

**Middlebury Natural Foods Cooperative
Board of Directors Meeting
August 22, 2018**

Board Members Present: R.J. Adler, Molly Anderson, Ilaria Brancoli Busdraghi, Lynn Dunton, Kate Gridley, Ann LaFiandra, Louise Vojtisek, Amanda Warren.

Board Members Absent: Nadine Barnicle, Sophie Esser Calvi, Tam Stewart.

Others present: Victoria DeWind (staff liaison), Glenn Lower (GM), Greg Prescott (Store Manager).

Board Monitor: Louise.

Call to Order: The meeting was called to order at 6:35 pm at Ann LaFiandra's house.

Member-owner Business: Glenn reported to the Board a conversation he had with James Maroney who contacted him regarding his article about meat in the MNFC newsletter. James's question was, if the Co-op is only selling meat raised without antibiotics and hormones why not be consistent and apply this standard to dairy products. There was Board agreement that this is a good goal but not something the Co-op is prepared to do quickly as the Co-op tries to meet the needs of the broader community with affordable options. Kate also pointed out this is an operational decision. James feels organic is more important than offering dairy in all price ranges.

Glenn also recently met with Rep. Chris Bray and Randy Kritkausky about how MNFC can help to support conventional farmers as farming is financially challenged in the effort to clean up Lake Champlain. Monument Farms does not own enough land nor are they interested in organic production.

Amanda noted praise for the salad/hot bar by a visitor from out of state.

Approval of Minutes: On a motion by R.J., seconded by Ann, the minutes of July 25, 2018 were approved with all in favor and Ilaria abstaining.

Molly said she had made grammatical suggestions prior to the meeting by email to Victoria and relayed the request to try to send changes well before the meeting time.

GM Report: As the new EL on Financial Condition requires Board approval for real estate leases, the Board went into Executive Session to discuss a parking lease at 6:53pm with all in favor of a motion by R.J. and seconded by Lynn. The Board came out of Executive Session at 7:03 with all in favor of a motion by Ann and seconded by Louise. Glenn will continue to work on details of the lease for a vote by the Board at the September meeting.

The Board appreciated Greg's article posted to the MNFC website and blog about efforts to reduce plastic in the store. As this issue is the store manager's responsibility, he wanted to respond to staff and community concerns. The absence of high heat composting options is keeping the Co-op from moving more quickly on reduction. Paper straws will not be available to the store until October in the quantity that is needed. The reusable salad/hot bar container pilot project has been successful and will be available to the public in September. Kate asked if smoothies can be available in reusable cups. Greg said people can bring their own containers now but ingredients are pre-measured in plastic containers for efficiency so it does not eliminate any plastic.

EL 1 – Financial Condition: Glenn said with the new policy required a new format for his report. He would appreciate any feedback on what is the right data. He used the NCG summary and criteria for comparison with all co-ops. He explained that the inventory turnover should read the number of times, not days, it turns over per quarter.

Molly said she thought the cash and equity on hand may indicate being overly conservative and under investing and paying down debt could be considered. R.J. suggested a conversation about how to invest more in the staff. Lynn cautioned that it would be best to wait to see what the financial reality is from the expansion as it settles in. External economic pressures impacting pro forma budgets should also be considered. She asked if the store is fully staffed. Glenn said no, about 20 people are needed and it has been challenging to find qualified workers.

Ann asked about yearly audits. Glenn explained that financial reviews are a level between full audit and a compilation. Reviews and audits give a letter referencing GAAP and will be used in the future to be in compliance. Molly suggested that, with the Board responsible for the financial condition of the Co-op, a full audit would be more reassuring for member-owners given the level of equity. There are approximately 5,000 current members-owners and 5,000 lapsed. It was agreed to discuss this further at the next meeting.

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

EL 12 – Informational Technology and Digital Communications: Glenn noted that this EL will become #10 with the new policies. He will report to the Board in September on the feasibility of electronic voting. Ann asked where the server and equipment are stored. They are in an upstairs, air conditioned closet in the office. Amanda asked about the number of engagements on the blog. Glenn will find out from Emily. Ann and Kate said there is a NFCA electronic voting webinar on September 6th.

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

BP 7 – Board Committee Principles: Molly asked about the self-assessment process. It includes conflicts of interest, attendance policy, etc. Previously it had been done at the end of each meeting to assess how well the Board worked at the meeting. To reinstate it, it was agreed that it would have to be a more productive effort, especially for new directors. It was agreed this should go on the work plan for further consideration. The Board agreed that they are following the principles.

Work Plan:

- Optimum amount for equity and cash on hand for meeting Ends and how to spend resources. “What good? For whom? What Cost?”
- Self-assessment
- Board development, succession and candidate qualifications
- Reading financials
- Staff appreciation

It was agreed to keep 4th Wednesday meetings except Christmas and Thanksgiving if necessary. Molly requested that newsletter due dates and topics be added to the work plan chart. There was agreement that it would be better to hold the retreat in February or March instead of April.

Glenn suggested bringing “big ideas” to the next meeting. One concern he has is the policy for staff running for the Board. He does not want to become a contentious issue but he sees it as a conflict of interest. It would require a by-law change. Lynn said it shows the Co-op is reaching a new level of organizational maturity and it is time for a structural change. It should be viewed as a best practice which brings clarity.

Glenn was asked his thought on the issue of former Board directors serving on ad hoc committees. He said the Board can ask anyone they want to serve but should not build the expectation that it will happen. The Board agreed former directors should not have access to Basecamp.

Next Meeting – September 26th

Adjournment: At 8:27 the meeting was adjourned with all voting in favor of a motion by Ann, seconded by R.J.

Respectfully submitted by Victoria DeWind