

**Middlebury Natural Foods Co-op
Notes from the Annual Meeting
September 13, 2023**

Board Members Present: Erin Bulkwalter, Ollie Cultrara, Lynn Dunton, Erika Duniak, Caryne Eskridge, Samantha Langevin, Cody Mears, Amanda Warren.

Board Members Absent: Suzanna “Zan” Goldblatt Clark, Barbara Hofer, Heather Kvasnak.

Others present: Victoria DeWind (staff liaison), Emily Landenberger, (MEM), Greg Prescott (General Manager) and approximately 90 others.

Meeting Start: At 6:30, Caryne opened the meeting with a gratitude statement honoring the production and preparation of the food served this evening. It represents the spirit of community in meeting the needs of others.

President’s Report: Amanda welcomed everyone to the meeting. It is to celebrate all that the Co-op community has built. The bylaws require the meeting but it means more than compliance. It is because “We own our grocery store”. Member-owners own equity in the business and once a year gather to check in on it. Amanda said she has visited 12 other co-ops and MNFC is part of something bigger that enables co-ops to exist. MNFC belongs to a co-op of co-operatives, the National Co-operative Grocers. Its collective purchasing power has saved MNFC \$350,000 this year.

Amanda also talked about what the Board’s work is: To hire and oversee the GM, to be fiduciaries and to create and monitor policies that guide this work. They have worked to build a good working relationship with Greg as the new General Manager. They completed an independent review of the Co-op finances with an outside CPA firm. A new JEDI project was started through which they review Board policies.

Amanda thanked all for coming as well as making the choice to shop at the Co-op when there are many other options. This helps circulate wealth within the community.

JEDI: Samantha talked about this newest Board committee which looks at how the Board works together as well as with the GM and the store. Using tools learned from Tabitha Moore, they review policy language for clarity and to be sure it is accessible to all.

Treasurer’s Report: Ollie presented this report. They thanked Lynn for her 8 years as Treasurer and mentoring them in this role.

This year’s financial review found the Co-op is keeping in line with Generally Accepted Accounting Practices. Sales increased to over \$22 million with costs of \$14.9 million and net profit of \$1,986,105. The Board approved 65% of the member-owner generated profits, or \$408,708, for patronage dividends, the most generous ever paid.

Board Elections: Erin reviewed the results of the elections in May. 23% of member-owners voted this year. Erika, Suzanna, Cody and Barbara were elected and Caryne was appointed by the Board. Erin thanked outgoing directors: Ilaria, Kate, Molly, Gabriel and Esther.

Erin encouraged people to consider running for the Board in spring 2024 when there will be four seats open. The commitment is one meeting a month, 1-2 retreats/year with opportunities for professional development and training. Erin explained she works for NOFA which works to

grow a better food farm system and said the Co-op is essential in this work and keeps our dollars in our community.

GM Report: Greg introduced himself and his family. He said his job to meet the five Ends of the Co-op is on-going as well as leading staff and managers to give the best shopping experience to member-owners and the community while meeting the Ends.

In fiscal year 2022-23 there was 5.6% sales growth which was over the 3% budgeted. Of the \$22.4 million in sales, 38% were local products from 400+ Vermont producers. This comes to \$8.5 million. On average, other co-ops have sales of local products at 23% from 281 producers.

Membership has grown 7.5% totaling 6,322 as of March 31. Food For All participation has increased 55% to 402 member-owners, a program through which the Co-op reaches out into the community. Over \$100,000 has been contributed to community organizations and food shelves.

Staff wages and benefits have been increased with a starting salary of \$16.50/hr. as well as adjustments to all pay levels. There are 3% increases per year.

Greg said the previous year's patronage dividends retained have been used to add new HVAC units that recapture energy and run on electricity to reduce the Co-op's fossil fuel use. The decrease in propane used (500 gallons vs the previous year) was the least amount used since expansion in 2018. Plastic film recycling removed 1.5 tons from Co-op waste. 38% of waste tonnage was in baled cardboard, a 6.5% increase.

In an effort to create a more welcoming, safe and respectful space, staff have on-going JEDI training to learn how to make this happen in the store.

The work for the coming year in the business plan is to increase community engagement, increase Food For All and member-owners, increase environmental efficiency, improve office space and upgrade computers, install register upgrades and better shelving. Work will continue to meet Co-op Ends to be a good employer and the best grocer.

Audience questions:

What is the pergola for? Greg said it is intended as a permanent space for events and producer demos. It still needs a roof and is not in use due to the Co-op being short staffed.

Why is there more plastic in the Store? The Co-op is trying to reduce it with more bulk bins. The Co-op is reducing plastic bags provided in the bulk department to encourage paper bags or bringing your own containers. The Deli started offering sandwiches in recyclable cardboard boxes instead of plastic and waxed paper. They are not staffed to offer salad to order instead of pre-boxed

Will you consider a survey to find out why people don't shop at the Co-op? Greg said it's a good idea to learn where the Co-op is not reaching people in the community. A marketing study was done in 2014.

A member-owner complimented the meeting and suggested that people see the Co-op as a boutique and expensive. They suggested using the pergola for bike parking when not in use. They also requested the Co-op install an EV charging station and support alternative modes of transportation.

What is the topic for the next Board retreat? Amanda said that has not been determined.

Is the profit less without the ERC funds? Greg said no because it is not operational profit from sales; it is considered “other income”. These funds will go into savings for future investment.

Will the member-worker program start again? Greg said that health code regulations and small work spaces make this challenging and it is not known now if it’s possible. He said few co-ops our size have member-workers.

What happened to the program to use gift cards instead of credit cards? Gift cards can be used any time. They can be purchased and refilled by check to save the estimated 3% credit card fee. Greg agreed it should be promoted more widely.

Do ERC funds have to be returned? No, they are for the Co-op to keep. They are a tax credit provided to the Co-op for retaining staff during the pandemic and not having to lay anyone off from 2020-2022.

Where does fruit come from? It comes from many places. Signs in the store indicate if they are local or organic.

Adjournment: Greg thanked everyone for coming and closed the meeting at 7:32 pm.

These notes respectfully submitted by Victoria DeWind