

**Middlebury Natural Foods Cooperative  
Board of Directors Meeting  
April 17, 2013**

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

**Board Members Absent:** Daryl Benoit, Jay Leshinsky.

**Others present:** Victoria DeWind (staff liaison), Vickie Greenhouse (member-owner), Luke Jackson (interested person), Steve Koch (staff), Glenn Lower (General Manager).

**Board Monitor:** Tam

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

**Member's Business:** Luke Jackson, son of a member-owner, came to the Board with information about an on-line business called How Good. It does research into food products so that consumers have more information about what they are buying. Currently they rate about 105,000 products. They research things such as ingredient sourcing, growing practices, amount of processing, fair labor practices, etc. They use a simple rating system of not good, good, very good and great. As these ratings are on their website, it is presumed that the companies know the results of their reviews. Glenn will talk with MNFC buyers to see how the Co-op might use this and how to best share the information with consumers. A link on the website was suggested.

Mary reported a conversation with Selectman Nick Artim regarding the new Middlebury Economic Development Director, Jamie Gaucher. He is interested in developing projects for food production, processing and storage and using the railroad for distribution. Glenn said he will be meeting with Gaucher soon. The Board expressed interest in inviting him to meet with them at a future meeting.

**Approval of Minutes:** On a motion made by Kristin, seconded by Ilaria, the minutes of March 27 were approved as amended with all in favor and Karen abstaining. (Francisca and Luke left the meeting at 6:55.)

**GM Report:** Glenn reported that the State allows the Executive Officers of the Board to be exempted from Workers Comp insurance to reduce costs. These directors should agree to not do work in the store in which they might be injured. Kristin moved, seconded by Tam, that MNFC will exclude the Executive Committee from Workers Comp insurance. All voted in favor.

**2013-2014 Business Plan:** Glenn presented overviews of some sections of the Plan.

Education – He is planning to redefine the marketing position to include education and membership. Other co-ops offer film and information talks as well as cooking for their education programs. He is working on how to start education classes in what limited space MNFC has now before new space is created. The lease to LaBerge Insurance for their upstairs office is not being renewed so MNFC can expand. This represents an \$860/month income loss. Glenn also noted he will do VT Leadership Institute training.

### 2013-2014 Budget:

This includes a 6% sales growth projection with approximately 12 million in sales which should minimize effected variances. Gross Profit Margin will stay at 34.5%. Currently MNFC has almost \$2,000/sq.ft. in sales.

Board Expense – There is no increase in the budget. Kristin asked if \$30,000 is a reasonable board budget. This includes discounts, CBLD (\$6,000), Annual Meeting (\$5,000), minutes, meeting food, travel, annual retreat and board development. Glenn agreed to compare these expenses to other co-ops. Consensus was yes, this was reasonable as a solid board helps create a solid co-op.

Operational – This includes member discounts, credit/debit card fees, supplies, etc. This is similar to other co-ops though most do patronage dividends instead of discounts.

Personnel – The 2.5 million represents 21% of store sales. This is less than other co-ops. MNFC sales/labor hours are higher than other co-ops at \$110-120. This is from shorter store hours as well as staff effort.

Physical Plant – Glenn explained the Condo Fee. MNFC, one of three owners, owns 80% of the space. Shared expenses include taxes, insurance, trash, snow removal and electricity.

Promotions – ads, education, donations, Food For All and the newsletter.

Net Income – this is projected to be \$324,334, 2.7% of store sales. To save for future development, co-ops usually plan for 3-5%. This is more than conventional grocery stores which have tighter margins.

**EL 3 – Business Planning and Financial Budgeting:** Glenn said his projections are based on past trends and budgets and does not include expansion plans. The increase of membership to 4,200 was noted. 75% of sales are to member-owners.

The report was accepted as on time, had sufficient data with reasonable interpretation and was in compliance. No action is required.

**EL 11 – Vendor Policy:** Given the addition of the emphasis on organic to the Buying Criteria, Ross asked why it was not in this policy. It was pointed out that organic is not what this policy is measuring. Glenn reported having one on one meetings with buyers (of which there are about 15) and doing vendor surveys. The Board asked about efforts to find local vendors to fill product holes in offerings. Glenn said buyers do it informally. It was suggested that needs could be posted in the store for producers to see.

The report was accepted as on time, had sufficient data with reasonable interpretation and was in compliance. No action is required.

**Board Education:** Glenn summarized the sustainability workshop he held with Board, staff and others on April 6. Ashar Nelson and Andrea Murray of Vermont Integrated Architecture facilitated the discussion on how to expand the Co-op size while lowering its environmental footprint. It was a brain storming discussion including LEED certification, visioning, timing and permaculture. Glenn will work further with Ashar to develop global statements of intent, assess real estate issues and wish lists and their costs.

**Education End:** There was discussion of using the words “sharing”, as proposed, and “education”. Consensus was that “sharing” was not strong enough. “Learning” was felt to be an active, stronger word that resonates its purpose. Ross made a motion, seconded by Tam, to adopt

a fifth end worded “learning about these values”. It was agreed that the wording will be revisited in the Ends report later this year. All voted in favor. .

**Monitoring: GP2 – Executive Committee:** It was agreed that this GP should be brought up to date as some functions are missing. It was agreed that Executive Committee members are performing their described duties.

**Annual Meeting:** The meeting will be on June 1. Mary will meet with Glenn about ways to engage members-owners and possible discussion of growth and co-op ownership.

**Next Meeting – May 22:** Because Karen will not be at the May meeting, the Board expressed their appreciation for her Board work.

- Director compensation
- Election of Board officers
- Annual Meeting
- GP 7 & 2

**Adjournment:** The meeting was adjourned at 8:34 pm on a motion by Louise, seconded by Mary. All voted in favor.

Respectfully submitted by Victoria DeWind