

**Middlebury Natural Foods Cooperative
Board of Directors Meeting
October 26, 2016**

Board Members Present: R.J. Adler, Nadine Barnicle, Ilaria Brancoli Busdraghi (8:40), Ross Conrad, Lynn Dunton, Ann LaFiandra, Jay Leshinsky, Tam Stewart, Louise Vojtisek, Amanda Warren.

Board Members Absent: Kate Gridley

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

Board Monitor: Louise

Call to Order: The meeting was called to order at 6:32 pm. It was agreed to move Retreat Follow-up and Expansion Update to the top of the agenda.

Member Business: Ann passed around a NY Times article “Can Big Food Change”.

Approval of Minutes: On a motion by Ann, seconded by Ross, the minutes of September 28, 2016 were approved with all in favor.

Retreat Follow-up: Tam reminded the Board the idea was how to start a good process to plan growth in the future. (Ilaria arrived). Tam suggested that, as it does not include the current expansion, it should not be forced and could be tabled until next spring. Various comments were in consensus that their attention is taken fully with the current project. It is a topic that should be discussed at another mini retreat, the winter retreat or be carefully spread over several agendas. It is not a pressing issue in need of immediate attention. Glenn felt it is an important question to be prepared and planned for with a good process but waiting until next spring would work for him. An advantage with postponing the discussion is that the Board can learn from what did and did not go well in the current expansion and how to consider alternatives and priorities. It was agreed to use Glenn’s Ends report in November to look forward along with the top goals from their winter retreat of connection, generosity and visionary leadership. In the meantime, these ideas should be kept active in their considerations as opportunities arise in the process of the current expansion.

Expansion Update: Glenn said they are still working on meeting the audacious energy goal with designing the building with double entry doors, LED lighting, coolers with doors, etc. The biggest consideration though is with the heating and ventilation equipment. Glenn asked the Board to consider if the project is contingent on meeting the goal of no energy use increase or just an aspiration. Keeping energy use close to its current levels could be done with installing all new equipment but this would add over \$300,000 to the construction budget. Lynn asked if there is a middle option to bring it close to the goal and budget which may include trading out just some of the old equipment. R.J suggested the goal is to not release more carbon but consideration should be given to the impact of removing old equipment and the impacts of making the new equipment.

Ross asked about why energy use reduction has not been done previously. Glenn said it has been ongoing with blow door tests to pinpoint weaknesses in the building and improvements have shown a 30% improvement in the last 5 years.

Glenn pointed out that spending more money on mechanicals would take money away from other aspects of the project. Jay said the consideration should be broader than one energy measurement but include social and environmental benefits and recycling.

With the long 20 year payback on the new systems and that the equipment currently in place still has several useful years left, the Board consensus was that new equipment needed should supplement, not replace, the existing equipment. Louise pointed out by the time the old equipment needs to be replaced there could be new technologies that are even better than now. While disappointing, the Board accepts not meeting the energy goal. Glenn said they will continue to work on savings and compare options.
(Ilaria and Nadine left the meeting at 7:10)

Glenn noted that parking lot lights will be solar instead of wired. Ross expressed his frustration that financial considerations have to take precedent over what is best for the environment.

GM report: With the main topics of the report already discussed, Lynn expressed her concern for Glenn's overwhelming workload. She wants him to know the Board wishes to support him in any way they can. It was agreed the loan drive has added a full time job to a full time job. The offer to attend planning meetings with Jeff was extended. Glenn said he tries to delegate work where he can and has a great team working on the loan drive. Having hired Greg for operations manager will help as he gets settled.

R.J. asked about the member loan schedule and if compensation for the coordinator has been discussed given the extended due to the State review delay. Glenn said he will be compensated. One third of the goal has been pledged. New York residents will not be solicited as out of state loans are complicated and second home owners in Vermont are not considered residents and don't qualify to make loans.

EL 4 – Financial Condition: Glenn supports keeping the quarterly monitoring schedule for this EL. He reported in compliance on all sections except personnel which is under budget by more than -5%. Personnel expenses should rise as open staff positions are filled. While being under budget is good for numbers, Glenn recognized that being short on staff can add stress to the work place and could have a negative impact on sales. Lynn suggested a perspective including more than a quarter gives a better picture of finances.

Louise asked about credit card fees over budget. They are over \$100,000 and Glenn pointed out that increased sales means increased fees as 75% of sales are paid for with cards. He does not want to "guilt" customers about using cards. Louise may write up another article on the issue.

The Board agreed that the reports were on time with reasonable interpretation of sufficient data and were in compliance except for personnel costs but no action is required at this time.

BGM Overview, 1, 2: It was agreed that monitoring dates for these should all be yearly in October. The consensus was the Board is in compliance with these policies

Book Report: Jay discussed a book called Organizing Organic – Conflict and Compromise in an Emerging Market by Michael Haedicke. The term "ambivalent sense making" was used in

discussing parallels between co-ops and organic farming. There is tension between transformative changes of social justice, locales, size and democratic trends and the expansion changes to grow the organic industry. Co-ops have figured out how to be a good business within their values while organic farmers have not done so well.

Next Meeting: November 30. Tam said that Executive Session for GM evaluation may be moved up from December.

Adjournment: At 8:25 the meeting was adjourned with all voting in favor of a motion by Louise, seconded by R.J.

Respectfully submitted by Victoria DeWind