

**Middlebury Natural Foods Cooperative
Board of Directors Meeting
August 16, 2023**

Board Members Present:, Suzanna “Zan” Goldblatt Clark (6:15), Ollie Cultrara, Erika Dunyak, Caryne Eskridge, Barbara Hofer, Samantha Langevin, Cody Mears, Amanda Warren.

Board Members Absent: Erin Bulkwalter, Lynn Dunton, Heather Kvasnak.

Others present: Victoria DeWind (staff liaison), Greg Prescott (GM), Wegner CPA representative for the first Executive Session

Board Monitor: Amanda

Call to Order: Amanda called the meeting to order at 6:00pm.

Member-Owner Business: None.

Minutes: On a motion by Ollie, seconded by Cody, the minutes of July 19, 2023 were approved with all voting in favor.

(Zan arrived)

Annual Meeting: Amanda reviewed the plan for the meeting on Sept. 13, at 5:30pm at American Flatbread. All directors should try to attend wearing a Co-op t-shirt and name tags to greet people and circulate to engage and facilitate conversation. The business portion of the meeting will start at 6:30 with a President's report by Amanda, Treasurer's report by Lynn or Ollie, VP report by Samantha and JEDI and BDC chairs. Greg will present an Ends report followed by Q & A until 7:30. The Board will consider if and how to open the Annual Meeting with a food gratitude statement.

The Annual Meeting structure will be reviewed for next year.

Wegner Review Report: Ollie reviewed the process for financial reviews. They alternate with full audits yearly. This is done by an independent CPA firm as verification of finances for the Board in their fiduciary role. It ensures Generally Accepted Accounting Principles (GAAP) are followed and if material modifications are needed.

At 6:28, on a motion by Ollie, seconded by Caryne, all voted in favor to go into Executive Session for the Wegner financial review report. At 6:47, on a motion by Amanda, seconded by Zan, all voted in favor to come out of Executive Session.

BP 7 - Board Committee Principles: Amanda said the Board Development Committee (BDC) needs a new chairperson and asked directors to consider serving.

The BDC previously considered term limits but decided against recommending that. The committee created the meeting visitor policy. They also coordinate the CBLD 101 and financial trainings. Erin has well documented all its previous work and will continue to serve on the committee with Ollie. Shared chairmanship could be considered as it is done on the JEDI Committee. As a new director, Barbara expressed thanks to Erin for the great recruitment process and orientation support.

The Communications Committee has been suspended and newsletter articles are optional. Ollie said that there will be an article introducing the new Board directors in September.

The Board agreed that they are following this policy.

BP 5 - Director's Code of Conduct: The JEDI committee edited this policy using an auditing tool from Tabitha Moore that provides for using a JEDI lens. The goal was to make it clear what would or could be a conflict of interest. They decided not to include interpersonal conflicts on the Board and recommend that it be considered for having its own policy. In the first paragraph, "we" was replaced by "Board members". Erika suggested that "contributing to a culture of accountability by" in Section 1 was too broad, unclear and open to interpretation and should be removed. Amanda reviewed legal language from the Columinate policy template and asked if it should be in the policy. Erika said it is standard for fiduciary responsibility and has standing whether in the policy or not.

Amanda suggested that the BP 5 appendix include community associations as well Co-op ones. Samantha will work on this.

On a motion by Ollie, seconded by Zan, all accepted the BP 5 amendments.

Patronage Dividend: On August 5, via electronic vote, on a motion by Amanda, seconded by Barbara, all voted in favor to designate 100% of member-owner sourced profits to patronage dividends. On a motion by Amanda, seconded by Barbara, all voted in favor of refunding 65% of the patronage dividends to member-owners and any checks below \$5 will be donated to the local food shelves as well as uncashed or donated checks by a mechanism to be decided by the GM.

GM Report: Greg informed the Board that the patronage dividend checks have been printed. Sales growth is strong, down slightly from last year. Basket size is stable as the number of transactions grows. Round ups and newspaper coupons will go to The Association of Africans Living in Vermont and NOFA to support flood relief. This will continue in September in coordination with other co-ops. It was noted that round ups can be done at any time to support HOPE and CVOEO.

Greg informed the Board about the change in the Addison Independent sale ad that instead promotes what the Co-op is and as a great place to work. The goal is to reach more potential staff. In September the sale ad will return to promote Eat Local Month. The weather and floods may impact availability of local produce so the Eat Local Challenge may not be record breaking this year.

EL 1 - Financial condition and Activities - Q1 FY 2024: Greg said the data is from the Ends report and balance sheet. While the IRS has changed its rules going forward, the earlier health insurance reporting mistake to the IRS was discovered in March and was resolved in July.

Amanda explained why there was no orange bar in the 2022 sales growth graph. There was 0% growth budgeted. The Current Ratio had a large increase in Q4 2023 from the \$1.5 million in government funds shown as receivables on the balance sheet. She said viewing finances at the end of the fiscal year is more important than at quarterly reviews.

Executive Session: At 7:37, on a motion by Amanda, seconded by Caryne, the Board voted all in favor to go into Executive Session for financial review and real estate information. At 7:55 on a motion by Caryne, seconded by Ollie, the Board voted all in favor to come out of Executive Session.

Board Budget: Ollie reported that the Board was on track to stay within the budget and highlighted that there is still money available in the access fund and the professional development fund.

Adjournment: At 8:00, on a motion by Cody, seconded by Barbara, all voted in favor to adjourn the meeting. Respectively submitted by Victoria DeWind