

**Middlebury Natural Foods Cooperative**  
**Board of Directors Meeting**  
**August 25, 2010**  
**Approved 9/22/10**

**Board Members Present:** Kristin Bolton, Ross Conrad, Francisca Drexel, Mary Gill, Jay Leshinsky, Michelle McCauley, Karen Miller-Lane, Tam Stewart.

**Board Members Absent:** Ilaria Brancoli Busdraghi, Kate Gridley, Kevin Lehman.

**Others present:** Susan DeWind (staff liaison), Glenn Lower (General Manager).

**Board Monitor:** Tam

**Call to Order:** Jay called the meeting to order at 6:30 pm.

**Member's Business:** Kristin talked of Annie Claghorn's concern that not all Cabot cheeses are rBGH free. Glenn said that Reiner has confirmed that MNFC does not carry those products. Jay passed on a member-owner's question asked of Kate. Why has MNFC removed shaving cream with PABA when it is not ingested?

**Approval of Minutes:** The minutes of July 28, 2010 were approved as amended. The vote was all in favor with Francisca abstaining, on a motion made by Ross and seconded by Michelle.

**General Manager's report:** Glenn asked for feedback on the meeting snacks. Consensus was they appreciated local, organic, chocolate, gluten free and presentation!

Glenn reminded the Board of the Harvest Festival as a good linkage opportunity, even better than the Annual Meeting. It will be from 12-4 on Sept. 11<sup>th</sup>, promoting local food vendors. Copies of the annual report will be available.

Bill Townsend, manager of the Carrera property behind the Co-op, agreed to the Town's request to close off the parking lot to through traffic to reduce increased traffic.

**Financial Statements:** Glenn discussed some sections of his EL 4&5 report in the packet. In response to the Board's concern about #4.5 having +/-10% variances in revenues and expenses in the budget, Glenn proposed a new standard. He proposed staying at less than -10% for sales and within +/-5% on personnel and total expenses. While more than +10% over budget on sales would be good news, the Board did wonder if there were impacts on expenses that it would cause. Glenn thought need for more staff in such an instance would be minimal. A mid-year budget revision might be good in that case and Glenn could report on how to address non-compliance. Michelle thought variances in budgets should be reviewed in the broader context of the time period used and the economy. The board accepted his new standard for monitoring MNFC budgets.

Glenn reported that the weekly sales program sees products sell at 6-10 times more than when not on sale. While hard to pinpoint a causal relationship, margins have shifted only slightly since MNFC started the program. What with coupons and CAP sales, Glenn does not see the need to expand the weekly sale program to include more items.

Glenn reported that under #5.5, asset purchases, the new Deli freezer and Grocery cooler were in the long range plan but the new Front End hardware was not.

The Board agreed that the EL monitoring with interpretation as well as compliance reporting was a good change and worked well. Michelle moved and Kristin seconded acceptance of the report. All were in favor.

**Linkage:** Tam, chair of the Linkage Committee, did a presentation of its proposal of doing a Board Facebook page as a way to expand ways to reach out to member-owners, particularly younger ones. This would be primarily a posting opportunity for Board events, news and links though they could see it having an interactive function as well to start discussions. Tam said this could be set up more quickly than redesigning the website and saves IT time. Tam said that privacy issues on Facebook have been resolved. Success can be monitored by the number of friends, postings and opinions. Tam would manage the page and coordinate with Karin on the MNFC facebook page she opened.

Michelle moved, with a second by Kristin, to support the linkage plan for a Board Facebook page. All voted in favor.

The committee also discussed patronage dividends and Tam has looked into possible ways to let member-owners know what they have saved while shopping. This could include running totals on receipts or a mail-merge to newsletter labels. This could be a sensitive issue for some people who do not want their purchases tracked. They will look further into the idea with Glenn. Ross said that Michael Healy appreciates the feed back he has gotten on the webinars on Patronage Dividend (as well as others).

**Education Committee:** The Board had a presentation by Kristin about how MNFC could study its carbon footprint and make decisions on how to respond to that. There are three levels, called Scopes, of carbon footprint impacts. Scope 1 is from operation of the store – heating, cooling, lighting and “fugitive emissions”. Scope 2 is from the power grid of which we are a part. Scope 3 includes activities that happen as a result of the store over which there is limited control – employee and customer travel, solid waste (in store and in consumer’s homes), product travel, etc. Steve has taken many measures around the store and offices to reduce impacts of Scope 1 so the Board should focus more on Scope 3 issues. The place to start this work is in having a carbon assessment done to measure MNFC output. This study would look at all Scopes to establish baseline information but the main focus would be on recommendations for reducing some Scope 3 impacts. While carbon footprint is only one of many environmental impacts we have, the Board decided they should not expand the study into this broader area of consideration right now.

Glenn felt that having a carbon assessment done would be an incentive and very helpful for setting achievable goals (the low hanging fruit) and planning for changes we can make to reduce our impacts. The Board also sees this as an important step in considering MNFC growth and long range planning. As changes around carbon footprint are a larger social issue, MNFC also has the capability of being a leader in a joint effort with member-owners, staff and community members and groups. This would be promotional for MNFC and another way to engage with member-owners. Glenn and the Board will look into estimates for working with Spring Hill (energy consultants), Efficiency VT, Jim Merkel and/or Brighter Planet.

In light of last month's discussion with Rachel Zakrasek about reactive adaptation to climate changes, the Board feels it is important to be more proactive and strategic in meeting future challenges, especially around energy and peak oil. Building good relationships with local growers in the face of challenges from large food industries will be essential for our local economy.

The Board briefly discussed how to move on James Maroney's push for selling only organic dairy. They feel that this has to be researched more closely and do not feel that this is a primary issue for the Co-op at this time. There are improvements in local dairy practices now and we do not want to cut those people off in the name of organic. And there is still debate as to how much lake pollution is attributable to dairy runoff.

**Meeting Monitoring:** Tam thought the meeting was relaxed and productive with a good agenda, topics were resolved and next tasks clear. Fran appreciated the open conversation.

**Next Meeting:** Education discussion of what has been learned and what comes next.  
BDC report.  
EL's and Ends report.  
Linkage and Facebook report  
Glenn report on carbon assessment plans

**Adjournment:** The meeting was adjourned at 8:38 pm on a motion by Mary, seconded by Kristin. All voted in favor.

Respectfully submitted by Susan DeWind