

Middlebury Natural Foods Cooperative
Board of Directors Meeting
July 30, 2014
Approved 8/27/14

Board Members Present: R.J. Adler, Ross Conrad, Mary Gill, Kate Gridley, Kevin Lehman, Jay Leshinsky, Sheila McGrory-Klyza, Tam Stewart, Louise Vojtisek.

Board Members Absent: Ilaria Brancoli Busdraghi, Francisca Drexel.

Others present: Victoria DeWind (staff liaison), Ruth Hardy (member-owner), Glenn Lower (GM).

Board Monitor: Louise.

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

Member's Business: It was noted that the Board photos in the store entrance need updating.

Ruth Hardy brought her concern to the Board about an Eden Foods lawsuit seeking to deny women employees insurance coverage for any and all birth control. Ruth feels this affects not only the health of their employees but the health of the larger community and their human rights. She asked the Board if they have a defined line for standards over which they will not go for vendors. Ideally she would want the Co-op to boycott Eden products but, at the least, educate shoppers on this issue and provide an opportunity to give feedback. She also encouraged consideration of adding this to the Buying Criteria. Ruth agreed to work with Glenn on writing an article on this for the MNFC newsletter. Tam suggested a website posting for transparency as well.

Approval of Minutes: On a motion by Tam, seconded by Ross, the minutes of June 25, 2014 were approved as amended with all in favor and Kate and R.J. abstaining.

GM Report: Ross asked why cheese growth is so successful. Glenn thought it could be due to the additional cheese case which was not in place this time last year.

There was discussion of the continuing decline in vitamin sales. Glenn said MNFC vitamin department is small compared to other co-ops. Internet sales and recent studies questioning the benefit of vitamins may be part of the problem. A decision will have to be made on whether to promote them more or reduce inventory in order to use the shelf space differently. Ross suggested promoting cheaper MNFC brand but Glenn pointed out that any decision needs to consider vitamin quality as well as price.

Glenn presented the possible \$2,000 loan to Stone Valley Co-op in Poultney to purchase bulk bins as another effort to support a struggling co-op. He had recently learned that they had already bought the bins. No loan terms have been made and it is possible there would be long term or no pay back. R.J. asked if there are other ways to support co-ops, perhaps with equipment rather than money. Providing funds as a matching gift was suggested. There was consensus that the Board should encourage Glenn to do small loans as part of operations.

Farmer Loans: Ross said that MNFC currently has given out about \$70,000 in loans, \$50,000 of which is in the NCGA Loan Fund. Only some are secured. Ross presented the idea of creating

an MNFC Revolving Loan Fund of \$100,000 maximum for the GM to use at his discretion. Loans could be rated by their secure status and the fund should include a mix of loans. Repayments could be tracked on Basecamp and an option of member-owner donations could increase the limit. Glenn will research other co-op loan policies and the Executive Committee will draft a policy for MNFC. Glenn expressed his appreciation of working for an organization that is financially mature enough to help others.

Co-op Conversations: Glenn asked for input on his first draft of the summary and Long Range Plan to be brought back to member-owners this fall. He was complimented on the compelling presentation and clarity and brevity as a good foundation for communication and discussion with member-owners. There was discussion about an outreach process to get the summary and Plan to member-owners as well as the larger community. Press release, newspaper insert, direct mailing to member-owners, Front Porch Forum and Middlebury Five-0 were all discussed as ways to show this process as a model of co-operative business practices.

Board Development Committee Charter: Mary presented the draft revision done to improve clarity. The Recruitment Strategy was done last year. She will add points for getting responses to Reiner for the newsletter and posting photos and bios. It was agreed that Glenn will work with the BDC to develop an electronic voting system to simplify voting though it must be able to prevent double voting. There was consensus that recruitment should be for people with interest in and passion for co-ops, not necessarily for specific skills. Kate pointed out the need for coordinating the orientation process. Ross offered to be Board Buddy for R.J.

Eden Foods and New Issues: Jay reported his discussion with Michael Healy about co-op issue policies. He suggested three steps for reviewing issues.

- 1) What is the member asking for – action or education?
- 2) Is it a policy issue or operational?
- 3) Determine President and/or GM response to member-owner.

Discussion included the consensus that an educational effort be made so people can be aware and make an informed choice for their purchases given their trust in MNFC criteria. Education or boycotts should be operational unless they are added to the Buying Criteria. This must be balanced with the burden of researching all products and companies and establishing facts. Educating shoppers on ethical issues meets the spirit of the Education End. Member-owners could be engaged to discuss adding taking positions on ethical issues to the Ends.

The consensus for the Eden Foods issue was that there would be educational effort with collaboration with Ruth Hardy leaving a boycott to management decision. It was agreed the member-owners that bring similar issues to management should be involved in any effort for resolving their concern.

GP Review – EC Policy Revision: Revision is not complete and this was tabled until the August meeting. Kate agreed to join the BDC and R.J. agreed to join the Communications Committee.

Next Meeting – August 27th:
GP 1 and Overview
BDC final draft charter
Buying Criteria Charter

Executive Comm. - Draft policies for a Revolving Loan Fund and a board meeting attendance table.

Executive Session: The Board went into Executive Session with Glenn for a personnel issue at 8:37pm on a motion by Tam, seconded by Kate with all in favor. The Board came out of Executive Session at 8:43pm on a motion by Tam, seconded by Louise with all in favor.

Adjournment: The meeting was adjourned at 8:45pm on a motion by Sheila, seconded by Jay, with all in favor.

Respectfully submitted by Victoria DeWind