

Middlebury Natural Foods Cooperative

Board of Directors Meeting

October 24, 2012

Approved 11/14/12

Board Members Present: Kristin Bolton, Ilaria Brancoli Busdraghi, Francisca Drexel, Mary Gill, Jay Leshinsky, Karen Miller-Lane Tam Stewart.

Board Members Absent: Ross Conrad, Kevin Lehman.

Others present: Victoria DeWind (staff liaison), Michael Healy (CDS Consultant), Glenn Lower (General Manager),

Board Monitor: Tam

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

Member's Business: Comments were reported which indicated people do take notice of the Board's bulletin board.

Approval of Minutes: On a motion made by Tam, seconded by Karen, the minutes of September 26 were approved as amended with all in favor and Francisca, Karen and Ilaria abstaining.

Francisca asked if the current store size necessitates turning away local vendors. Glenn said expansion would likely add more vendors and would increase access for more consumers.

GM Report: Glenn commented on his report about the National Cooperative Business Association. It is an important organization in the co-op world. Erbin Crowell, executive director of NFCA, is on the board.

Ilaria asked about the "truckload" sales. Numbers have not been tallied.

Board Education: Jay reported on the Executive Committee meeting which brought about the invitation to have Michael Healy facilitate a growth/adaptation discussion. The question the committee posed is: "Do or do we not want to support the healthy food needs and well-being of the entire community?" With Michael's help the Board would set a time line for decisions.

Michael said that the discussion was intended to stimulate a conversation that is a different approach to creating consensus. Kristin felt this should look at Ends, not the statement on the wall of the store.

Michael started by recommending that the Board refer to Expansion Toolbox, a program document to guide change and expansion. The exercise he then took the Board through was to look at MNFC's past in order to see patterns and values that can shape the future. The exercise showed how MNFC went from a buying club to a larger community of member-owners. The time line was filled in by everyone with events and changes from 1970 to the present – neighborhood preorder groups, the first store in the train station, first manager, each of the store expansions, member-owner share program and increasing members (900 members in early 1990s to almost 3700 today), scanners, increasing annual sales (1990 - \$1 million in sales to today at \$10.4 million), etc.

Ilaria commented that her early experience at the Co-op was not positive but she came to appreciate it as being closer to the markets she had in Italy, and it provided a social shopping experience. Jay talked of finding the early years too “loose” and how adding management and structure made it a much better co-op. Mary saw the past expansions and growth in member-owners as a part of a national trend of people being more mindful of their food purchases. Glenn said he sees the community and store having grown together, each growing and changing in response to the other. While there has always been attention to wholesome, good quality food, early on the goal was to provide organic products. Now the focus is organic and local.

From this discussion, the premise that emerged for next steps is that the Co-op and its members-owners are always changing with an enduring identity in core values that serves as a basic truth in how MNFC evolves. It is MNFC values that will drive the decisions. Michael noted that co-ops that have resisted change or do not meet community needs have not survived.

Thoughts for the future:

Karen – healthy sustainable food for all,

Glenn – operationally make improvements to meet higher expectations and a focused and organized Board looking at bigger picture issues and accountable to members,

Kristin – connection with local producers and economic enrichment of the community,

Tam - transparency, accountability and flow of ideas with member-owners through linkage,

Jay – a cooperative business model evolved from the 1970s,

Francisca – providing food from local farmers,

Victoria – how to offer more without losing what we are.

In summary, the risk of change was acknowledged but Michael pointed out that if it stops growing, it won't be MNFC anymore. The Co-op has been doing this for more than 30 years, and wants to still do it in a way to meet needs while being true to core values.

Kristin expressed concern about an unclear Board role in the process. Ends will be important in guiding decisions. Jay said with the financial risks of expansion MNFC should look at alternatives and think outside the box.

Michael suggested everyone read the Expansion Toolbox (Glenn will work with Michael on sections to use) before the retreat to help lay out decision points. He recommended consulting with Brattleboro about their growth process and their regenerative marketplace. Glenn will continue to work with Bill Gessner and there will be lots of conversation to keep the Board and operations working together.

Board Director Appointment: Louise Vojtisek was unanimously approved to fill a seat on the Board.

Annual Meeting: There was consensus to wait until early next year to invite a speaker for the meeting.

CDS Contract: The Executive Committee recommended signing the contract for 2013. Ilaria asked are there ways to make even better use of their services. Michael recommended the leadership training in January and strategic seminars in March. Kristin moved, seconded by Ilaria, to accept the EC recommendation to approve the CDS contract. All voted in favor.

Annual Retreat: February 2 was chosen as the date for the retreat.

Board Self-Assessment: GP3, Overview and BGM 1, 2, 3 were reviewed with the question: “Have we done what we said we would do and are there areas to improve?” There was minor editing on GP3; otherwise all sections were approved.

Next Meeting – October24:

Ends report

Expansion Toolbox handouts

Committee for GM support in growth study

Start preparation for retreat

Executive session – Board appointment

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

Respectfully submitted by Victoria DeWind