

**Middlebury Natural Foods Cooperative
Board of Directors Meeting
May 17, 2023**

Board Members Present: Molly Anderson, Ollie Cultrara, Lynn Dunton, Kate Gridley, Heather Kvasnak, Samantha Langevin, Amanda Warren.

Board Members Absent: Ilaria Brancoli Busdraghi, Erin Buckwalter.

Others present: Victoria DeWind (staff liaison), Greg Prescott (GM).

Board Monitor: Amanda

Call to Order: Amanda called the meeting to order at 6:30pm.

Member-owner Business: Greg was asked about the pergola. It was planned for demos and events but can serve as a bike shelter between times. Solar panels are not planned to be on the roof. Greg shared that he received member-owner feedback asking the Board to consider indicating in the election which incumbent Board members were stepping down each year so that voters can consider the vacancies when voting.

Approval of Minutes: On a motion by Ollie, seconded by Samantha, the minutes of April 19, 2023 were approved as amended with all in favor and Heather and Lynn abstaining.

BP4 – Board Meeting and Attendance: It was noted some corrections were needed in the attendance chart. Amanda asked if the Board thought the chart should be included in the meeting packet. The consensus was that the policy was revised to be non-punitive and as a privacy issue it should not be in the packet but available on Basecamp.

Patronage: Greg gave the Board a short history of the Co-op from incorporation in 1976, the move to the Washington St. store in 1981 to the 1999 expansion (80% of member-owners favored staying on Washington St.). In 2015, 91% of the member-owner votes were to approve patronage to replace the 2% member discount. A dividend has been paid out every year since then. Considering management recommendations based on the net profit from member-owners sales, the Board decides each year if a dividend will be paid out. They determine an amount to retain for capital investment and how much to return to member-owners with a minimum of 20%. The decisions on past payouts were to try to make them equivalent to the 2% discount and ranged from 35-50% of net profits derived from member-owner sales.

Molly asked if there are any capital expenses in the coming year. Greg said that roof repair and remodeling upstairs of the office building are being looked at. With the financial review in June, the Board decided to wait for final numbers before setting patronage.

Board Development Committee - JEDI: The committee has been working on how to welcome new Board directors. Lynn, Ollie, Samantha and Erin or Amanda offered to serve as “Board Buddies”. It was agreed that orientations are important and it was suggested that packets be reviewed with Board Buddies before meetings to make new directors feel more welcomed and answer any questions they may have.

Ollie asked the Board to consider how much of the Board culture is implicit rather than explicit in policies. The Board discussed what should be made clear to new directors to avoid

confusion and reduce their feeling intimidated. The Board agreed on the importance of understanding small things like knowing what the acronyms used mean, keeping to agendas, how motions are made and voted, making Basecamp accessible for Board documents and information kept there and knowing the difference between operational work and policy governance.

GM Report: Greg said that EL 1 – Financial Condition includes draft numbers pending the financial review June 12-15 to close out fiscal year 2023. Sales growth was 6.5%, over the budgeted 3%.

Greg informed the Board that Sara Granstrom started the first week of May as Finance Manager. Karin Mott has given notice she will leave the Co-op in June and her institutional knowledge will be missed.

The Double Up Food Bucks program had been cancelled but Greg since got a call it may go. The POS system is being updated to match WIC eligible SKU's. Staff training in June and a final inspection should result in a September start to the program. Staff JEDI training will end in June for the summer with a session in harassment.

EL 2 – Planning and Financial Budgeting: The Board reviewed Greg's report. Samantha suggested more data is needed in section 2.1C to interpret how business systems are working. Amanda commented on the challenge of keeping up with price inflation. Greg said the annual NCG report will have more information on the recent challenges of maintaining margins for all co-ops. Amanda asked about the Sale Per Labor Hours. Greg said given staff shortages this number is impressive but all agreed that in the long term a lower rate would be better to avoid staff burn out.

On a motion by Kate, and seconded by Molly, the Board voted all in favor to accept the EL 2 report and agreed the report was on time with reasonable interpretation of sufficient data and in compliance.

EL1 – Financial Condition and Activities: Ollie asked about the change in EBITDAP numbers after the review. Greg said journal entries for patronage are needed to know the final number.

Executive Session: At 8:08pm, on a motion by Amanda, seconded by Kate, all voted in favor to go into Executive Session for EL 1 data and GM evaluation. At 8:49pm, on a motion by Amanda, seconded by Samantha, the Board voted all in favor to come out of Executive Session.

Adjournment: At 8:49 pm the Board adjourned the meeting on a motion by Kate, seconded by Molly, with all voting in favor.

Respectfully submitted by Victoria DeWind