

**Middlebury Natural Foods Cooperative
Board of Directors Meeting
February 25, 2009
Approved 3/25/09**

Board members present: Leslie Blow, Kristin Bolton, Ilaria Brancoli Busdraghi, Kate Gridley, Barry King, Jay Leshinsky, Michelle McCauley, Ashar Nelson (presiding), Johanna Nichols, Kira Winslow

Board members absent: Ross Conrad

Others present: Susan DeWind (staff liaison), Robert Keren (recorder of minutes), Glenn Lower (general manager), Tam Stewart (owner-member)

Board monitor: Kristin

Call to order: Ashar called the meeting to order at 6:30 p.m.

Members' business

Ilaria mentioned that Co-op members have come to her to complain about motor vehicles in the parking lot with their engines left running. Ashar referred the matter to the general manager. Kira indicated that the board has discussed vehicles left idling in previous years.

Approval of the minutes of the meeting on February 4, 2009

The minutes were approved as amended. The vote was 9-0 on a motion made by Barry and seconded by Ilaria. Kira, who was not at the February 4 meeting, abstained.

Board Development Committee

Jay reviewed the committee's recommendation regarding future situations in which candidates for election to the MNFC Board of Directors receive an equal number of votes. The committee recommended flipping a coin to decide such a deadlock. After discussion, the board decided to follow a different course of action. On a motion by Kristin that was seconded by Michelle, the board voted 10-0 to propose a change to the MNFC By-Laws as follows: "In the event of tie, the Board of Directors will appoint the new board member from among the candidates who tied." Changes to the MNFC By-Laws require a vote of the membership.

General Manager's report

The board discussed the proposed loan of \$25,000 to the Weaver Street Market Co-op. Ross, who could not be at the meeting, shared his findings in writing in advance of the board meeting. He pointed out that two of the general manager's executive limitations (EL-7 #5C and EL-7 #8) indicate that a loan such as the one proposed to Weaver Street would require board approval. Ross recommended that the MNFC go forward with the loan because, he said, co-ops are a good investment, co-ops and credit unions are not like Wall Street, and because it's a socially responsible thing to do. By consensus the board

commended Ross for his diligence. Glenn spoke about the quality management at Weaver Street. Leslie said that after reviewing the income statement that Glenn prepared showing a hypothetical 20% reduction in sales for the next 12 months, that it appears that MNFC would still be in a positive cash position. Also that with the current cash balance, MNFC could withstand an even larger decline in sales for a short period of time. Barry voiced concern because the \$25,000 would be the members' money, and members might say, "Why don't you give that \$25,000 back to us, the members, in discounts?"

-- A 20-minute discussion ensued in which: Leslie said there is a "likelihood" that the Co-op could lose the money, but that the co-op is currently in a cash position that in the event that it lost the \$25k, that it would still be financially healthy.

-- Kate asked if other co-ops are supporting Weaver Street and Glenn responded that 10 other co-ops are helping the North Carolina food cooperative at varying levels;

-- Kristin noted that it comes down to whether the board makes a sound business decision (and protects its assets) or whether it adheres to the 8th principle of co-ops (and helps another co-op get through tough times);

-- Glenn reminded the board that building strong relationships with other food cooperatives is essential to the MNFC's long-range security;

-- Kate said she was concerned because the loan would be unsecured; and

-- Michelle remarked that she favored the loan based on Glenn's recommendation and Ross's due diligence.

Kristin moved to support the Weaver Street Market Co-op with a \$25,000 unsecured loan through the Self Help Credit Union in the form of a two-year certificate of deposit that pays 3.5% interest. Michelle seconded the motion. The board voted 8-2 in favor. Board members Barry and Kate were opposed.

Quarterly financial statement and 3rd quarter financial monitoring report

Glenn spoke with the board about the January and February sales figures. The board reviewed the financial monitoring report and noted that the general manager was in compliance.

Buying Criteria Committee

Michelle moved to "Remove the exception for the artificial flavoring vanillin from the Buying Criteria in EL 10 as of Monday, March 2, 2009. The section in parenthesis in the policy shall now read: 'Foods containing artificial preservatives, colors, or flavors.'"

Leslie seconded the motion, and the measure passed on a 10-0 vote.

Linkage Committee

Ashar asked the three members of the committee (Michelle, Johanna, and Ilaria) to meet to discuss the committee's charter, to begin developing a new survey for members, and to determine the committee's leadership (since Kristin has stepped down from the committee.)

Annual Meeting

The board discussed the format for the Annual Meeting. Nothing final was decided but it was determined that the GM and his staff will do the bulk of the preparation for the event on May 30, 2009.

Board Education

The board decided to host a panel discussion on March 12 in the Ilsley Library. The board furthered its work in determining what a “vibrant local food system” should look like for Addison County by creating a chart (see attached document) of Addison County foods.

Meeting closure

The board identified that 1) the Executive Committee should report at the next meeting about policy revisions, and 2) the Board Development Committee should present a plan at the next meeting for the proposed by law change regarding situations when candidates for election to the MNFC Board of Directors receive an equal number of votes.

On a motion by Barry, seconded by Kate, the board voted 10-0 at 8:35 p.m. to adjourn.