

Middlebury Natural Foods Cooperative
Board of Directors Meeting
May 26, 2010
Approved 6/23/10

Board Members Present: Kristin Bolton, Ross Conrad, Francisca Drexel, Mary Gill, Kate Gridley, Jay Leshinsky, Michelle McCauley, Ashar Nelson (presiding), Johanna Nichols, Tam Stewart.

Board Members Absent: Ilaria Brancoli Busdraghi.

Others present: Susan DeWind (staff liaison), Glenn Lower (General Manager), Jerry Shedd (member-owner).

Board Monitor: Kristin

Call to Order: Ashar called the meeting to order at 6:33 pm.

Member's Business. The Board had a visit from member-owner Jerry Shedd expressing his concern about the Co-op's sale of homeopathic remedies and promotion of such by sponsoring homeopathic lecturers. He feels these in no way meet the MNFC End of selling healthy food and that they are basically "snake oil and placebos". He said his research shows that the manufacturing process of these pills makes it unlikely there are any effective amounts of active ingredients in them. He feels that if we sell a product just because some people ask for it, then that should be reflected in the Ends. Kristin thanked Jerry for being aware of the Ends. It was noted there may be many who disagree with this opinion. This being an operational issue, Glenn will consider his input and get back to Jerry.

Kate reported requests from two member-owners for custom cut cheeses. Kristin reported a comment she received about how crowded the store can be at times.

Approval of Minutes: The minutes of April 28, 2010 were approved as amended. The vote was all in favor on a motion made by Kate and seconded by Ross.

General Manager's report: Glenn reported on the NFCA meeting he attended. He is on the hiring committee and they have offered the Executive Director position to a candidate. They did business plan critiques of peer VT co-ops and discussed the Brattleboro expansion.

The MNFC year-end financials are not quite done. EL3 is a yearly report. EL4 shows net income of approximately 2.5% of sales or about \$270,000. Current debt ratio should be at or above 2.0.

Ross raised a concern about a +/- 10% variation on budget. On a bigger budget this would be quite significant and asked if it should be reconsidered. It was suggested you need to average over a longer period of time and if you set a lower threshold, then one wonders how often would the GM be out of compliance.

On 4.6, Glenn suggested that he could provide more details quarterly on tax payments to insure they are paid as the Board is responsible for those.

On 5.3, Glenn said it should read we “do” have reasonable systems in place, not “will have”.

On 5.7, Glenn has established a profit sharing policy as suggested in last year’s audit.

On 5.10, Kristin feels the wording is too vague and the GM should make decisions with this EL in mind. The Board could narrow it if they want.

On a motion by Kate, seconded by Kristin, the Board accepted the report pending receipt of the missing figures in EL 4.1 and 4.4. All voted in favor.

Arizona Boycott: Based on feedback from member co-ops in NCGA, they will be relocating their annual national meeting from Arizona in support of boycott efforts. As for MNFC, Glenn feels it would be too difficult to identify products in the store that are made in AZ and as we enter the local growing season, there are not any AZ items in Produce right now. Johanna said she thinks boycotts are an easy way out of an issue as they often go unnoticed. She thinks it is more effective to be present and engage with those affected. Tam suggested that the Board sometime look again at its advocacy policies and consider its role in national political issues and how it relates to Co-op Ends.

Linkage: Ross requested that date for Annual Meeting be set earlier to avoid schedule conflicts for Board members. Directors were encouraged to keep elevator speeches simple and be more about member-owner views rather than about Board work. Directors will email Tam reports on conversations and what they learned from input. There will be a suggestion box at the event.

Basecamp: This is a website for messaging and report posting to solve inconsistent sharing. Cost is \$24/month. Ross was concerned about missing reports if you don’t check the site. There can be email alerts when there is a posting. Ashar asked if it required extra effort and skill beyond regular email. It was suggested that committee reports and meeting packets stay on email and non-essential reading go to Basecamp. It was decided the Board will revisit this issue with new Board members in the July or August.

Board Development Committee: As of 5/26, 303 ballots had been cast, almost 10% of membership. Kate thanked Jay for his work revising the new Board Member Orientation Notebook. Kate, Michelle and Barry King will count votes. There are more candidates than positions on the Executive Committee so each position will be voted separately by paper ballot at the June meeting. Michelle reminded the Board of the potluck at her house on June 13 at 5 pm.

Education Committee: The Board briefly reflected on the linkage discussion from the last meeting and saw the need to coordinate a 5 year plan with operations. Kristin then led the discussion, asking how sustainable is our healthy food system for the planet and for the community. She said Ends have to talk to each other and work together and asked how do we make that happen with our food choice carbon footprints. She summarized findings in research and readings:

- 1 - Food choice is more important than food miles
- 2 – Red meat (other than grass fed) has largest footprint – possibly seafood as well.
- 3 - Organic choices have a lower environmental impact but may have higher food miles

4 – Local choices have smaller footprint though greenhouse production out of season may have higher ones

5 - Bulk has smaller footprint than packaged

6 – Food preservation has impacts – refrigeration/freezing takes more energy than room temperature storage.

Discussion led to realizing there are not perfect answers to food choice but the Board should look at priorities. There was discussion around peak oil, which seems more imminent, and how that will push food choices to be even more local even if not always with the smaller footprint. Peak oil, limiting food availability as well as food choices may also free up space in the store that would effect Board decisions on expansion. The question was posed about how will peak oil affect vendors and how does the Co-op ensure they can supply what it needs. How does the Co-op capture the market?

Educating shoppers (70% being member-owners) is seen as important. How to inform them simply without overwhelming them with choice/footprint complexities is challenging. Some ideas that came out were: footprint tags on shelves with items, suggesting “green” meal plans and food categories that have lower footprints, increase support of CSA programs, more active planning with producers around peak oil, website access to footprint information, and using the weekly sales as a venue for educating shoppers about green and local. Showing people the affordability of a green diet is essential.

From these considerations the Board felt it was important to decide what steps to take and when. Education and outreach is top priority and, as an operational effort, might necessitate a staff position to be a liaison between MNFC and producers, shoppers and the community. Food choices can become the issue that links all the MNFC Ends together.

Next Retreat: The question was raised if the retreat should be used to consider if it is time for action on the education done so far. The question of expansion and if new infrastructure is the way to expand and what that would look like in light of Board education should be considered. The BDC will work on a midyear retreat.

Meeting Closure: The agenda will include Board change over and election of the Executive Committee. Michelle will facilitate meeting before the election. There will be debriefing on the Annual Meeting in the packet. Thanks were expressed to Ashar and Johanna for their leadership and service.

Adjournment: The meeting was adjourned at 8:40pm on a motion by Kristin, seconded by Kate. All voted in favor.

Respectfully submitted by Susan DeWind