

**Middlebury Natural Foods Cooperative
Board of Directors Meeting
September 21, 2023**

Board Members Present: Erin Bulkwalter, Suzanna “Zan” Goldblatt Clark (6:24), Ollie Cultrara, Lynn Dunton (6:32), Erika Dunyak, Caryne Eskridge, Barbara Hofer, Samantha Langevin, Cody Mears, Amanda Warren.

Board Members Absent: Heather Kvasnak.

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

Board Monitor: Amanda

Call to Order: Amanda called the meeting to order at 6:02pm.

Member-Owner Business: Amanda reported a member-owner request that the Co-op use WhatsApp for an easy way to give feedback with cell phones. Samantha and Amanda both shared very positive feedback about the patronage dividends this year.
(Zan Arrived)

Minutes and Notes: On a motion by Ollie, seconded by Caryne, the minutes of August 16, 2023 were approved as amended with all voting in favor and Erin abstaining.

On a motion by Amanda, seconded by Ollie, the 2023 Annual Meeting Notes were accepted as amended by all with Barbara and Zan abstaining.

Annual Meeting: The reflections on how the meeting went were mostly positive. Directors were able to engage with member-owners - many of them new - who asked good questions. Presentations were well done and well received with ample time for questions and answers. It was a full community event and felt festive. Flatbread did a great job providing food for so many at once. While the new sound system worked well, the noise level during dinner made conversation challenging. Outdoors may be better for this issue. Zan suggested that, in the future, it would be best to choose a date that does not conflict with the start of school. Erika said that September is a busy time for producers which would make it hard for them to come.
(Lynn arrived)

Considerations for planning next year’s meeting included possibly looking for a space with better acoustics and a question about the feasibility of having the Co-op prepare the food. Overall, however, the Board currently feels that successes of being at Flatbread outweigh its drawbacks. It supports a local business, people love the pizza and it's one way to meet Co-op Ends. Amanda asked directors to think about how other co-ops do their annual meetings to compare.

Amanda shared Michael Healy’s comment that annual meeting costs are democratic ownership costs. Success costs money and carries through the year.

JEDI committee: Samantha asked for comments on the Basecamp discussion about professional development funds in the Board budget to help the committee in their next meeting. She asked directors to consider how to create a process that does not restrict their use and gives clarity.

Erika suggested that the Treasurer should oversee the availability of funds rather than deciding on the merit of a program. Zan suggested that Columinate programs should always be allowed. Samantha said the policy should include a clear list of program options. Others felt that the budget should be more flexible so that valuable programs for Board work are not missed. It was noted that

this is a new line item in the budget so there is no good history on the sufficiency and use of the funds. It was agreed that there should be some oversight to track funds but not by just one person to ensure equity in their availability. Amanda highlighted the importance of reporting back to the Board on programs attended.
(Ollie left the meeting at 6:55)

GM Report: Greg said sales growth last month was 7.7%, year-to date 7.5% over last year. The last three months of the year are the busiest and sales growth may decline given how busy the store was at the end of last year.

Greg said margins in the first fiscal quarter were better than last year but not back to pre-pandemic levels. Management is working on consolidating costs and using new buying strategies. He will have results of the October inventory in his November report.
(Zan left the meeting at 7:05)

EL 3 – Asset Protection: Samantha asked about liability with no HR manager in place. Greg said that Laura is still working with the Co-op as an outside consultant. Legal counsel can always be consulted if necessary. Erika asked about employment practices insurance. Greg said he will look into this. All policy data is available on request. Amanda asked about the fund to cover patronage dividend checks cashed after being donated. Greg said they do not cross check all checks but this covers them if cashed.

The money in the M&T checking account is high and excess will be moved to the Edwards Jones' accounts. The usual practice is to keep this account at \$1 million to cover two weeks of accounts payable and one payroll period with a \$150,000 cushion. Greg will let Ollie know when the transfer is completed.

Amanda said she felt that customer counts and the number of member-owners are a good measure of the Co-ops image and reflects where the Co-op stands in the community.

On a motion by Barbara, and seconded by Erin, the Board voted all in favor to accept the EL 3 report and agreed the report was on time with reasonable interpretation of sufficient data and in compliance.

CCMA Conference: Amanda gave a report on this conference that she attended in June. It is now being organized by the University of Wisconsin. It brings together GMs and board directors and will be held in Portland, ME next year. She found it informative and a great way to meet informally with peers, share and make connections. Breakout sessions are used on topics such as advocacy, defining healthy food, member-owner engagement and strategic planning. She encouraged directors to consider going next year as it is close by.

EL 0 – General Executive Constraint: While the Board will monitor this EL in January, Amanda asked the Board to consider its wording. Previously an ad hoc committee used the Columinate template with revisions but it was not adopted for reasons that are unclear. Lynn felt the first paragraph is more like a job description. Caryne agreed and suggested the second paragraph was too broad and co-op principles could be added. Samantha said there were unclear implications and pronouns should be replaced by "GM". Barbara suggested that fiduciary responsibility should be to the Co-op, not the Board. Erika said this exists in law so it is not necessary to have the obligation listed here. It was agreed to revise the EL in time for the January monitoring.

NCG Participation Report: Due their staff being in transition, this is not a full report. NCG membership does come with cost savings for the Co-op. Caryne was pleased with its expanding membership, especially for LILA (low income, low access) markets. Erika noted MNFC dues being on the high end as they are based on sales volume. NCG sales growth seems less volatile than competitors. Amanda asked about Same-Store Sales growth. The steep declines come after high peak times such as the holidays but overall the average is 4%. Conventional stores are 2%.

Executive Session: Before going into executive session, Amanda reminded the Board that a BDC chairman is still needed. At 7:55, on a motion by Amanda, seconded by Erin, the Board voted all in favor to go into Executive Session for Board development. At 8:01 on a motion by Amanda, seconded by Lynn, the Board voted all in favor to come out of Executive Session.

Adjournment: At 8:01, on a motion by Amanda, seconded by Caryne, all voted in favor to adjourn the meeting.

Respectively submitted by Victoria DeWind