

Middlebury Natural Foods Cooperative

Board of Directors Meeting

November 14, 2012

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

Board Members Absent: Kevin Lehman.

Others present: Deryl Benoit (prospective Board member), Victoria DeWind (staff liaison), Glenn Lower (General Manager), Reiner Winkler (staff).

Board Monitor: Tam

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

Member's Business: There was a suggestion to change the newsletter from pdf to web based to be more accessible. It was suggested there be a posting in the store about the e-newsletter being caught in spam filters.

Approval of Minutes: On a motion made by Tam, seconded by Karen, the minutes of October 24 were approved as amended with all in favor and Ross abstaining.

GM Report: As Bill Gessner is not available to come to a regular board meeting, Glenn has set a time to meet with him on December 8th. It was agreed to meet from 8:00-11:30. Bill assisted Glenn with the previous expansion. Feasibility financials are being prepared and there will be a discussion of the roles of different parties.

(Ilaria arrived 6:47)

Ross asked about reasons for better sales growth than budgeted. Glenn suggested one may be that the opening of the Champlain Bridge gave New Yorkers better access to shop here but noted that other large co-ops (City Market, Hunger Mountain, and Brattleboro) are also seeing similar growth.

Reiner described the all-staff meeting as a huge success with good dialogue between staff. He felt Glenn's effort to provide information on unions was a wise step and staff shared the complicated issues that arise from unions.

Ends Report: Glenn mentioned he will be addressing a class at Middlebury College about Ends and the local economy and the Co-op. He pointed out the new whole foods data in the Healthy Foods section of his report on P.11. These departments are staying strong as a percentage of sales despite strong grocery sales.

Ilaria commented that the report gave a better understanding of the complexity of meeting Ends.

Tam asked about the local sales graph on P. 14. There was discussion of how labor intensive providing local products is and if it is sustainable. Glenn explained that the large distributors are more efficient and subsidize the local sales. Margin and sales are not shrinking with the current level of local sales. There was discussion on how to factor support of local vendors into Co-op

expansion, creating space for receiving and to allow for re-useable items such as waxed boxes and UNFI totes in addition to recycling.

Karen asked about member-owner voting percentages on P.22. She feels it is valuable information in addition to Glenn's suggestion that sales growth is a better indicator of a successful co-op than voting percentage. Glenn said his goal is to implement electronic voting in the store next year to increase participation.

Ross asked if there were plans to make additions to the Buying Criteria next year. Glenn responded no but indicated there may be items in the store that should be reduced.

Kristin asked about the energy use/sales graphs on P.20. It was explained that more sales means the energy use goes further. The sales per kilowatt should improve in the winter as the heat is not electric but sales per gallon propane will decrease.

Tam noted educational activities on P.13. He thought there could be changes to the website so that it would be accessible from mobile devices such as phones and tablets.

There was discussion about the paper bag increase on P.18 and if there should be a charge for them. Reiner and Glenn felt that promoting doing the right thing by bringing reusable bags was better than punishing people for using paper.

(Deryl Benoit arrived 7:25)

Tam wondered about local promotions on P.15. He asked why local is promoted primarily over being a co-op, pride of ownership, providing healthy food, bulk being cheaper and being a good employer to distinguish MNFC from other stores. Glenn feels that being a co-op is the prime distinction but not the best promotion for marketing.

The Corn Thermometer local sales total was lower this year. Glenn suggested it was due to a better growing year for shoppers that grow their own food and it is no longer a unique program.

Newsletters currently go electronically to about 2000 member-owners, 1600 in print. Victoria reported there is a fair amount of trouble shooting and member-owner frustration resulting from electronic mailing.

Price competition and staff and other internal costs were discussed. It was asked if the grocery department subsidizes other costs or are prices inflated as a result. Future plans should include how to be more efficient and understand how the push toward whole foods will affect finances. Producer co-ops may be a way to relieve these pressures.

Kristin thanked staff for the work collecting information for the Ends report. It was agreed it gives a good picture of trends and an understanding of the store. The report was accepted as compliant on all review criteria. Ross suggested the review chart be filled in as a spreadsheet to include previous monitoring to show history and trends.

Board Development Committee: Mary reported the committee work on the Board election process. They recommend more and earlier promotion with information on Board membership through the newsletter, website and Facebook that clarifies the Board's work and encourages people to run. Orientation of new Board members needs to include education on Board work. Kristin was concerned that member-owners are not receiving or reading the newsletter and that other ways of promoting the Board should be used such as flyers, register screens and Board's board.

Board Education: The Board discussed growth and adaptation with its eye on how to use their annual retreat in planning for the future. From their work with Michael Healy last month, there was consensus that establishing what MNFC core values are through strategic conversation and

how to integrate them with meeting Co-op Ends could create a guide for future plans. One idea was for Glenn to create an Ends report from the future on how a new “adapted” Co-op would be meeting Ends. Suggestions were made for consideration:

How to incorporate education into a future co-op as essential to being a cooperative,
How to configure a future co-op to work more efficiently in supporting local producers rather than large suppliers,
How to create space in which form follows function, serving Co-op Ends,
How to use one of the Co-op’s best assets, its downtown central location.

As the Board explores values to drive change, consensus was that the values need to be clear to management and if they are not included in or consistent with Ends, new policies or enhanced Ends should be explored. Victoria encouraged the Board to keep exploring different ideas and options in establishing their values and meeting Ends beyond just thinking bigger building.

It was agreed that the retreat should create a vision for values and a time line for work while there is time to do it without pressure.

Next Meeting – December 19:

EL4 monitoring

Retreat

GM evaluation

6:00 pm potluck dinner

Adjournment: The meeting was adjourned at 8:40 pm on a motion by Karen, seconded by Mary. All voted in favor.

Respectfully submitted by Victoria DeWind