

Middlebury Natural Foods Cooperative

Board of Directors Meeting

March 27, 2013

Approved 4/17/13

Board Members Present: Daryl Benoit, Ilaria Brancoli Busdraghi, Kristin Bolton, Ross Conrad, Francisca Drexel, Mary Gill, Kevin Lehman (7:00pm), Jay Leshinsky, Tam Stewart, Louise Vojtisek.

Board Members Absent: Karen Miller-Lane.

Others present: Victoria DeWind (staff liaison), Elizabeth Frank (staff), Glenn Lower (General Manager).

Board Monitor: Tam

Call to Order: Jay called the meeting to order at 6:33 pm.

Member's Business: Elizabeth Frank raised her concern about the amount of plastic used at the Co-op in monetary as well as ecological terms. She also questioned the cost in time spent packaging products. Jay responded that this is an operational issue in the short term but something for the Board to consider in long range planning.

Ross mentioned his attendance at the Public Service Board hearing on the Vermont Gas natural gas pipeline. Farmers testified about the negative impacts it will have on them personally. There were other speakers with comments on the further use of fossil fuels. Ross suggested that the Board consider taking a position on the issue at the September 11 hearing in Middlebury. Ross also discussed his attendance at the CBLD training. It included discussion about alignment around growth issues between boards, GM's, staff and member-owners. Ross felt there should be more done for the MNFC member-owners.

Daryl raised a possible conflict of interest for him with his work for Addison County Regional Planning on a traffic calming and parking plan. He noted that ACRP and other tenants all support closing the through traffic between their lot and MNFC. Ross suggested "slow down" signs. Glenn suggested he meet with Daryl and ACRP.

Tam suggested member issues be posted on Basecamp.

Approval of Minutes: On a motion made by Jay, seconded by Francisca, the minutes of February 23 were approved as amended with all in favor and Ilaria and Louise abstaining.

GM Report: Glenn noted that his comments about Board compensation were his opinion only. He just wanted to express his support for a change. He also said he had included all the Ends as well as education in his Vision Paper as it felt more appropriate to include them. He hoped it would be added to an agenda so he could have feedback on it.

(Kevin arrived.)

Kristin suggested Clem Nilan's article on GMO's be included in the newsletter. She also expressed appreciation for having Karin's report on her visit to the Parent Child Center about Food For All. Glenn said she will be working with Hunger Free Vermont. Elizabeth mentioned that she is a farmer associated with the Center through NOFA's farmer to student program.

The GM report was accepted by the Board.

EL 4 - Financial Condition Monitoring: Glenn said that he was not able to meet with Karen before she left town to review the report but it is very similar to past reports. Glenn noted that in section 4.5 he was over budget for personnel expenses by 6.6% which is over the variance allowance and therefore out of compliance. He noted this was due to higher than expected profit sharing from higher than budgeted sales growth. He said he did not expect that it would repeat this year. Ross suggested increasing the sales growth projections so it will stay in compliance. Glenn does not want to risk over budgeting. The Board accepted the report as being on time, had sufficient data, reasonable interpretation of the data and was compliant except for 4.5. Explanations on this variance were accepted and no further action was required.

EL 9.1 – Buying Criteria: Ross expressed a concern about whether the word “primary” in the criteria was being followed as well as it could be and asked if the Co-op is really emphasizing local and organic. He felt that there are local products that should be carried, better promoted and given time to gain exposure to increase their sales. If nothing else, they would gain recognition that may help place them on shelves of other local stores. Price and demand should not be the primary consideration when choosing products. In discussion, the Board agreed that not all products are equal, that some fall through the cracks and it is not possible to make everyone happy. Glenn explained that managers do use the buying criteria, goals, margin and turnover when choosing products. Francisca asked if managers solicit new vendors or only respond to those that approach the Co-op. Glenn said it is primarily the latter but Market Matchmaking does help.

Jay asked if the goal of the monitoring process was just to consider if local and organic were being sold or if the Board should also be monitoring how they are displayed, promoted and for how long. Tam asked if measuring local and organic as a percentage of sales is enough.

The report was accepted by the Board as compliant with the understanding that EL 9.1 will go to the Executive Committee who will work with Glenn to clarify the criteria and determine what data is needed to support interpretation. As the EL reads now, the Board concluded that it is unclear if Glenn’s report contained enough useful data or if the interpretation was reasonable.

Education End: There was a lengthy discussion about education and whether it is an end or a means to an end as Kristin suggested on Basecamp. Ilaria raised the concern that people may see the Co-op as pretentious by using Education as an End and it may be counter-productive. The Board discussed using different words, such as sharing information, information exchange, information dissemination, facilitation and providing opportunities. There was discussion of what the Board wants around education – does it need to monitor it? Glenn pointed out that the Ends set direction for action while EL’s sets boundaries. Ends are visible to member-owners while EL’s are not. All agreed that educational efforts should be uncontroversial and factual, not about trendy issues, and that good information can generate better sales.

A motion by Ilaria, seconded by Kevin, to adopt education as an End was approved unanimously. The Executive Committee will work on the wording.

Director’s Compensation: This issue was tabled until the next meeting due to time limitations.

Elections: There are five candidates running for three seats. Glenn said the last page of the newsletter (mailed to all member-owners) will be the ballot, will have a peel off label for privacy, and a coupon for \$2 off a Vermont product when used to vote.

Communications: Tam said that the committee suggests that a speaker not be part of the Annual Meeting. The Annual Report will have reports and information on growth and expansion. There is enough to share with member-owners without a speaker, such as ideas of ownership and patronage dividends.

Monitoring: GP2 – Executive Committee: This was tabled until the next meeting due to time limitations.

May Newsletter Article: Daryl will write the Board article.

Next Meeting – April 17:

Business Plan

EL 3 and 11 monitoring

Director compensation

Slate for Board officers

GP 2

Annual Meeting

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

Respectfully submitted by Victoria DeWind