

**Middlebury Natural Foods Cooperative  
Board of Directors Meeting  
June 24, 2015**

**Board Members Present:** R.J. Adler, Nadine Barnicle, Ross Conrad, Lynn Dunton, Kate Gridley, Kevin Lehman, Jay Leshinsky, Sheila McGrory-Klyza, Tam Stewart, Louise Vojtisek.

**Board Members Absent:** Ilaria Brancoli Busdraghi.

**Others present:** Victoria DeWind (staff liaison), Glenn Lower (GM), Rein Winkler (staff).

**Board Monitor:** Louise.

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

**Member's Business:** None.

**Approval of Minutes:** On a motion by Kate, seconded by R.J., the minutes of May 27, 2015 were approved as amended with all in favor and Lynn and Nadine abstaining.

**GM Report:** Glen asked the Board for their thoughts about the Annual Meeting at American Flatbread. The consensus was it was a huge success, the power point presentation engaged people, all with lower cost and less labor. They also agreed that having more space to allow for food lines to be more comfortably spaced and have better flow would be good. Glenn said that Flatbread had indicated the week before, in late May, would work better for them and MNFC could use the whole space. The Board would like to see more staff attend as it is the only opportunity they have to engage with them outside of work. While free, there may be registration for attending next year for a better head count. Next year will be the 40<sup>th</sup> anniversary.

Glenn informed the Board about a new program at the Co-op which will start July 1. Called Co-op Essentials, this program will be a step in meeting the Long Range Plan and 2015-16 Business Plan goals of increasing accessibility to healthy food and improving MNFC price image. It is important to have customers know they can rely on consistently finding certain items at reasonable prices. Most common, every day, basic items from all departments will be offered at lower prices. Grocery items are already on the shelves under the Field Days label through UNFI. Also included will be bread, bananas, raisins, rice, granola, beans, frozen berries, cheese, eggs and milk. Glenn plans a soft opening with a press release in the newspaper at a later time.

Glenn brought the Board up to date on the digital upgrades. There are RFP's out to web designers that are due back by June 30<sup>th</sup>. This is just for the web site redesign, not other digital changes. The budget has not been set and Karin wants to wait on hiring new staff until changes are in place and there is a clearer idea of what is needed. Sheila asked if this is part of expansion planning. Glenn replied that digital changes are part of rebranding work that staff is undertaking and envisioning the future. Ross said he sees value in promoting it as part of expansion as it shows there are non-structural ways to grow and reach new people.

The Board noted the sales growth increase that may be from Greg's closing, the successful payroll audit and the resignation of the GM at Stone Valley Co-op. Glenn assured the Board he feels in alignment with his Board.

**Board 2015-16 meeting and work calendar:** The Board agreed to meet on 4<sup>th</sup> Wednesdays of each month except in November and December to avoid conflicts with the holidays. Glenn will be away for the July 22 meeting. Kate will host a mini-retreat on August 26 with a 5:30pm potluck. With the challenge of getting Board work done in 2 hours, Tam suggested having meetings start at 6:00 to meet for 2 ½ hours. Kate said 2 hours is longer than the meetings of other boards she is on. Glenn said co-op meetings tend to be longer than other board meetings. Reiner suggested being more efficient and to use Base Camp more. The Board agreed stay with 2 hours and to have the Secretary be a time keeper to keep the agenda moving.

**EL 4 – Financial Condition:** Glenn reported compliance in all sections. The 2.6 % net profit is healthy but not excessive. He noted that MNFC is at peak efficiency for its space and it is financially strong enough to allow for programs like Co-op Essentials. Ross asked about debt levels referred to in 4.1 and 4.4. Glenn said current debt is for a 12 month period, not long term debt. He noted that the first year after expansion finances will be in the red. Tam asked if EL 4 has to be monitored every quarter. Glenn said it is helpful for staying on top of inventory and tracking sales. After expansion it may have to be more frequent for a while.

The Board agreed the report was on time, had sufficient data with reasonable interpretation and was in compliance.

**GP 6 – Board Code of Conduct:** Jay passed out the more current version of the revised GP and noted that instead of “July” it says “within one month of Board elections”. Kevin asked if it’s a conflict of interest if a director puts in a word of support for someone applying for employment. The consensus was that as long as it is transparent and the recommendation goes to the GM instead of to HR, it is alright as the Board is not doing the hiring.

The Board agreed that they are in compliance on all sections and that any potential conflicts can be revealed verbally at a meeting. Kate said her son works for a Co-op vendor. Ross said he is a vendor of mushrooms and books. Jay said his wife subs in the wellness department. R.J. said he “tables” for his employer, Sun Common, at the Co-op and uses MNFC gift certificates as promotion.

**Board Officer Elections:** The Board discussed the new election process of written nominations and voting for anonymity and confidentiality. Directors can only make one nomination for each position. Reiner asked how many votes did one need if they are the only candidate. It was asked if Survey Monkey can be used. It was agreed that voting can be done outside of a meeting so all directors can vote. R.J. will discuss the procedural details with Michael Healy.

In response to Ross’s question, Lynn described her past work experience in finance, budgets and fundraising with the Middlebury College, Maritime Museum, Vermont Community Foundation and Woody Jackson Studio. Ross estimated that Treasurer’s work takes about 1-1½ hours/quarter. The President’s work includes running monthly meeting, engagement with Michael Healy, NFCA meetings and responding to member-owner emails. This can take several hours/week. Vice President manages Base Camp, policy revisions and agendas for about 2 hours/week. The Secretary’s work takes about 1-2 hours/month.

**Board Development Committee:** This and Communications are now the only standing committees. The main work of this committee is organizing the annual Board elections. Formerly it also planned Board education and building Board wisdom. Now, however, all the

directors recruit new Board candidates. Glenn reminded the Board that staff can provide support for election work. It was agreed that rather than have committees with chairs, there will be point people to oversee projects and they will solicit help from other directors as needed on an ad hoc basis. This will enable the directors to share in and lighten the load of the President's work. Kate agreed to be the point person for the BDC and Sheila for Communications.

**Executive Session:** At 8:17 pm, on a motion by Ross, seconded by R.J., the Board voted all in favor to go in to Executive Session for a real estate issue and invited Glenn to stay for the session. The Board came out of Executive Session at 8:45 pm voting all in favor for a motion by Kate, seconded by Nadine.

**Next Meeting – July 22:**

RJ is to speak with Michael Healy about a digital nominating and voting process to determine Board officers that would include descriptions of the positions and insure confidentiality. RJ will apprise the Board by email/Base Camp of next steps in this process.

Sheila briefly explained the expectation of Board member contributions to the newsletter to Lynn and Nadine and circulated the monthly sign-up sheet for the coming year.

Ross suggested that the Board should revisit Board compensation at the next meeting.

**Adjournment:** The meeting was adjourned at 8:52pm on a motion by R.J., seconded by Kevin, with all in favor.

Respectfully submitted by Victoria DeWind