

**Middlebury Natural Foods Cooperative
Board of Directors Meeting
June 22, 2016**

Board Members Present: R.J. Adler, Nadine Barnicle, Ilaria Brancoli Busdraghi, Ross Conrad, Lynn Dunton, Kate Gridley, Ann LaFiandra, Jay Leshinsky, Tam Stewart.

Board Members Absent: Louise Vojtisek, Amanda Warren.

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

Board Monitor: Tam.

Call to Order: The meeting was called to order at 6:30 pm. Strategic Conversations were moved up on the agenda and Executive Session was added to the end.

Member Business: Jay reported expressions of thanks for patronage dividend checks and compliments on the accompanying letter of explanation.

Ann asked about “retained” money. Glenn explained that the money retain “in member-owner names” is so if, in the future, the Board determines the Co-op does not need the retained funds or if the Co-op were to be dissolved, then there is a record of how much each member-owner would receive in a refund from earlier years.

Ross commented on the Annual Meeting and asked if member-owners will get to weigh in further on final expansion plans. He also noted that People’s United Bank was involved in the EB5 Jay Peak misuse of funds from foreign investors as well the closing of Burlington College. He questioned if the Bank’s values align with co-op values and if MNFC should get loans from other banks such as Vermont Credit Union.

Ilaria reported a Facebook posting by James Maroney that MNFC will drop “natural” from its name which generated other postings which were negative in nature about the Co-op. There was discussion about whether responding to media postings is an operational issue, if there is a Board role and should there be an operational policy. Glenn said he would research the issue.

Approval of Minutes: On a motion by R.J., seconded by Nadine, the minutes of May 25, 2016 were approved with all in favor and R.J., Ilaria, Lynn and Ann abstaining.

Strategic Planning: Ross asked the Board to consider having a conversation about how to do Co-op expansion so it does not need to be done again in 10-15 years. He suggested money could be used differently to relieve crowding with expanded backroom space, more hours, catering, home delivery, phone orders and a second store. The constant growth model of capitalism has global effects on the climate, April and May being the hottest on record. MNFC could be a lead example of how to grow sustainably. He felt the Board should support Glenn to be innovative.

Kate suggested getting this issue on the work calendar for a longer discussion and time for research to develop a clear objective policy for any MNFC General Manager.

R.J. suggested that MNFC does not grow for growth’s sake as other stores do but does to meet the Ends of energy efficiency and supporting local. He feels MNFC has a net positive impact with increasing membership and sales because it sustainably sources products in the least carbon consuming way possible.

Nadine felt, with several ideas in this issue, it may be too late in the current planning to shift focus. The Board should take time to discuss this as well as how political the Board might be as a lead-up to next year's retreat.

Glenn said that alternatives are being looked at and home delivery, order pick up and expanded hours are being considered now. He did not feel that retail space should be sacrificed for backroom space. He noted the current plan is not past a point to no return but that whatever happens will max out the options at the current site. He agreed that consumerism does impact our climate and MNFC can be a leader in the face of this challenge.

It was agreed that the issue needs more time for discussion and a mini retreat would be helpful, perhaps as part of the August meeting. The Board consensus was that the current expansion effort should be kept out of the conversation so that process can continue. A zero increase in carbon footprint and prices should be part of the conversation. Ross agreed to reframe ideas and gather data for posting on Basecamp. (Nadine left the meeting at 7:30).

GM Report: Glenn explained the confusion over the percentage of earnings needed to be returned for the patronage dividend refunds to be close to a 2% discount. The numbers were crossed checked, the increase to 45% was not necessary after all and the letter went out as originally printed. Checks went out to every member-owner with an explanation that next year there will be a \$2 minimum.

The Board discussed the Annual Meeting and agreed that the American Flatbread location should continue as there was plenty of food and space for great attendance. A portable mic would help to better hear questions with a speaker at both ends of the space.

EL 4 – Financial Condition: Glenn noted it included the year-end budget and variance report. In response to a question, Glenn explained Board expenses which includes insurance, Board discounts, annual meeting, CDS, etc. Ilaria asked about promotions being over budget. The weekly coupon was increased to \$3 off at mid-year which has increased the number redeemed. Credit card fees continue to be a big expense – more sales equals more in fees. A Cash or check discount was suggested.

The Board agreed that the EL 4 report was on time with reasonable interpretation of sufficient data and was in compliance.

GP 6 – Code of Conduct: After removing “below” in the appendix, the Board agreed that they were in compliance with the policy and each signed the Conflict of Interest form at the meeting.

GP 5 – Board Compensation: Ilaria said while she agreed with the content she felt the wording was convoluted. On a motion by Kate, seconded by Ross all voted to approve the amended GP 5 with Ann and Ilaria abstaining.

Board Elections: Kate passed around the process description she had written up. The third party will be Peggy Rush. She will receive all email nominations and will contact nominees for assembling the slate to be voted by paper ballot at the July meeting. Absent directors can vote electronically.

Work Plan: The dates were reviewed and adding time blocks for education resulting from a mini retreat was suggested. As Michael Healy's retreat facilitation is included in the CDS contract, it was suggested he could help at the mini retreat. A 3:00pm start before a one hour regular meeting on Aug. 31 was discussed.

Kate suggested that term limits for the Board should be discussed either at the mini retreat or on the July agenda. Tam reported that he has discussed this with Michael and there are two sides to the issue and studies on term limits can be posted on Basecamp.

Executive Session: At 8:32, on a motion by Ross, seconded by Jay, the Board voted all in favor to go into Executive Session for a personnel issue. At 8:52, on a motion by R.J., seconded by Jay, the Board voted all in favor to come out of Executive Session.

Adjournment: On a motion by Ross, seconded by Kate, the meeting was adjourned at 8:53 pm with all in favor.

Respectfully submitted by Victoria DeWind