

**Middlebury Natural Foods Cooperative  
Board of Directors Meeting  
September 25, 2019**

**Board Members Present:** R.J. Adler, Molly Anderson, Nadine Barnicle, Erin Buckwalter, Ilaria Brancoli Busdraghi, Sophie Esser Calvi, Lynn Dunton, Kate Gridley, Tam Stewart, Louise Vojtisek, Amanda Warren.

**Board Members Absent:**

**Others present:** Victoria DeWind (staff liaison), Glenn Lower (GM), Karin Mott (staff) and Greg Prescott (staff).

**Board Monitor:** Louise.

**Call to Order:** The meeting was called to order at 6:35 pm.

**Member-owner Business:** Erin said she had a request that the Co-op sell large jugs of water with a refill option.

Molly said she had a good response when she talked with the Middlebury College student who had submitted a letter to the Board about plastic packaging at the Co-op. She had been unaware that the Co-op had started a reusable container program in the deli similar to the one at the College and appreciated all the other efforts the Co-op has taken to reduce plastic.

Some Board directors received a letter from James Maroney suggesting that the Co-op's emphasis that they put on Fair Trade should be put on organic dairy as well. The letter will be posted on Basecamp. It was noted that all departments have both non-organic and non-Fair Trade products and being exclusively organic in dairy would be challenging.

**Approval of Minutes:** On a motion by Lynn, seconded by Nadine, the minutes of August 28, 2019 were approved with all in favor and Kate abstaining.

**GM Report:** Glenn said the renovations of the breakroom will start soon and the next Board meeting will be held in the 13 Washington St building.

Glenn explained the Corporate Resolution he asked the Board to sign. When the Co-op purchased the garage for the expansion it was put in separate LLC ownership while environmental inspection and remediation took place. Lincoln Applied Geology had clean test wells in the rear and the gas tanks in the front were removed and the site is monitored regularly. With good test results, Glenn asked the Board to close the LLC with the Resolution which will move the property into MNFC ownership. All voted in favor of a motion by R.J., seconded by Kate, that Louise, as Secretary of the Board, sign the Resolution.

Glenn handed out the new bylaw brochure which includes the old mission statement, Ends and buying criteria as well as a brief Co-op history. He is open to feedback on the brochure. It was agreed to keep [board@middlebury.coop](mailto:board@middlebury.coop) as the contact information for the Board.

Glenn said preliminary reconstruction of the parking lot will begin this fall but the final asphalt coat will be next spring due to weather and time constraints. This fall will include drainage for the parking lot and the back building, speed bumps, space for snow piling, more lighting with back up for the solar lights, striping for improved traffic flow and landscaping. It was agreed that a gate between MNFC and Carrera properties will allow for possible future through traffic. Plans were designed by Otter Creek Engineering and Chris Acker will be the contractor.

There were questions about traffic flow. Glenn said there will be “do not enter” signs for the one way section of the lot and there needs to be the half-way pass through in the middle of the lot and two-way access/egress on both sides of the building in case one area is unexpectedly blocked.

R.J. expressed surprise at the high cost of the security camera installation and asked if there was any cost benefit such as reduced insurance. After an outside audit strongly recommended cameras, Glenn agreed to install them. He regretted the culture change that has made this a necessity but it is in line with other co-ops. Inside and outside cameras will act as a deterrent for shop lifting, provide accident records and create security for money on site and back door open access. Glenn thinks there is more shoplifting than is known and this will provide definitive information.

**EL 3 – Asset Protection:** Glenn said he is reporting in compliance in all sections. In section 3.3 the goal is to have cash mostly FDIC insured to the \$250,000 limit. He will shift some of the excess funds from the People’s United account to CDs after paying for capital improvements this fall.

It was agreed that EL 3 was on time with reasonable interpretation of sufficient data and in compliance.

(Karin and Greg arrived at 7:15).

**City Market/CE Pugh event:** Glenn, Erin, Kate and Louise attended this event. CE Pugh, CEO of NCG, discussed the challenges and trends for co-ops. Previously sales growth in double digits reflected strength at co-ops but now it averages about 2% when it should be at least 4%. This puts pressure on prices, margin and labor and will make any future recession more challenging than it was in 2008. He stressed the importance of getting balance sheets in order now.

Those who attended talked about the importance of considering what does success look like. They came away with the message that co-op values, impacts in the community and what makes co-ops different than regular stores is where the focus should be. Making co-ops a place of security for the community is important and co-op successes should be made known. “Humility does not serve us well” and “we have to offend some to delight others” were two mottos shared. Kate suggested practice scenarios to respond to recession could be a retreat topic.

**Diversity, Equality and Inclusion (DEI):** Glenn asked the Board to consider Ends versus mission statement and how to use them in the future. The mission statement has been kept because that is what is publicly known and understood. He asked the Board to make time to consider how to incorporate DEI into the Co-op. Karin suggested perhaps adding DEI to the End of democratic values rather than adding a new End but more importantly, use the mission statement publically and use Ends as an internal guide for policies and projects.

Glenn moved the discussion to his take-away message from the NCG conference he attended. With expansion complete and possible pressure to expand into a second store, he feels it is time to do new strategic planning. As markets shift and create voids, it is important for the Co-op to be proactive and ready to respond. With the huge success of the 2013 Co-op Conversations he would like to do some similar planning. Board work on Ends and missions statement would be integral to a strategic plan.

The Board discussed a possible order delivery program to further DEI. Research shows that it is complicated and expensive, especially in more rural areas. R.J. asked if NCG could support

this program if all co-ops were involved. Karin said NCG has helped this way on other system changes. Lynn asked if this is a community service or a business decision and why would the Co-op pursue this if it does not support DEI. Erin suggested that if the Co-op will lose money on it and that it may be used mostly by people who aren't in need, instead put the money into Food For All as a better investment. Karin suggested that someday delivery and new in-store services might be necessary to keep a competitive edge with other stores for good customer experience but she agreed with the Board that there are better ways to address DEI. Increasing funding for Food For All or perhaps partnering with other service organizations could be considered.

There was consensus again that the delivery service is not the best ways to address DEI and balancing a fiscally successful and socially responsible business that distinguishes the Co-op from other businesses will be the best way to grow. Kate suggested the Co-op support existing programs like Meals on Wheels so they have better quality food with less expense to the Co-op than a delivery program and it addresses the issue of access to healthy food for those in need.

Glenn closed the discussion asking if Ends work could be part of the retreat and suggested that scenario planning can be part of the Ends evaluation process and support the mission. (Karin and Greg left the meeting at 8:07)

**Executive Session :** At 8:10 the Board voted all in favor to go into Executive Session to discuss the Columinate Contract on a motion by R.J. and seconded by Erin. At 8:24 the Board voted all in favor to come out of Executive Session on a motion by Erin, seconded by Nadine.

**Adjournment:** At 8:28 the meeting was adjourned with all voting in favor of a motion by Ilaria, seconded by Lynn.

Respectfully submitted by Victoria DeWind