

**Middlebury Natural Foods Cooperative
Board of Directors Meeting
August 26, 2015**

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

Board Members Absent: Ilaria Brancoli Busdraghi, Sheila McGrory-Klyza,

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

Board Monitor: Louise.

Call to Order: Tam called meeting held at Kate Gridley's house to order at 6:38. The agenda was reviewed. Monitoring GP 2 & 3 was removed with the consensus that the revisions made at the July meeting were accepted then as done.

Tam presented the Three Types of Governance model - Fiduciary, Strategic and Generative. Fiduciary involves monitoring and making decisions for the safekeeping of the organization. Strategic includes working with management to define issues and find solutions. Generative tries to anticipate future issues which will need to be met with strategies. Tam feels that the MNFC Board is strong on the first two and is working to be more active on the third.

Member Business: Ross attended the NOFA summer conference. With research showing that organic agriculture is the best way to sequester carbon and reduce it in the atmosphere, they are starting programs to support new organic farmers. He will write this up for the newsletter.

Approval of Minutes: On a motion by R.J., seconded by Ross, the minutes of July 22, 2015 were approved with all in favor.

GM Report: Glenn mentioned that the firms being asked to respond to RFPs for expansion plans have all had experience in designing co-op grocery stores.

In reply to a question, Glenn said the payback for the cardboard compactor is approximately 2 years.

There was discussion of the flat sales in produce and bulk departments at many co-ops due to conventional stores rising to co-op standards for local and organic. R.J. suggested this is a good trend as it means more people are having access to healthy food.

Glenn shared some of the points he came away with from the NCG summer conference he attended. A point from City Market's new GM is the importance of co-ops doing research and development that will bring co-ops beyond being just "niche" markets to being strong and successful in the mainstream market without compromising their mission. This effort would make local and organic more mainstream and affordable to all. On-going support of new co-ops with a long range view is important.

EL 12 – Information Technology and Digital Communications: Glenn noted that the report was longer than usual due to it being the first time it is being monitored as well as answering questions raised at the June meeting. The money budgeted seems to be adequate. Glenn said a new staff person will be hired once needs are assessed. Kate asked about data back up and if that

included being stored in the “cloud”. Glenn said not currently but it could be. Currently the weekly back up done now is felt to be adequate.

Tam said the key to monitoring this EL is to ask if meaningful progress is being made. Consensus was that it is with elements falling into place and the work has momentum. The Board agreed that the monitoring report was on time with reasonable interpretation of sufficient data and was in compliance.

Kevin suggested that membership growth should be included in monitoring and it was agreed that this would best be done quarterly.

Expansion – Board Role and Process: Tam opened the discussion noting that work on the time line is moving ahead so it is time for the Board to be active on this project. The Expansion and Relocation Tool Box has all the fundamentals for this. The Expansion Support Committee will be more involved with details than the full Board and Glenn will be the one to report back to the Board on progress. The Board went through the 10 steps listed in Bill Gessner’s Roles in Expansion article.

First steps come with increasing the commitment to the project by the Board as well as member-owners while feasibility assessments are being done. Ross suggested that showing how expansion will meet environmental concerns expressed in the Co-op Conversations will increase member-owner support and commitment.

The Board agreed on the need for alignment and refining the vision along the way using the work done in the 2013 Board retreat.

The Board discussed its relationship with management for the project. They asked about having an Owner Rep. Glenn said that Jeff Glassberg will work with him through the entire process to oversee the project. Glenn will determine how much of his time is spent on this. He is working with the management team to create a structure that will provide internal readiness for the process. The Expansion Support Committee will help on alignment and assess what and how much to share with the Board and member-owners.

Tam noted that the bigger the co-op the less operational the Board is in expansion work. He noted that while some co-ops have expansion policies to monitor, Michael Healy feels they create extra, unnecessary work. The existing ELs and Ends are already being monitored and that is sufficient. The data will be different but the policies remain the same. The best work for the Board is member-owner linkage and fund raising in a loan drive.

The time line for expansion is currently about two years. Fund raising is part of the feasibility studies to determine investment thresholds and establish funding before there is a final commitment. Ross asked if Ends are being included in the RFPs. Glenn said there are concrete, broad visions.

Confidentiality on leases and loans was noted while the Co-op makes a sound investment in the expertise needed to establish the feasibility of this project. The Board felt comfortable with the progress being made for the four stages for expansion. The final commitment comes with signing with a contractor.

It was agreed that the Expansion Support Committee should bring to the Board the issues that need to go to the member-owners.

Executive Session: At 8:20 pm, on a motion by Kate, seconded by R.J., the Board went into Executive Session for real estate issues with all in favor. At 8:36 pm the Board came out of Executive Session on a motion by Jay, seconded by R.J. with all in favor.

Next Meeting: The Board changed the meeting date to September 30, 2015.

GM Report

GP 4

EL 1, 2, 4, 5, 6, 7, 8, 9, 10, 11

The Expansion Support Commitment will meet September 24 at 8:15 am.

Adjournment: On a motion by Kate, seconded by R.J., the meeting was adjourned at 8:40 pm with all in favor.

Respectfully Submitted by Victoria DeWind