

**Middlebury Natural Foods Cooperative
Board of Directors Meeting
January 25, 2017**

Board Members Present: R.J. Adler, Nadine Barnicle, Ilaria Brancoli Busdraghi, Ross Conrad, Kate Gridley, Ann LaFiandra, Jay Leshinsky, Tam Stewart, Louise Vojtisek, Amanda Warren.

Board Members Absent: Lynn Dunton.

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

Board Monitor: Louise

Call to Order: The meeting was called to order at 6:32 pm.

Member-owner Business: Gratitude from multiple sources for snack food provided for the two buses going to Washington DC for the Women's March was noted. Louise asked why the half-price deli food was discontinued. Glenn said there were a few reasons, one of which is that it is going to the food shelf. Ann noted how easy it is to use a gift card for payment instead of a charge card. R.J. talked about his visit to the Austin TX Whole Foods which is huge with crowds of shoppers and several notable efficiencies.

Approval of Minutes: On a motion by R.J., seconded by Kate, the minutes of December 14, 2016 were approved as amended with all in favor and Nadine abstaining

Based on Glenn's report of a CDS training discussion on formats for minutes, Victoria asked if the Board wish to make changes to their minutes. The consensus was no.

CBL 101 Report: Ann and Amanda attended this year with Glenn and commented on their experience to the Board. As others have found in the past, they particularly valued meeting people from other co-ops and learning about their experiences, gathering insights into the meaning of being a co-op, new information and having a better understanding of co-operative financial and organizational approaches. They came home from the workshop feeling grateful for MNFC's strong position in the market as some others are having a harder time with competition in their communities. A highlight of the day for all was sharing the ride to and from the event.

GP 7 - Policy Creation and Revision: All voted in favor of a motion by Ross, seconded by Ilaria, to approve the GP 7 as revised.

GP 8 – Trusteeship and Relationship to Member-owners: It was agreed to change all references to membership and ownership to member-owner and update the revision date to Jan. 2017. All were in agreement that the Board is in compliance with the GP.

Communication Update: Nadine reviewed the upcoming changes to the MNFC newsletter and how the Board will contribute to it. The plan is for Board directors on a rotating basis to write an article of up to 700 words for the quarterly printed issue distributed in the store and an article of 3-500 words for the monthly e-newsletter. The article for months which have both editions can be on the same topic. The e-newsletter article will be by a link to the website. Nadine will oversee article submissions.

There was discussion on how this impacts the candidate recruiting, profiles and ballots for Board elections which normally run in the March and May newsletters. Kate and Nadine will work with Karin on scheduling.

Expansion loan: Glenn asked the Board to consider authorizing an expansion loan from Vermont Federal Credit Union (VFCU). He explained that LTV stands for Loan to Value and means the existing building value must be 75% of the loan as collateral. The fixed rate loan is interest only for up to 6 months and fully amortized in 10 years. The closing will be in March and drawn on after MNFC funds and member-owner loans have been used. Glenn will report back to the Board on if the 10 years starts after the 6 months. Lynn earlier indicated her support for this loan.

Ross moved, with a second by R.J., that the Board authorize:

MNFC to borrow up to \$1.4M from VFCU at an interest rate of 4.36%,

- Up to 6 months interest only
- 10 year fully amortizing term thereafter
- Mortgage on 9 Washington Street and such other security as necessary to provide LTV of not less than 75%.
- Glenn Lower and board treasurer authorized to execute documents on MNFC's behalf.

All voted in favor.

GM Report: Glenn further reviewed expansion status. He mentioned architect Ashar Nelson's comments of praise for the planning process of this challenging project. Bid deadlines were extended to avoid delays from change orders later. They will include consideration of best value for new versus existing fixtures. Ross praised the commitment to being as environmentally responsible as possible. Jay was pleased that the Ends relative to expansion that were discussed at the retreat 5 years ago are being realized.

The Annual Meeting was discussed and all agreed that it be held at American Flatbread on Wednesday, June 7.

The Board agreed to reschedule the regular April Board meeting to May 3 to avoid a conflict with the NCG meeting which Glenn must attend.

The Board agreed to postpone consideration of electronic voting until next September due to Glenn's limited time and to be able to consider how it meshes with the e-newsletter.

Ross asked about the lower sales growth. Glenn said that City Market and Hunger Mt. Co-op had similar declines in December. Bulk has been losing ground for the last couple of years and has at other co-ops as well. In spite of the recommendation to move the department out of the main customer flow in the expanded store, Glenn has kept it in its current location for best exposure.

With expansion time demands, Glenn announced his recent decision to not run again for the Neighboring Food Co-ops Association Board after serving 8 years. He explained that NFCA includes co-ops from VT, NH, and MA and is adding a few from NY and ME. It provides support to new and/or existing co-ops that are too small for NCG membership. It also does marketing, Farm to Freezer local produce, hosts CCMA conferences and takes political action for co-ops. He will continue to represent MNFC at association meetings. He noted that the NFCA Board consists of board directors as well as managers and, as MNFC is one of the largest co-ops, a MNFC board member might consider running.

Glenn talked about the three closings of one start-up and two long established co-ops noted in his report. He said competition as well as other issues were behind these. Whole Foods can open new stores much faster than what it takes to start a co-op. The Board discussed the need to be adaptive, nimble and proactive.

Expansion Phase Plan: Glenn reviewed the plan for the Board. The phased approach to construction will be used to have minimal impact on customers, limit necessary store closures and stay within budget.

Environmental soil testing will take place this week and garage demolition is planned for mid-March. Asbestos removal from garage walls has been planned for.

The largest component of expansion will be the west wall addition and will be done first without impact on the existing store. It will be opened up for use in September. The produce wall and wet case move will start in April. Back room expansion to the north is two phased, the first in April to May, the second in May to August. There will be a temporary pallet delivery door through the existing grocery window. In August there will be a temporary customer exit through the café area. Deli kitchen will be moved into the new space which may necessitate a short deli closing and the existing deli space renovated in August. Center store aisles and floor refinishing may be more efficiently done with a store closing toward the end of the project. There will be 6.5 registers. Night work for the whole project will reduce business impacts.

The Board asked how they can be involved and support staff.

Retreat: Tam said that Bill Gessner and Michael Healy are looking for direction on the agenda. Tam said their institutional experience and history will be an asset for discovery. The goal is starting a long term process for looking at future growth, alternatives and how to have the best impact for social good while honoring Ends. A draft agenda will be posted on Basecamp for comment. Hours of the retreat will be determined. Tam asked if other staff should be invited and Glenn said that Greg is available. A separate meeting of managers with Bill will be considered.

Next Meeting: February 22, 2017
2017-18 Annual work plan
EL 12 – consider less frequent monitoring
GP 9
Retreat agenda

Adjournment: At 8:28 the meeting was adjourned with all voting in favor of a motion by Ilaria, seconded by Jay.

Respectfully submitted by Victoria DeWind