

**Middlebury Natural Foods Cooperative**  
**Board of Directors Meeting**  
**May 26, 2011**  
**Approved 6/22/11**

**Board Members Present:** Kristin Bolton, Ross Conrad, Francisca Drexel, Mary Gill, Kevin Lehman, Jay Leshinsky, Michelle McCauley, Tam Stewart.

**Absent:** Ilaria Brancoli Busdraghi, Kate Gridley, Karen Miller-Lane.

**Others present:** Susan DeWind (Staff Liaison), Glenn Lower (General Manager), James Maroney (Interested Person), Reiner Winkler (Staff).

**Board Monitor:** Tam

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

**Member Business:** James Maroney met with the Board to urge the Co-op to move to selling only organic dairy. His point was that artificial fertilizers save money by externalizing the cost into the environment. In the mid 20<sup>th</sup> century Rachel Carlson saw the build up of pollution from these fertilizers and now Vermont is seeing such consequences. James thinks organic production will reduce pollution, MNFC does not give enough attention to organic and “organic” does not appear in the newsletter. He urged for education on this issue. He mentioned a book, Limits of Change, which says the agriculture system will collapse if it continues on this path. Ross pointed out that MNFC now has policy to increase the local **and organic** products in the store.

**Agenda changes:** Glenn requested approval of the financial monitoring report be postponed until the June meeting as it did not have final numbers. An Executive Session was added to the end of the meeting for a member business issue.

**Approval of Minutes:** On a motion by Ross, seconded by Kristin, the minutes of Aril 27 were approved as amended by all except Kevin and Michelle who abstained.

**General Manager’s Report:** Reiner talked about his attendance at the UNFI Bulk Buyers Meeting. He reported on the problems in getting four products: French Lentils had a crop failure, Red Lentils from Turkey are not reliably organic but domestic ones tend to have rocks mixed in, Red Quinoa is being hoarded by China which will increase prices and McDonalds is using much of the Golden Raisins available in their oatmeal.

**Buying Criteria:** Glenn reported that the management team gave its support to adding High Fructose Corn Syrup and Parabens to the MNFC buying criteria. The Board will consider if all bad ingredients should automatically go on the list but there is concern about the list getting too long; buyers do use their own judgment beyond the criteria when ordering. As this is one of the Executive Limitations that the Board monitors, Board approval was necessary. All voted in favor for a motion by Ross, seconded by Michelle, to approve the additions. It was suggested the criteria be listed in the newsletter

on a regular basis to keep it in front of member-owners and that can linings also be studied for possible inclusion.

**Financial Report:** Year end numbers were draft only. Depreciation was higher than expected from items purchased that were not included in the budget. This reduces assets on paper. Total expenses were 5.2% over budget which Glenn said is not in compliance. The final report will be revised.

Net income will be approximately \$183,000. Glenn questioned if 2% of sales is sufficient for savings or should it be more. Efficiency improvements in the store should produce savings for the next growth spurt. Kristin pointed out that other stores may save more but they have higher prices. MNFC puts more emphasis on being affordable.

**Carbon Assessment:** Glenn discussed his reservations about the proposed carbon assessment. He and Steve feel that the \$25,000 estimate for baseline analysis and action plan, but with no implementation costs included, could be better spent on doing an energy audit of the buildings and making improvements such as changing to LED lights. While the Co-op can take on some carbon reducing measures, it can not control everything; customers have to take steps as well. MNFC should make improvements and then educate customers about them and carbon footprint in general. Michelle said her college students could help with analysis. There was consensus that MNFC would not go with the EarthShift proposal.

The Board would like to know what makes the biggest difference in carbon footprint. It was thought that production, transportation and distribution for home use were perhaps larger than the impacts of the store.

The Board feels there could be an Executive Limitation to not increase energy use and they formed an ad hoc committee including Kevin and Ross to consider this. Kristin summarized the decision as:

- 1 - Do an energy audit
- 2 - Develop an energy EL
- 3 - Do education on scope 3 issues for member-owners and Board.

**Board Development Committee:** As of May 26 there were 263 votes cast in the elections. Barry King, Peggy Rush and Michelle will count ballots.

A mini retreat facilitated by Michael Healy at an expanded June or July meeting would welcome any new board members and be helpful in strategic planning and assessing effectiveness of Board work.

Conflict of Interest forms for Board members to sign are being proposed to give transparency and support existing policy. Michael feels disclosure is most important and not all co-ops do this. Jay will prepare a form for the July meeting.

**Linkage Charter:** The committee proposed a simplified title reading: "The purpose of the Communications Committee is to facilitate communications between the Board and MNFC member-owners." It was agreed that it is clear and implies two-way communication. All voted in favor for a motion to adopt the title and charter wording made by Ross and seconded by Mary.

**Annual Meeting:** Glenn presented comment cards for Board members to use with engaging members-owners. The Board suggested it include an option for a call back and thanks from “your Board of Directors”. The idea of a quiz show about “local” to make the meeting more engaging was suggested and Kristin and Mary agreed to organize it.

**Executive Committee:** Jay discussed the role of the Executive Committee and strategic leadership. He would like to be more intentional about Board work - defining operations work, knowing how information comes back to the Board and how to translate information into action plans - as well as setting long term goals. Jay sees this as important to the alternative mold of democratic cooperative ownership. Tam would like to see the Executive Committee be more proactive in filtering issues instead of reactive. The Executive Committee slate presented was:

President – Jay

Vice-President – Ross

Treasurer – Kristin

Secretary – Tam

On a motion by Michele, seconded by Mary, all voted in favor to approve the slate.

**Good-bye to Michelle:** Michelle was thanked for all her work and was presented with a gift of a pewter oil lamp. She let known her intention to be involved with buying criteria.

**Executive Session:** On a motion by Tam, seconded by Kristin, the Board with Glenn went into Executive Session with all in favor at 8:20 pm.

The Board came out of Executive Session at 8:41pm and adjourned the meeting at 8:42pm. All voted in favor on a motion by Tam, seconded by Ross.

Respectfully submitted by Susan DeWind