

Middlebury Natural Foods Cooperative
Board of Directors Meeting
June 27, 2018

Board Members Present: R.J. Adler, Molly Anderson, Nadine Barnicle, Ilaria Brancoli Busdraghi, Sophie Esser Calvi, Kate Gridley, Ann LaFiandra, Tam Stewart, Louise Vojtisek,.

Board Members Absent: Lynn Dunton, Amanda Warren.

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.

Member-owner Business: Ilaria suggested making a small change to how people run for the Board with new questions for more varied candidate information. There was consensus that a “what would you change?” question was not a good idea. “What would you bring to the Board?” would be more personal and unique qualifications would set candidates apart more. The Board supported the idea of strongly suggesting attending a meeting first. It was agreed to put a notice in the January newsletter and Kate will follow up with an article.

Molly reported a comment from a member-owner. This person feels that Co-op staff and customers are “smug” and for this reason, in addition to high prices especially in local produce, preferred to shop at other grocery stores. A price comparison was suggested. The Board was surprised by this, saying that most people they talk to find the Co-op friendly and helpful. Perhaps people newer to the community may feel the Co-op feels club-like or elitist.

The Board agreed that the suggestion from Bruce Hiland that the Co-op take over Carol’s Hungry Mind Café was not in the best interest of the Co-op on top of expansion.

Approval of Minutes: On a motion by R.J., seconded by Louise, the minutes of May 23, 2018 were approved as amended with all in favor and Ilaria, Molly and Sophie abstaining.

Tam reported that Michael Healy feels the Co-op does not have to have Annual Meeting minutes that need approval. It is not in the state statutes. It was agreed that having a record was a good idea. Instead they will be labelled “Notes” and be posted right after Board review at the next meeting which was done for June 2018.

Board Officer Elections: Kate explained the process for submitting nominations. Peggy Rush will receive emailed nominations after which she will contact nominees to confirm they would like to be on the ballot. Then she will create a slate to be sent to Kate and Tam ahead of the July meeting for early voting by directors that will not be at the meeting. Candidates will have time to make a speech before the vote if they wish. It was agreed that committee heads for Communications and Board Development will be done in the same way.

GM Report: Molly said she felt the Board stipends are overly generous for the work done on top of the 10% discount. She would rather it went to customers. Tam responded that they were set to match the low-mid range nationally for co-ops. Research on this created the Board attendance and stipend policy and has had a positive impact. R.J. said that hourly it was reasonable and there should not be pressure on how to use the money. Sophie felt it legitimizes the Board and suggested the option to return the money to which Louise agreed. Molly noted that totally

volunteer Boards can be dysfunctional and agreed with individual discretion. Glenn said it represents the Co-op's appreciation for the work done.

Glenn invited the Board to add a question to the customer survey coming in the fall if they wish to do so.

Glenn asked for feedback on the Annual Meeting. It was agreed to keep the location as it improves each year. Getting microphones to speakers needs to happen. Kate, from her personal perspective, asked for consideration of a different day of the week to avoid a regular conflict on first Wednesdays that she has. R.J. suggested an opaque backing to the screen for slide projection.

Nadine reported that the survey was filled out by 82 people. The highest priority was reducing plastic waste and food waste. Some thought this was too small a sample. Sophie suggested including survey questions with the ballots. Glenn suggested using this survey as a basis for further survey questions. Nadine and R.J. will work on what to do with the results and creating more questions for the July meeting.

Glenn reviewed the status of loans he has given from the discretionary \$100,000 fund. Ilaria asked about the Brattleboro Co-op loans. Glenn said their first loan was rolled over, they have had a gradual positive trend over 18 months and he is confident they will repay the loan. NCG Development Co-op Loan Fund to which MNFC gave \$50,000 has given out loans to six co-ops after screening them. Harvest Co-op in Mass. is struggling but peer co-ops feel it is very important for the northeast region that it should not be allowed to fail. It is a high risk loan but Glenn feels he has to try to help. Lynn had suggested that it could possibly be written off.

Molly was very concerned, saw the need for better planning and consulting and she wondered if the Cambridge store should close. Glenn said it was the Jamaica Plains store that was failing. It is unclear why the Boston area has not had more successful co-ops. Louise asked if they have ever done member loans. Glenn said no. Nadine suggested doing the loan as a match with NCG supervision. R.J. suggested it be a conditional loan. Glenn said that NCG is investing in the Co-op, he will find out more on how they are involved and work with other co-ops on this. Tam reminded the Board that this fund is for the GM to use as he sees best and the Board cannot control its use.

EL 4 – Financial Condition: Glenn noted the larger than usual variances due to the split expansion budget. Expenses were up 7% but still in compliance. Net income was \$358,562 or 2.41% of sales. 70% of the net belongs to member-owners and is pre-tax money. He will work with CDS on 8 year projections. Lynn gave her approval of the report before the meeting.

Molly asked about personnel expenses being over budget but the store is under staffed. Glenn said his personnel expense goal is 22% which is less than other co-ops. With the budget set before the expansion was done meant there were a lot of unknowns.

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

Board forms: Directors signed the “out of meeting” form for the approval of the 40% patronage dividend. This will be posted to Basecamp and appended to the June minutes. They also signed conflict of interest forms. Tam noted that in the future MNFC will use the CDS conflict form which is much simpler.

Board Calendar It was agreed that the August mini-retreat will be just a social event. Ann will host the potluck dinner at her house starting at 5:30. The December meeting will start at 5:30 as well. Kate wondered what the cost would be for an unconscious bias training with their own facilitator.

Newsletter: Nadine reviewed the newsletter article calendar for the Board. Glenn noted that their communications with member-owners in the newsletter is outstanding compared to other co-ops.

Board Policy Revisions: Tam said the committee tried to use CDS templates as much as possible so as to be universal with other co-ops as well as increasing clarity, simplicity and ease of use. Unused policies or those that have been integrated into operations were eliminated – Vendor, Buying Criteria and Digital Communications. Tam will post them to Basecamp for the next meeting. He suggested adopting them as they are monitored and see how they work for the next 6 months.

Kate felt the Communications policy should be kept to insure the Co-op keeps up with social media and internet changes and that there should be rationale for changing or dropping policies. Molly asked why everything is framed in the negative. It was explained that they are based on the original Carver language and provides a boundary rather than telling the GM what to do. It gives more freedom and pushes the GM in new directions.

Staff Appreciation: Louise will post a doodle poll to set a date for a summer event.

Next Meeting – July 25: Officer and committee elections.

Adjournment: At 8:34 the meeting was adjourned with all voting in favor of a motion by Ann, seconded by R.J.

Respectfully submitted by Victoria DeWind