion coming she suggested looking at what other co-ops do in programs or sales other than food and ways to meet Ends in new ways. With the 40th anniversary of MNFC next year, it seems like a good time to tell the Co-op's story to energize and inspire the Board. Tam talked about a narrative of where the Co-op came from, how it has gotten to the present and visioning for the future. What is the big story? Ross suggested that climate change and the impacts in the future of greenhouse gases could be a retreat topic. Another suggestion was accessibility and the conventional vs. organic and local debate. Nadine talked about being resilient for the next 40 years and being proactive for a sustainable future. Sheila asked if the discussion of these ideas could be completed with an action plan in just one day; is a follow-up retreat needed? Ilaria talked about the need for clarity and strategies.

Using an outside facilitator for this kind of retreat was discussed. The dates of March 5 or 12 were picked for the retreat and will be decided at the next meeting.

CDS Contract: There is no cost saving under the contract if an outside facilitator is used. Ross noted that using the CDS library is open to all and is not an exclusive benefit by contract. Glenn said that in the past year 18 hours of Board consultation were used with 2 left; his consulting is billed by the hour separately. He was asked if he can use Board hours. He said probably though not for all issues. In light of the expansion he felt CDS was needed. The Board consensus was to renew the contract.

GP4 – Board meetings: Louise said she had researched policies from other co-ops and the consensus is that there should not be a policy that can't be enforced. On a motion by Kate, seconded by R.J., all voted in favor to approve the amended GP4.

Next Meeting: December 16

- Retreat
- Elections
- EL 4
- GP7
- Expansion update
- Executive Session – personnel

Adjournment: On a motion by Kate, seconded by Louise, the meeting was adjourned at 8:31 pm with all in favor.

Respectfully Submitted by Victoria DeWind