

**Middlebury Natural Foods Cooperative  
Board of Directors Meeting  
September 22, 2010**

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

Kevin Lehman arrived at 7 pm.

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

**Board Monitor:** Tam

**Call to Order:** Jay called the meeting to order at 6:31 pm.

**Member Business:** Ross reported interest in action on the carbon footprint of food packaging. Kate brought up the question from a doctor about PABA in shaving cream. It was suggested he can special order it. Glenn said companies are trying to eliminate it in their products. Michelle suggested the store use averaged tare weights for customer convenience so they don't have to pre-weigh containers.

Jay got a letter from James Marony asking the Board to discuss the conflict between the labels "natural" and "certified organic". They do not mean the same thing and there is misconception among shoppers. The Board consensus was they did not feel this is confusing and it could not afford to spend time on it now. USDA standards should be addressed and this could be an education effort.

Glenn said there was a member-owner who believes that one bakery vendor, Back Home Again Bakery, has discriminatory practices and MNFC should not carry them. Glenn said the Co-op will not do research into all providers and will only take a stand when there is a blatant problem.

**Approval of Minutes:** On a motion by Ross, seconded by Kristin, the minutes of August 25 were approved unanimously as amended.

**General Manager's Report:** Glenn attended the NCGA General Assembly. They had discussions about how to benefit from centralizing and standardizing best practices in systems and operations without losing individual co-op identities. This is a difficult task for co-ops which are very independent and fear loss of autonomy but something they will work on. Expanding membership in NCGA for small co-ops was also considered. How to balance what small co-ops contribute to their communities vs. the liabilities of being supported by larger co-ops makes this a challenge. They will look at setting standards to protect investments. The Hanover Co-op has opened a new store in White River Junction and is trying, so far successfully, to work with the existing local co-op, Upper Valley Food Co-op, to not compete with them.

**EL Report:** Glenn is waiting for results of the staff survey being done the last week of September before reporting on EL 1. There was a suggestion that EL 2.4 and 2.5 be combined. Ilaria pointed out that 2.4 is for hearing from and responding to customers and

2.5 is an invitation to them for input, such as in surveys. The Executive Committee could consider recommendations to the Board for clarifying or combining them. Kristin felt they are clear and concise and gives an opportunity to see opinions and responses.

In EL 6.3, Jay expressed concern about personnel costs should there be zero growth in sales or in light of expansion. Glenn said in the past the Board has supported current growth levels but also expects there will be a raise in benefits. Staff treatment is a high priority for the Board. There are salary caps now with COLA raises. Glenn is not concerned now but sees adding staff not necessarily good for future net income. Michelle talked about the tension between growth in sales, membership and physical plant and reaching out to include more of the community. Kevin said there can be different models for growth.

Kristin asked how MNFC benefits compare to other co-ops. Glenn said CoCoFist compares GM compensation only. Of the four major Vermont co-ops, MNFC is behind in health benefits but comparable with wages. Mary asked if these co-ops could join to do group insurance but with two being unionized it would be hard to get agreement.

Michelle moved with a second by Kate to accept the monitoring reports with EL 1 coming in October. All voted in favor.

**Board Development Committee:** Kate said there will be orientation follow-ups with new board members in October. She asked members to sign up for webinars and write up short reports for notebooks and inclusion on website. The committee will discuss self-evaluation.

**Education:** Kristin presented a list of growth scenarios:

- 1 – Slow Money – revolving loan fund: local, food, slow growth, infrastructure, nonprofit
- 2 – Larger central store
- 3 – Satellite store
- 4 – Partner with entrepreneurs for processing and storage
- 5 – Storage
- 6 – Processing of local foods, all types
- 7 – Food and Farming Center – garden and education, community storage
- 8 – Vertical Integration - Co-op does it all: production to processing to storage to sales
- 9 – Food education – about sustainable food production
- 10 – Social Marketing – educate and influence community by example
- 11 – Distribution – supplying local institutions

Added to the list were:

- 12 – Alternative Economic Model
- 13 - Engine of community and education and farm marketing

General points made were throughout the discussion:

- That these are possible concepts; this was not discussion of how to do them.
- Does MNFC take it on or just support outside efforts to take steps.
- Important to structure next steps to be doable, not too layered or complicated.
- Regardless, education and outreach should be a driving force on choices.

There was wide ranging discussion on different concepts with possibly combining some. #1 and #4 could overlap. Glenn pointed out that revolving funds may not come

back quickly. It might be possible to regenerate the pool from member discount donations or fund it from many sources so it is not tied to MNFC income. This would be more a change in mission than a growth scenario. Michelle felt that #1 and #4 meet the MNFC local food economy End.

#5 and #6 could be combined and taken on by MNFC as well #7 and #8.

#11 would have to include increased storage.

Satellite stores - MNFC is often asked to help manage new stores in other communities. The Co-op might start a satellite store that could be taken over by its community. This could meet MNFC Ends by reducing carbon footprint and supporting local economy. While relieving pressure on the current store, it would have to provide needed niche products to pay for itself and may necessitate more storage and processing from the main operation.

Central Store – present location or elsewhere? This would mean more storage, more and different people shopping, more product and variety. The Co-op could also not expand its footprint by freeing up shelf space for more local items with more environmentally sensitive standard and stronger buying criteria.

There was discussion of combining #9, #10, & #13. This would involve changing the buying criteria and it becomes a central force. It would necessitate shopper education as it narrows the reach of the Co-op.

#12 was discussed as an outreach issue rather than growth. It would work with the idea of barter instead of money, alternative currency and local credit card or time shares for a local food system.

#7 was discussed as an education center with a kitchen for start up businesses, a community garden and business incubation. Marketing assistance could be part of this.

Conclusion: The list was changed with combining scenarios:

- 1 – Slow Money
- 2 – Larger Central Store
- 3 – Satellite store
- 4 – Partner for processing and storage, distribution and sales
- 5 – Community engine - Food education, Social Marketing, Buying Criteria.
- 6 – Alternative Economic Model
- 7 – Food and Farm Center

The Board agreed they would do homework before the next meeting to evaluate these choices as growth responses and chart how these scenarios meet MNFC Ends.

**Meeting Monitoring:** Tam felt the meeting was productive. Executive Committee is reviewing monitoring.

**Next Meeting:**

GM Evaluation, possibly Linkage, orientation report, Glenn and Ross report on contractor for carbon assessment, follow-up on education discussion.

**Adjournment:** The meeting was adjourned at 8:44 on motion by Ross, seconded by Tam. All voted in favor.