

Middlebury Natural Foods Cooperative

Board of Directors Meeting

February 15, 2012

Board Members Present: Kristin Bolton, Ilaria Brancoli Busdraghi, Joseph Cadoret, Ross Conrad, Francisca Drexel, Mary Gill, Jay Leshinsky, Karen Miller-Lane, Tam Stewart, JS Woodward.

Board Members Absent: Kevin Lehman.

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

Board Monitor: Tam

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

Member's Business: Ross talked of labeling accuracy and made the suggestion of having a member-owner volunteer do farm visits to verify claims. Consensus was that manager awareness is important but having a volunteer represent the Co-op would be of concern.

Ross also reported about the accessibility workshop he attended at the NOFA conference. It was noted that food stamps used to be commonly used at farmers markets but that ended with the change to electronic cards. Markets are beginning to provide card machines to allow their use again. Other opportunities to improve food accessibility were: tax credit for farmers donating gleanings to the food shelf, donations to CSAs, efforts to overcome the stigma of co-op shopping with EBT, easy-access displays for everyday bulk items and vegetable-of-the-month sales tied to school lunch programs.

Approval of Minutes: On a motion made by Kristin and seconded by Ross, the minutes of January 25, 2012 were approved as amended with all in favor, Francisca abstaining. After discussion of the proposal to include the management team in GP5 Jay said he would take this to the Executive Committee.

Food Accessibility Meeting: Glenn reported on the ad hoc committee work to organize the March 28 Board meeting to be held at Ilsley Library. The Board will meet at 6pm with the public portion to run 7-8:30pm. CVOEO, HOPE and ACORN will have representatives. Jack Mayer is unable to attend but has offered to talk with the Board another time. Fran Putnam, Peter Carothers may also attend. Moriah Cook of the VT Dept. of Health has been contacted. Joseph is working on a fact sheet for existing programs to distribute prior to the meeting. While this is envisioned as an informal discussion, it was agreed there should be a facilitator. It was agreed this will be a smaller beginning effort which could lead to a broader community summit. Primarily the Board wants to learn what is being done and find measures by which the Co-op can help. Reiner asked if there is a way to bring in people who are food insecure to be part of the discussion but it was acknowledged that could be challenging for them and it might be better to have small group discussions at HOPE.

Marketing Study Review: Debbie Suassuna of Co-operative Development Services talked with the Board via teleconference.

The study included expansion scenarios: no expansion, on-site with addition to west wall, a west wall addition connected to old store and satellite store elsewhere. The densest part of MNFC sales distribution area is a 10 mile radius to Brandon and Vergennes. City Market's area extends to Ferrisburg but does not overlap with MNFC. A satellite store would be smaller (3,500 sq. ft.) but have a full product line and have to be near Route 7 to maximize sales and be visible with adequate parking. MNFC demographic shopper profile is higher income, college educated and employed in education/health/government/self. Vergennes has the most similar profile in neighboring towns.

Tam asked if there was an economic level below which people do not shop at MNFC. Debbie said it is not clear but higher income is better. Ross asked if she had considered solutions to growth other than physical expansion such as catering and home delivery. She said her study was on sales/square feet and there will still be high volume problems. Reconfiguration of shelving and improved check outs would only help in the short term. If expansion is not big enough now it will have to be done again in the future.

Debbie considered the impacts of the recession, did comparisons with other co-ops in the past years and projected forward. If there is a double dip recession then she has over projected. She said growth will be both number of shoppers and larger basket size.

In her assumptions, she included sales growth slowing without expansion once \$12,000,000/year is reached in approximately 2014. A new store would mature in the third year as people adjust to a new store. A satellite store would take longer to mature. She thought Hannaford's and Shaw's would only reduce MNFC sales if they expanded their natural foods offerings. Reiner asked about the impact if Shaw's closed. Debbie felt their customers would split between MNFC and Hannaford's. Ross asked again about handling growth without expansion. Debbie recommended expanding the deli offerings to broaden its appeal and emphasize prepackaged bulk which is already impressive. Glenn asked about potential impact for a new Trader Joe's. In a small market they can take about 9% of sales.

Elections: The March newsletter will have a call for candidates with an April 1 deadline. Terms ending are held by Francisca, Jay, Joseph and Mary. Ilaria recommended that CBLD 101 be required for new Board members. Francisca suggested making Board Buddies more active after each meeting.

Buying Criteria: Glenn presented the latest draft wording from the management team. The Board did further editing and agreed that "s/he" be changed to GM in EL 9. The proposed new language was moved to the last paragraph and will read: "The buying criteria refer to artificially produced ingredients and processes and do not apply to naturally occurring ingredients or processes. If MNFC discovers that any of its products do not meet these criteria, MNFC will remove the item from the shelf."

A motion to accept the Buying Criteria as revised at the meeting was made by Kristin and seconded by Karen. All voted in favor.

(Joseph left the meeting at 8:15)

Communications: Articles for the newsletter are due by Mary for March 1 and Ilaria for April 1. Francisca would like to write about CBLD 101 for May. Tam presented ideas for a revised annual report which would include table of contents, the story of co-ops and MNFC, where it is headed, GM and President's letters, financial data, "What is Policy Governance" and photos.

BDC Charter: Francisca confirmed she will serve on the BDC committee. Jay presented his revision. JS moved, seconded by Kristin to approve the revision. All voted in favor.

Self-Evaluation GP 6 – Code of Conduct: The draft revision adds a conflict of interest section. It was agreed that disclosures should be done verbally at the July meeting in addition to signing the conflict of interest form in order to increase transparency. This will go back to the Executive Committee.

Meeting Review: Buying Criteria work was valuable and it was agreed time for wordsmithing is needed for policy revisions. All thought the conference call was helpful.

Next Meeting: March 28 – Local vendor policy and monitoring will be on the agenda of the business portion of the meeting.

Adjournment: The meeting was adjourned at 8:42 pm on a motion by JS, seconded by Tam. All voted in favor.

Respectfully submitted by Susan DeWind