

**Middlebury Natural Foods Cooperative**  
**Board of Directors Meeting**  
**March 23, 2011**  
**Approved 4/27/11**

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

**Others present:** Susan DeWind (Staff Liaison), Steve Koch (staff), Glenn Lower (General Manager), James Maroney (interested person), Reiner Winkler (staff).

**Board Monitor:**

**Call to Order:** Michelle called the meeting to order at 6:32 pm.

**Member Business:** James Maroney spoke briefly about his letter sent to the Board a year ago about conventional food adding to lake pollution. The chemicals and pesticides may boost yields and lower costs but the residues end up in Lake Champlain. Hanover Co-op has invited him to address members in June about this issue; can that happen in Middlebury?

Kate reported 2 customers saying they feel there is a decline in customer service at the front end. Kristin had an inquiry about why MNFC does not carry Cabot yogurt. Reiner said the store never has had it, never had requests before and he will look into its ingredients to see if it meets buying criteria. Ross reported a customer being appalled that the store has Hormel products in the deli. He also noted that the ad in the Addison Independent Local Food insert is incorrect in saying “organic café”.

**Approval of Minutes:** On a motion by Kristin, seconded by Ilaria, the minutes of February 16 were approved as amended by all except Kate who abstained.

**General Manager’s Report:** The Board looked at the 3<sup>rd</sup> quarter financial report. Kate was concerned with expenses being over budget except physical plant in light of slower sales. Ross asked about the big spike in net income in 1<sup>st</sup> quarter. Steve suggested it was due to the way expenses come due. Ross asked why there are not bank deposits on weekends. Steve explained that the bank will not take responsibility for weekend deposits, there are too many changes in personnel on weekend shifts and drawers are not reconciled until Monday. With 70% of sales in debit or credit card, there is not a huge amount of cash in the store. Asked about fees, Steve said card fees next year are budgeted at \$130,000 (1.6% of sales), discounts at \$314,000. A minimum limit may be considered some day for card charges.

Reiner asked about 45% variance in “other income”. Most of that is from Video King paying rent longer than expected.

Ross asked if MNFC might be able to get back the Farmer’s Diner loan after they declare bankruptcy. Being unsecured it seems doubtful and Steve will write it off as bad debt expense.

**Business Plan:** The Board was provided a summary. Included is an Education spreadsheet. Glenn said it is hard to know where education becomes marketing. There is large total cost but he can monitor where resources are being used and if they are too little or too much. Cooking classes may continue. Store tours for new members, as done in the old store by David, may start. There will be more staff education. Kevin asked about starting electronic newsletters to save money. How to do coupons electronically has to be worked out. Susan said that only about 50%+ of members provide email addresses. Kristin pointed out the different experience of having hard a copy to hold and refer to.

In Section 4c Kristin had concern about changing to patronage dividends being measured by accomplishing the transition. It was felt a decision on whether to do it or not was a more appropriate measure. Glenn said this is the trend at co-ops, giving them more control of their money. It would need a huge education effort of member-owners and would probably be associated with another big project.

In studying carbon footprint, Steve said he can do the “day-to-day” physical plant items but the broad carbon issues for the store are more abstract and he does not have the means the consultants have to measure it.

**Board Development Committee:** Kate, Ilaria, Ross and Tam will run for their seats on the Board along with 2 other candidates.

**Buying Criteria:** Ross reported on the committee’s consideration of how to define “natural” as there is no accepted standard definition. The buying criteria used by staff has loopholes and defines what is not healthy rather than what is healthy. While acknowledging that adding “natural” to the criteria could create more stress on staff and decrease profits, the committee is looking for direction on whether it should expand the basic guidelines. Glenn said that progress has been made, especially in produce, in moving toward local and organic. Meat sold is mostly local. MNFC efforts match national trends but customer needs have to be met as they put trust in the Co-op to filter out unhealthy food. It was felt the committee should respond to member-owner concerns and questions by gathering information for the full Board to consider.

**Executive Committee:** The board discussed the Committee’s draft resolution to give direction to Glenn in reducing the Co-op’s carbon footprint and increasing local and organic items in the store. Kristin talked of the thinking in three components to the resolution: 1) we can control in-store the amount of local/organic to reduce carbon. 2) there is urgency to implement changes-can we do more, quickly? 3) while we can’t control what others do, we can collaborate with others. Glenn suggested if the committee wants to communicate this as policy, it should be made an EL. He cited the challenge of local businesses moving out of state as they grow, quality and quantity of local products may be insufficient to supply the store and it is a challenge to accurately count percentages of local/organic products sold.

The Committee will reconsider the draft to see if it is covered in existing policy framework or if it should be drafted as new policy.

**Webinar Report:** The Board praised Ilaria's summary of Understanding Member Needs and agreed it should be added to the Board Orientation Packet.

**Outreach:** Francisca talked of the Optimal Health Committee at Middlebury College. Rockville Market will be doing a CSA with the College. She mentioned concern on how this would affect MNFC and how it would meet its "local" goal. Glenn agreed that more of the community consuming "local" is a great thing, and not to worry about the effect on the Co-op.

Hannaford Career Center is interesting in expanding its education on growing, preparing and storage of food.

**Next meeting agenda:** Linkage, Executive Committee, Buying Criteria, Elections.

**Adjournment:** The meeting was adjourned at 8:35 pm on a motion by Ross seconded by Kevin with all in favor.

Respectfully submitted by Susan DeWind