

**Middlebury Natural Foods Cooperative
Board of Directors Meeting
May 22, 2019**

Board Members Present: R.J. Adler, Molly Anderson, Nadine Barnicle, Sophie Esser Calvi, Lynn Dunton, Kate Gridley, Ann LaFiandra, Tam Stewart, Louise Vojtisek, Amanda Warren.

Board Members Absent: Ilaria Brancoli Busdraghi.

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

Board Monitor: Louise.

Call to Order: The meeting was called to order at 6:31 pm.

Member-owner Business: Molly informed the Board of a conversation she had with Ross Conrad who expressed concern about the process for the bylaw revision vote. He felt it violated the spirit of the Co-op and thought there should have been more opportunities for input. He also thought that sections should have been voted individually rather than all or nothing. Ross was originally one of those invited to give input.

Molly also reported an incident in which some children ran into the parking lot while their parents were in conversation. The parents were upset feeling the parking lot was dangerous and Molly suggested the one-way traffic flow and pedestrian cross walks should be considered. Glenn said work is on-going for this.

Amanda noted a question of a child about why a sign said “your” co-op. Its parent responded “it’s yours only when it is closed”.

R.J. talked about his email exchanges about the Front Porch Forum postings about the condition of the Co-op parking lot. These included concerns about difficult parking for handicap people and also the suggestion of home delivery for those unable to come to the Co-op. Ann noted that Hannaford has started curbside pick up as many grocery chains are doing.

Tam noted the *Addison Independent* article about MNFC receiving the Donate Life Employer Recognition Award for its support it gave to Grace while waiting for her kidney transplant.

Approval of Minutes: On a motion by Kate, seconded by R.J., the minutes of April 24, 2019 were approved as amended with all in favor and Amanda and Lynn abstaining.

GM Report: While Glenn had taken a group photo of the Board for the Annual Meeting, Tam suggested it would be good to have individual photos of Board directors on the website.

Ann asked when Board officer job descriptions should be drafted. Tam said it should wait until July in case there are new directors elected.

EL 2 – Planning and Financial Budgeting: Molly asked about the liability graph and how much liability is too much. Glenn said it will go down when member expansion loans are paid off starting in the fall of 2020. As well, the interest in the 15 year bank loan will be going down each year. He feels the liabilities are the right amount gaged by the low debt:equity ratio. He said one might ask should the Co-op be investing more.

Amanda asked about the Sales Per Labor Hour (SPLH). Glenn said total sales are divided by the total hours worked by all employees. The goal is \$120 which is in the upper quartile for co-ops. Other stores are in the \$60-90 range. Kate asked if this goal creates stress for staff. Glenn

said that the amount should grow from inflation, not increased hours. The Co-op's SPLH has not changed in a while and needs to be balanced. The Co-op is currently under staffed, especially in the Deli, and this can affect the number.

The Board agreed that the EL 2 report was on time with reasonable interpretation of sufficient data and in compliance. Tam suggested the new EL be reviewed with BP policies this summer.

Patronage Dividends: Glenn recommended that the Board declare a patronage dividend and that 50% be returned to member-owners as a way for them to feel the value of membership though checks below \$5 will be donated to food shelves along with donated or un-cashed checks. The cost of labor, printing and sending small checks is expensive. This distribution will represent about 1% of purchases. He does not feel there are projects that require a larger amount to be retained given current cash reserves. While CDS recommends retaining 80% to educate member-owners about the value of investing in the co-op and community, Glenn feels money should be retained only for real needs. It was suggested that paying off debt more quickly would mean lower interest charges and more for member-owners in the future.

Amanda suggested that this was not the time to reduce dividends given other issues such as bylaw changes before member-owners. Lynn said that cash reserves are ample and that could be used to reduce debt. 50% is still lower than last year due to increased wages, projects and lease impacts on the budget.

On a motion by Lynn, seconded by R.J., the Board voted all in favor to designate 100% of member-sourced profits to patronage dividends. On a motion by Lynn, seconded by Kate, the Board voted all in favor to refund 50% of the patronage dividends to member-owners. Any check amounts below \$5 will be donated to local food shelves, donated or uncashed checks will also be donated to food shelves, mechanism to be decided by the GM.

BP 4 – Board Meetings and Attendance: Kate said, as a co-op, it is disappointing that there are few visitors to meetings. She asked are changes needed to make the meetings more welcoming. Molly suggested signs in the store about meetings. A meeting schedule in the newsletter, on sandwich board posters and Facebook posting (including agendas) were suggested. Nadine noted that the day and time of meetings may be hard for people. It was agreed people usually attend when there are issues or complaints and they may feel they don't need to come. It was agreed efforts should be made to show transparency and inclusion.

Board Elections: Kate reported that 500 votes had been counted as of that day, well past the required 5% for a quorum. The final vote will be 7pm on May 31. Candidates may, on request, be told what position they were in the final line up and only the number of votes they received, not for others.

Annual Meeting: At American Flatbread, food will be served at 5:30, the meeting at 6:30. Glenn asked if any directors wanted to make comments beyond Tam's President's report and Lynn's Treasurer's report. Nadine said she would talk about communications and would like to recognize the Marketing department's help with this. Kate said she would like to recognize Peggy Rush's years of service in Board elections with a gift. Glenn said he would like highlight Co-op history and many changes with a focus on being welcoming to all in the community. Tam

offered a Michael Healy comment: “if you stop changing, you cease to be who you’ve always been”.

Executive Session: The Board voted all in favor for a motion by R.J., seconded by Louise, to go into Executive Session for a real estate issue at 8:07. All voted in favor to a motion by R.J., seconded by Ann, to come out of Executive Session at 8:29.

Next Meeting – June 26, 2019.

Adjournment: At 8:30 the meeting was adjourned with all voting in favor of a motion by R.J., seconded by Ann.

Respectfully submitted by Victoria DeWind