

Middlebury Natural Foods Co-op
Minutes of the Annual Meeting
June 7, 2017

To be approved at the 2018 Annual Meeting

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

Board Members Absent: Molly Anderson, Ilaria Brancoli Busdraghi.

Others present: Victoria DeWind (staff liaison), Glenn Lower (General Manager) and approximately 125 people in attendance including several staff.

Call to Order: Glenn called the meeting to order at 6:16 pm at American Flatbread in Middlebury, welcoming everyone to the 41st MNFC Annual Meeting. As part of his introduction of Tam he noted that the strength of the Co-op comes from the high quality of the Board directors. Tam thanked Flatbread and staff for the dinner. He asked Louise to present the minutes for approval.

Approval of Minutes: The minutes of the 2016 Annual Meeting were approved as amended, with all in favor, on a motion made by Johanna Nichols, and seconded by Winky Thomas.

President's Report: Tam noted the challenges of navigating and adapting to market, environmental and social changes which are now the "new normal". MNFC remains strong and resilient, setting an example for other co-ops, with support from people who care about local and organic food. There is constant pressure to balance costs with prices as co-ops try to have a strong triple bottom line of people, planet and profit.

Tam reported that in the last year sales growth had a 5% increase with \$14 million in sales and \$38,000 donated to local nonprofits. This was achieved with a staff that is smaller than those at similar stores.

Tam announced that the Board is returning 35% of member-owner generated net profits to them in year two since adopting patronage dividends instead of discounts.

Tam noted that the most disruptive phase of the expansion is done and he thanked customers and staff for their patience through this process. He also thanked John Barstow for leading the effort to raise \$1 million from member-owners to fund the expansion.

Tam announced the results of the Board elections which had over 10% member-owner participation. Kate, Ilaria and Tam were returned to the Board along with new director Molly Anderson. He thanked Ian Ross and Kayla Brenden for running and urged them to consider running again. He thanked Ross Conrad for his years of service on the Board and presented him with a gift of appreciation. Tam also thanked Victoria for her great work on minutes, Peggy Rush for her help with mailings and vote counting and then Jay thanked staff for their efforts to keep the store running smoothly during expansion. Tam thanked Glenn for his seemingly tireless work in balancing operations management with having a strong governance relationship with the Board.

Credit Card Fees: Louise took the floor to talk about her concern about increasing card fees which were over \$100,000 last year. This is money that goes out of state to large banks. She suggested that customers consider purchasing a gift card, paid for and refilled by check. Cashiers love them and it is a faster way to check out. Christine Del Piero asked if fees are the same for credit and debit. While there are fees for both types of cards, they are different and vary depending on the amount of the bill. Customers should ask the cashiers which type of card has lower fees for their purchase.

General Manager's Report: Glenn reviewed some history leading to the current expansion work. After the purchase of the old garage, Co-op Conversations were held with the community to help create a long range plan. The final plan has three goals:

- 1 – Expansion
- 2 – Improve price image and accessibility
- 3 – Patronage dividend

Glenn reviewed work on each of the goals. For better prices, the Co-op offers weekly sales for all shoppers, weekly 20% off member-only deals (related to Co-op Ends featuring a producer) and Co-op Basics which will be expanded over the coming year. To increase accessibility the Co-op has a Food For All program giving 10% daily discount for those on Snap, WIC or similar programs. Rally for Change is a quarterly week-long event in which customers can round up at the registers to donate to Addison County non-profits that support at risk populations.

Glenn reviewed the expansion project which started with Watson Scott moving his automotive business to the building behind the Co-op. He showed slides of the new paved parking lot, the temporary ceiling to allow joining the new and old roofs while keeping the store open and the temporary receiving door. He discussed the interior layout including new refrigeration units, increased meat and cheese offering, 1 ft. wider aisles, more café seating, two additional registers, a customer service desk and two customer bathrooms. He also showed a slide of the cardboard baler to make bales the Co-op then sells to Casella each month.

Treasurer's Report: Lynn noted that the numbers are preliminary and, once the audit is complete at the end of June, the final numbers will be posted to the website. She talked briefly about patronage dividend and profits retained being put back into the Co-op. The balance sheet is very healthy with assets of over \$7,229,000 and \$5,193,000 in equity with substantially lower debt. Sales of local products (grown, produced or value-added in VT) are 34% and growing. Lynn thanked Glenn, Steve and Melinda for their work tracking and accounting for the Board and she thanked member-owners for their support.

Ellen Oxfeld asked if different food categories have more or fewer local products than others and is there a seasonal effect. Glenn responded there are 300 local vendors, some selling multiple products and they are spread through all the departments. Produce has the most seasonal change.

Adjournment: The 2017 Annual Meeting was adjourned at 6:58 pm on a motion by Winky Thomas and seconded by Russ Swenson. All voted in favor.

Respectfully submitted by Victoria DeWind