

Middlebury Natural Foods Co-op
Notes from the Annual Meeting
September 3, 2020

Board Members Present: Molly Anderson, Nadine Barnicle, Ilaria Brancoli Busdraghi, Erin Buckwalter, Lynn Dunton, Sophie Esser Calvi, Kate Gridley, Tam Stewart, Esther Thomas, Louise Vojtisek.

Absent: Amanda Warren (maternity leave).

Others present: Victoria DeWind (staff liaison), Glenn Lower (General Manager) and 25 others including some staff.

Meeting Start: Glenn opened the meeting at 6:32 pm via the Zoom on-line platform welcoming everyone to the 44th MNFC Annual Meeting. He thanked Jordan Young for facilitating the meeting and introduced Tam for the President's Report.

President's Report: Tam thanked the MNFC's 5,000+ member-owners with their shared sense of purpose in supporting healthy food, the local economy, environmental sustainability and democratic ownership. Member-owners are loyal to these shared beliefs and to each other. He said the Co-op was strong before the pandemic and has fought hard to stay strong since. He thanked staff, local suppliers, the Board and loyal member-owners for standing strong to meet the challenge. This has prepared the Co-op well for any future challenges that may come.

General Manager's Report: Glenn said the last fiscal year ending March 31, 2020 was successful and he thanked staff for all they have done to meet the challenges. Glenn thanked the Board as a solid team. He bade farewell to R.J. Adler who stepped down from the Board when he relocated to Montpelier and welcomed Esther Thomas to fill his seat. Glenn thanked member-owners for their essential support of the Co-op as well as the over 400 local vendors that sell directly to the Co-op with locally grown, produced or value added products.

Glenn reported on activities in the last year. There was \$17.8 million in sales with 8.3% sales growth for last year. Membership has grown a little slower in the pandemic so the Co-op may not reach the membership goal of 5750 next year. Food For All membership is up 26% to 277. Local sales set a new record of 36.4% of sales over last year's 34%. This represents \$6.5 million in sales which involves a lot of effort by staff. Donations, especially through Rally for Change round-ups, are strong. He noted that customers can round up at any time they shop.

Glenn reviewed how customer dollars are used at the Co-op. For each dollar, the biggest expense is 65 cents which goes to vendors. The second biggest is 22 cents for personnel expenses. The rest goes to operations, promotions, physical plant, taxes & interest, administration and governance. Net profit is about 1.7 cents.

Repayment of member loans for the expansion in 2018 will start this fall and continue for the next 4 years – a wonderful example of the cooperative economy at work.

Glenn reported on the Diversity, Equity and Inclusion work being done at the Co-op. Staff have been engaging about racism through readings and discussion groups to

continue the unconscious bias training that was started two years ago. Co-op social media postings on social and food justice are on-going.

For education, sustainability classes will start again at the Hannaford Career Center in person and on-line. These are free to Food For All member-owners.

The scoop bins replaced by gravity bins have been donated to other co-ops in Rutland, Ticonderoga and Assispet, MA. The Cave will serve the Co-op well for back stocking for the holidays and the Co-op's new fork lift is a great help. The new parking lot has been a great and welcomed project.

Operations Report: Greg presented a review of how the Co-op responded to the pandemic when it became an "essential" business. With little guidance the Co-op did the best it could learning as it went to make being in the store safe for customers and staff. Dealing with shortages of sanitizer, changing hours, ending demos and worker programs, starting curb side pickup, ending use of reusable containers or bags and closing the deli was challenging. Masks were later made mandatory and the Co-op started managing customer counts with a gate keeper so there are no more than 5 people in produce and 30 in the store. Reusable bags returned, gloves become optional, gravity bins reduced prepackaging and the deli is slowly reopening. Greg thanked everyone as they have had to adapt to changing rules and thanked staff for extraordinary work helping customers – "not all heroes wear capes"

Treasurer's Report: Lynn presented a brief report. The Co-op financial condition remains sound with strong sales growth and \$297,929 in net profit. A sign of the successful year was the Board declaring a patronage dividend. Lynn said the strong current ratio of assets vs. liabilities means the Co-op can meet cash needs in a timely manner. Co-op debt is well below its equity and it will be able to meet any challenges that may come from an on-going pandemic.

Board Elections: Kate presented the elections results. She noted two firsts for this year's election process. This was the first election with on-line voting which was a big success and it included for the first time a member-owner generated petition. These show there are active, interested member-owners and she thanked them for participating. Kate welcomed Esther who is new to Middlebury with her two children and is working at the College. The Board was glad for her interest in filling the empty seat in February.

There were 1351 ballots cast, almost double last year's 710. Four incumbents were re-elected. Kate noted that in the past ten years there have been 6-10 candidates running each year. In spite of all the recruitment efforts by the Board only incumbents came forward this year. She encouraged people to consider running in the future.

Glenn presented the petition vote results. Amendments to the by-laws require a 66% approval by members-owners voting. The first question to reinstate the sales at the lowest possible cost was defeated 774 (58%) to 555 (42%). The second question to reinstate the member worker program was approved 705 (53%) to 621 (47%) but as it did not meet the 66% requirement it did not pass as well. Glenn gave assurance that the Co-op has no plans to eliminate the worker program in spite of this change.

Audience questions: Victoria asked when reusable containers will be allowed again. Greg said that Bulk and Front End staff feel comfortable now with their return and it will come soon.

Ilaria thanked the presenters for their reports and staff and management for getting through the pandemic.

Christina asked about co-op finances since April. Glenn said they are still stable. There was a peak in March with people stocking up. Some departments had 70% growth while others like the Deli had negative growth. In closing the Deli, its staff has been very helpful in other departments which are overworked. Sales growth is still at 10% which is high for MNFC. Glenn said his goal is to serve the community, keep staff employed and support local producers. The next challenge will be the holidays and how to serve so many customers safely.

A question was asked about the time commitment for the Board. Tam said it varies month to month but is approximately 4-5 hours/month with meeting preparation and attendance, seminars, annual retreat and committee work as needed.

Ross Conrad thanked all in rising to the pandemic challenges. He thought the voting results this year shows that last year's vote represented a majority that voted without the wording on the ballot while this year's numbers support the value of having more information and education for a vote. He hoped the Board had learned the value of having separate votes with specific wording on the question voted. He encouraged the Co-p to use its website to help people vote. Karin noted that a click on the home page banner took people to the voting site.

Glenn thanked everyone for coming and closed the meeting at 7:37pm saying that a recording of the meeting will be linked to the website. He hopes it will be in person again next year. He recognized that value of recording them in the future for those who are not able to attend.

These notes respectfully submitted by Victoria DeWind