

Middlebury Natural Foods Cooperative

Board of Directors Meeting

September 29, 2012

Approved 10/24/12

Board Members Present: Kristin Bolton, Ross Conrad, Mary Gill, Kevin Lehman, Jay Leshinsky, Tam Stewart.

Board Members Absent: Ilaria Brancoli Busdraghi, Francisca Drexel, Karen Miller-Lane.

Others present: Victoria DeWind (staff liaison), Glenn Lower (General Manager), Deryl Benoit and Louise Vojtisek (prospective Board members, Laura Asermily (staff - 6:45-7:15).

Board Monitor: Tam

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

Member's Business: Mary reported a member-owner previously a critic of Food For All is now supportive because the program is bringing people in who were not able to shop at the Co-op before. Kristin reported that someone she heard from was grateful a cashier had informed her about eligibility for Food For All.

Approval of Minutes: On a motion made by Ross, seconded by Tam, the minutes of August 29, 2012 were approved as amended with all in favor.

GM Report: Glenn asked the Board that a future meeting agenda include the NCGA proposal to start a co-op loan fund for start-up or expanding co-ops. In partnership with the National Cooperative Bank (\$16 million), NCGA would add \$4 million, with oversight and interest. This would spread MNFC loan dollars further than the current three individual loans MNFC has made. Ross questioned putting money into a fund from which the Co-op would then borrow money back to be repaid with interest.

Glenn reported on the growth readiness survey of 19 questions that he did at the NCGA General Assembly. He feels MNFC is ready for growth in all aspects, save the need for Board alignment with staff on the growth feasibility vision. Tam shared in this concern and wants staff to know the Board will work with them to reach a common vision.

NCGA's main focus is currently on growth. Their efforts are to create more co-ops selling more products for economic growth and to gather more market share with Trader Joes and Whole Foods.

EL 1,2,5,6,7,8,9,10,11 Monitoring: Information corrected was: on page 4, Worker Compensation Claims for 2012 were 7 but not all of them were financial; on page 9, building insurance is 1.738 million and will increase 8% next year and on page 10 - 5.2.3, the beer buyer also has access to the checkbook for COD deliveries.

Ross suggested that on page 8 - 2.4 Treatment of Customers, more data should be included on types of training for staff. He also questioned the policy on page 14 - 6.2, Compensation and Benefits Internally or Externally Equitable. He asked about the livable wage standard and asked

does the Co-op want the policy to require compensation to be equitable to external standards at other businesses that are lower than what the Co-op does pay. Should the policy, rather, create MNFC's own standard. Glenn said the Co-op does not use the livable wage standard. The Executive Committee will consider the policy.

There was discussion of the interpretation of page 18 – EL 8 - Emergency Management Succession. More data would make it clear that succession would be a management team effort led by Reiner as point person and Steve with his financial expertise.

The reports were submitted on time with reasonable interpretation and adequate data and were in compliance. The Board voted to accept the reports.

Adaptation/Visioning: Jay started the discussion saying the Executive Committee felt that adaptation is a better word to describe work on co-op growth and before answering “how” does the Co-op adapt?, the purpose, through the lens of Ends, should be explored. Jay presented Karen's written thoughts about the importance of creating space in the context of the cultural times and making conscious choices about the use of new space, not just adding more space.

Ross thought consideration should be given to growing so that the Co-op does not have to keep repeating the growth cycle. This would include reducing stresses that create the need for growth such as parking, storage and crowded aisles. Growing without going into substantial debt should be studied using member loans, patronage dividend and delayed profit sharing. (Glenn pointed out that profit sharing is included in livable wages). More emphasis on local, organic and bulk should be a priority

Kristin saw MNFC being a good business for the community and its economy by creating more jobs and supporting more local producers. A zero carbon footprint would meet Ends. A bigger store would increase access to healthy food and stimulate more participation in a democratically owned business. She felt financing needs to be studied and minimizing debt is important.

Mary supported Kristin's comments and wondered if increasing volume lowers prices. She would like MNFC to be a leader in the community for environmental sustainability.

Kevin said MNFC has to be intentional, innovative and a sustainable model for other stores through meeting Ends. A larger store will support more local producers and sell more products to more customers.

Tam talked again about aligning all players to one goal of healthy food for the entire community. The co-op should create capacity to meet the needs of 2-5 times the current number of customers through innovative best practices, democratic transparency, education, technology, offering more local products and being a social hub. The needs of the community should be the driving force.

Jay felt the Co-op needs to adapt in order to deliver the service the Co-op is here to provide. MNFC should collaborate with NFCA co-ops. Visioning should include how to help Glenn come up with a plan.

Glenn has started working with Bill Gessner on the feasibility study, including financing. This includes knowing where funds come from and what they will pay for. The last expansion cost about \$2 million: with a 50% foot print increase, the next one would cost about \$4 million. How one uses a bigger foot print is key.

It was agreed that creating the needs and wish lists from all perspectives should be worked on through base camp. Working on assembling ideas and information from all parties and other co-

ops would lead to using the January retreat for furthering the feasibility study. Glenn gave a hand out of his future vision.

GP 3 – Board Self-Assessment: This item was tabled until the October meeting.

Annual Meeting: It was agreed that the Board would like a speaker to talk on co-op growth issues. Inviting a speaker will wait until a specific topic emerges from the growth vision discussions.

Next Meeting – October24:

GP 3

BGM Overview and 1,2,3

Visioning

Annual Meeting speaker

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

Respectfully submitted by Victoria DeWind