

**Middlebury Natural Foods Cooperative
Board of Directors Meeting
November 28, 2018**

Board Members Present: Molly Anderson, Nadine Barnicle, Ilaria Brancoli Busdraghi, Lynn Dunton, Kate Gridley, Ann LaFiandra, Tam Stewart, Louise Vojtisek, Amanda Warren.

Board Members Absent: R.J. Adler, Sophie Esser Calvi.

Others present: Victoria DeWind (staff liaison), Jay Leshinsky (7:30-member-owner), Glenn Lower (GM).

Board Monitor: Louise.

Call to Order: The meeting was called to order at 6:34 pm.

Member-owner Business: Glenn reported an email he received from Mia and Freeman Allen, MNFC producers. They feel that certified organic hydroponic-grown produce not labelled as hydroponic should be so that customers are more informed. NOFA currently is opposed to hydroponics being considered organic and this is a divisive issue for growers.

Approval of Minutes: On a motion by Ann, seconded by Louise, the minutes of October 24, 2018 were approved as amended with all in favor and Molly and Nadine abstaining.

Ann asked about the reference to the member worker program being removed from the by-laws. This was done so that the Co-op can make changes in or end the program without a member-owner vote to change the by-laws.

GM Report: Glenn brought the Board up to date on the successful Thanksgiving sales. He felt it reflects the success of the new store and its new capacity. A record 503 turkeys were sold with Tuesday being just shy of the first in a \$100,000 day for MNFC. As the store was closed Thanksgiving Friday last year, sales for the week increased 14% - taking that out it was a 3% increase. There were 24 turkeys left over which are being cut and sold as parts. Those unsold by early December will be frozen for the Food Shelf. There were few out of stocks and side dishes from the deli were moderately successful; they will be offered again next year.

Staff parking was all off site to provide more customer parking for the days before Thanksgiving. Molly suggested one way arrows be painted on the parking lot main loop for better flow. Glenn will consult with the architects and Eric.

Glenn reported on his \$15 minimum wage focus groups held in response to the staff petition. They have been both listening sessions as well as information sharing on how Co-op finances work – where the money goes, why and what is left over after expenses are paid. Glenn said his goal is to get to \$15; the issue is how to get there. There are tradeoffs as there are other demands on resources including prices, benefits, fair prices for local producers, the cost of environmentally sustainable practices, loan repayment and future capital needs. He recognized the issue of wage compression created by recent increases in starting salaries but fewer for those who have more seniority at the Co-op. A 50-cent increase for all employees translates into a \$75,000 annual cost. With the success of the last 6 months, Glenn said there will be generous profit sharing. Those working a 40 hour week will receive approximately \$1,000 which equals about \$1/hour. Glenn is planning for another round of focus groups later this winter to share possibilities on how to move forward on this issue. The Board continues to be supportive of management on this issue.

Molly asked is it possible to have a no-growth co-op as an alternative in a capitalist economy. Co-ops are not working with the model as it is challenging to plan for wages and expenses. Lynn noted the mind set and motivation is to get bigger and that the expansion was a response to demand; a no-growth co-op would not have done so. It was agreed this would be a good retreat topic and Molly said she would post articles for this on Basecamp.

EL 1 – Financial Condition and Activities: Lynn asked about the 53 days of cash for liquidity. Given the strong profit sharing and wage levels, should it be lower and invested differently. The low debt to equity ratio might mean more money could be reinvested in the Co-op. Glenn noted that the 53 days of cash are long term funds.

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

BMR 1 – Role of the Board: With no questions asked, the Board agreed they follow the policy.

BMR 4 – Evaluating the GM: This revised policy uses the same previous evaluations methods:

1 – Monitoring reports throughout the year

2 - A director (this year Lynn) meet with the finance manager to review policies and audits

3 – Third party information. This year the staff survey by Carolee Colter will provide new data for the Board. Reports will be posted on Basecamp for an Executive Session.

Ann asked about making changes to BMRs. All new BMR policies will be reviewed after a full year of monitoring.

(Jay arrived at the meeting)

Retreat: Ilaria agreed to see if the College house on Weybridge St. is available again. March 10th or 17th are the preferred dates. Greg and Victoria are invited to attend.

Board Development Committee: Kate asked the Board to consider the recommendations in the committee report. Candidates could “collect” suns, one for each activity they choose to participate in. Possible activities include: attend a board meeting, read a Board packet, attend an orientation and talk with a Board director. These are suggestions, not requirements but doing them would show commitment. All agreed that submitting a resume would discourage people. If an orientation is done, would it be done by the Board or by Michael Healy? A mixer before a meeting was suggested as an alternative to a formal orientation. There were mixed opinions if these activities would discourage or encourage people to run for the Board.

Kate will summarize this discussion for comment on Basecamp and a vote at the December meeting. It was agreed the Board should be active in adding to a list of potential candidates with the idea of diversity in mind.

Diversity Workshop Report: It was agreed to postpone this topic until the December meeting.

By-Law revision: Some of the revisions discussed were:

The current 1.2 language is to be used in the new by-law. Ilaria felt it is not strong enough on member ownership. It was agreed to keep the first sentence of the template “The Co-operative will be owned by its members” to start the paragraph.

“Legal entity” was discussed and adding “as defined by state statute” was suggested. The statute says an entity must be non-profit. Currently businesses cannot be member-owners. Glenn said he will discuss business ownership with Greg, Steve and Karin and will report back to the committee. It was agreed this need further discussion.

Section 2.9: Non-transferability: It was agreed to change the heading to Transferability and read "Transferability of shares by member-owners is under the authority of the Board of Directors".

Section 4.1 – Powers and Duties: it was agreed this should be revised.

Section 4.2 – Eligibility: Glenn wants to meet with staff before a final revision on this section to establish their support of a change. It was suggested that “will not be qualified” be changed to “may not serve” and “domestic partners” should change to “family members”.

Section 4.3 – Terms and Elections: There was discussion of whether ties should be settled by runoff elections or by choice of the Board or addressed in a policy instead of the by-law.

Next Meeting – December 19, 2018 at 5:30pm for potluck dinner.

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

Respectfully submitted by Victoria DeWind