

**Middlebury Natural Foods Cooperative
Board of Directors Meeting
May 24, 2017**

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

Board Members Absent:

Others present: Victoria DeWind (staff liaison), Jeff, Glassberg (expansion owner rep.), Glenn Lower (GM).

Board Monitor: Louise

Call to Order: The meeting was called to order at 6:32 pm.

Member-owner Business: Amanda mentioned she had heard Greg's Market was to reopen selling food. Others said they had heard it was Middlebury Foods looking to create a food hub with a commissary kitchen.

Amanda also relayed a customer's disappointment that the Co-op is not selling Middlebury Chocolates, a local company in need of support. Glenn said it was complicated with shelf location and inconsistent supply issues.

Ann asked about Rally for Change and how and who decides which organizations get supported. Glenn said that Karin oversees this program in which non-profits that fit with MNFC ends are selected to receive funds raised in one week at the registers with "round ups".

Nadine suggested that Juice Amore be included in the new deli. Glenn said there has been conversation about this idea but they currently are not able to supply wholesale product.

Expansion Update: Jeff Glassberg joined the meeting to give an overview of the project. Milestones achieved were bank loan closing and early March demolition and construction start. Night work has avoided needing store closures. Most of the site disturbance is finished so things should get easier. Paving the west side in the next couple of weeks will reduce noise and dust. He said he is impressed with the staff good humor and team work amidst the disruption.

Jeff said the Co-op is proving to be a good environmental steward by sending dirt of varying degrees of contamination found around what are now four buried fuel tanks to a treatment facility in Ft. Edward, NY. Even if treated on site, being mostly clay means it would not have been a solid base under the new pavement. This unexpected extra expense has used up a large portion of the contingency fund (\$110,000 of the \$200,000 left in the fund after using another \$200,000 of it for final construction/design costs).

Glenn said he is almost finished with purchasing refrigeration equipment. Most has been purchased through UNFI cost savings but he is also getting some from Vermont Heating and Ventilation to insure pieces fit and work together. Lynn asked if he felt he was constrained from getting best equipment to meet needs in order to stay within the budget to which he said no.

Louise mentioned staff comments that the Naylor and Breen crew was great to work with. (Jeff left the meeting at 7:00pm.)

Approval of Minutes: On a motion by R.J., seconded by Nadine, the minutes of May 3, 2017 were approved with all in favor.

GP 4 – Board Meetings and Attendance: The Board made final edits to the GP revision - “directors” was capitalized in two paragraphs, under Meeting Participation section “The Board” was added to the beginning of the first sentence and in the Open to Membership section, “will” was changed to “are”. On a motion by R.J., seconded by Jay, all voted in favor to accept GP4 as amended.

Election Update: Amanda informed the Board that votes will be counted on May 24th and again at the close of voting on May 27th.

Officer elections will start by email nominations sent to Peggy Rush after the June meeting with a vote at the July meeting. Directors can make a verbal or written pitch in July if there is more than one candidate per position. After some discussion, Glenn suggested that the officer voting procedure be put in writing for future reference.

Staff Appreciation: The consensus was that the ice cream sundae event was quite successful with 25-30 staff stopping in. Admin staff covered others in the store so they could come. Directors that were able to be there enjoyed getting to meet and talk with staff, some for the first time. Louise said she had been in touch with Steve for accounting the cost and she will coordinate with Laura about the next event.

Newsletter Articles: Nadine reviewed the scheduled Board articles and will send out reminders after each meeting. Credit card use and cost will be part of the annual meeting as well as in the October newsletter.

Annual Meeting: Tam will present his report, Lynn will review finances and Louise will do the minutes and credit card presentation. Ilaria said she will not be able to be there. There will be recognition of staff and member-owner patience during expansion. R.J. suggested it could be a time to get feedback about how to use retained patronage dividend funds but consensus was that it was premature and expansion should be completed before opening the discussion. Karin has arranged for mobile microphones with someone for tech support if needed at the meeting. Glenn will find out if they can supply hearing headsets. Flatbread staff will be asked to hold down noise during the presentations.

GM Report - Patronage Dividend: Glenn said final numbers are still not available but there should not be a large deviation from current numbers. Checks for under \$2 will not be sent but added to uncashed checks to go to the food shelves. Returning 35% of funds is close to last year and, though Glenn wants to stop equating dividends to discounts, this is close to 2%. He felt 35% was affordable and there was not a pressing need for which to retain more. R.J. asked why not a \$5 limit. Glenn said fewer member-owners would be reached, \$2 was mentioned last year and it provides connection with a public relations opportunity.

The Board gave editing suggestions to the patronage dividend letter. On a motion by Ross, seconded by R.J., the Board voted all in favor to designate 100% of the member-sourced profits to patronage dividend. On a motion by R.J., seconded by Ann, the Board voted all in favor to refund 35% of the dividend to member-owners. Any check amounts below \$2 will be donated to local food shelves, donated or un-cashed checks after 90 days will also be donated to food shelves, mechanism to be decided by the GM.

Glenn thanked the Board and said that the practice round at the last meeting was helpful.

Glenn informed the Board about settlement for the electrical mishap in which there was some equipment damage and food loss during the resulting power outage. All parties support Co-op reimbursement and have come to agreement on how to achieve this. The claim will be through the Co-op's insurance company who will then be reimbursed by the electrician's insurance. Glenn said the claim includes food at retail cost, co-op labor, repairs and lost sales.

Glenn reported a dip in April sales due to the loss of the east side parking because of construction. Construction for Foley and Lynch is also impacting the site and parking. Naylor and Breen however will reopen the east side parking for the holiday weekend.

August Retreat - Future Scenarios Planning: It was suggested that the plans for Greg's Market could be considered the kind of opportunity to include in the future scenarios exercise. As it is hard to carve out agenda time for in-depth discussion, it was agreed to start the August meeting at 3pm and have the regular agenda after dinner at 6pm. Kate offered to host this at her house. The consensus was that it was not necessary to have Michael to facilitate but perhaps CDS or NCG could help with meeting structure and suggested readings. Glenn said he sees this as a conversation about what co-ops are doing in relation to mergers and to establish priorities and process should opportunities arise.

Next Meeting: June 28, 2017

Officer election start

GP 6

EL 4

New Director orientation update.

Retreat planning

Adjournment: At 8:26 the meeting was adjourned with all voting in favor of a motion by Ann, seconded by Louise.

Respectfully submitted by Victoria DeWind