

Middlebury Natural Foods Cooperative
Board of Directors Meeting
April 17, 2024

Board Members Present: Erin Buckwalter, Ollie Cultrara, Erika Dunyak, Caryne Eskridge, Cody Mears, Amanda Warren.

Board Members Absent: Lynn Dunton, Suzanna “Zan” Goldblatt Clark, Barbara Hofer, Samantha Langevin,

Others present: Victoria DeWind (staff liaison), Sara Granstrom (Finance Manager), Greg Prescott (GM).

Board Monitor: Amanda

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

Budget Presentation: Sara Granstrom, Finance Manager, gave a presentation to the Board of the draft MNFC budget for FY 2025. The budget format will be changing to be more GAAP compliant as well as fit into the NCG accounting charts. Discounts will now be grouped together under Contra Revenue. These changes will help make comparisons with other co-ops on revenue and costs clear. The budget plans for 7.2% sales growth, cost of goods increase of 7.9% and a margin of 32.2. The intention is to have the budget close to actual.

The new credit card system will reduce operating costs. Personnel costs increase with increased compensation and staffing levels. MNFC has been understaffed for the last 3 years. A Co-Metrics study showed MNFC below peer coops of similar size for percentage of budgeted personnel costs. This is due to higher cost of living and larger administrative departments at other co-ops..

Erin suggested the future budget reports that compare the new budget to the last budget include an explanation of the change in accounting for discounts.
(Sara left the meeting at 6:28).

Member-Owner Business: Ollie reported a comment by a member-owner that the Co-op is not as affordable as it used to be, especially with cheese other than Cabot’s. They buy nuts on-line at lower cost. Erin reported some member-owners prefer to shop at Hannaford with on-line ordering and pickup which allows them to easily track their basket costs as they shop and helps them better meet their budget goals.

Minutes: On a motion by Amanda, second by Caryne, the minutes of March 20, 2024 were approved with all in favor.

Board Process - BP3 - Agenda Planning: Caryne asked if member-owners can get the agenda before meetings. They are posted in the store and on the website. There is no Executive Committee but officers do meet outside of meetings. Amanda noted that while Board meeting length has not changed over the last decade, Board business has increased as has the complexity of the Co-op as it continues to grow. It is a challenge to fit all monthly items into 2 hours. She asked the Board to consider a longer meeting time. Ollie requested it include a break if it is increased.

Board Process - BP2 - the Board's Job: The final draft includes 3a - ELs limit GM authority and 4 includes evaluating Board performance. On a motion by Amanda, seconded by Erin, all voted in favor to approve the new BP2.

Board Process - BP6 - Officers' Roles: Ollie presented the draft which is longer than the current one but includes all the details in one place and clarifies responsibilities and expectations. Section 1 & 2 is for all officers.

Erin suggested removing the "CBLD" reference for outside consultants and using "external" instead. Erin also suggested removing "reimbursements and" from 5a -vi and removing posting executive session minutes on Basecamp in 6a-iv.

New Ad Hoc Committee: Amanda said she and Samantha discussed the idea of creating a short term Ad Hoc Committee for member owner/Board communication and annual meeting planning as strategic leadership will take more Board time. Erin suggested considering member-owner engagement rather than communication. Ollie stressed the importance of two way communication, not one way through articles. No one volunteered for the committee.

The possibility of making the annual meeting a staff responsibility was mentioned. Erika suggested doing this through an Executive Limitation.

Mini-retreat: Amanda suggested the Board consider holding a mini retreat in August along with the regular meeting. There was general support of the idea.

GM Report: Greg informed the Board that the new 2 year lease for 13 Washington St. includes a slight increase in cost. On a motion by Cody, seconded by Ollie, all voted in favor of the lease.

February sales were up due to the store being open an extra day. March had one less day with an almost 7% increase. Margin was stronger than budgeted. MNFC received a high patronage dividend from NCG.

Greg talked about higher personnel costs with the new hire bonus and increased benefits. He anticipates another patronage dividend payment this year.

March customer counts were the highest since Covid and higher than peer co-ops and basket size was also higher.

Greg reported the financial audit started April 2 with an inventory cross check. The auditors review the books with Sara in May and adjust journal entries in June. There should be a final audit for the July meeting.

Ollie asked if profit sharing will be less in light of the budget increase in personnel costs. This is likely.

EL 5 - Treatment of Customers: Customer receipts randomly include QR codes for employment and CX surveys. Customer feedback to staff is shared with department managers. Insurance does cover in store accidents.

Greg said that survey questions were all a 1-5 rating format- highly satisfied to not satisfied. MNFC is in the top 20% of co-ops with overall satisfaction of 82%. Overall value of quality and service over price was 42% for all co-ops, 39% for MNFC and 34% average for NCG co-ops.

On a motion by Ollie, and seconded by Erin, the Board voted all in favor to accept the EL 5 report and agreed the report was on time with reasonable interpretation of sufficient data and in compliance.

Executive Session: At 7:45, on a motion by Amanda, seconded by Ollie, the Board voted all in favor to go into Executive Session for GM evaluation. At 8:06, on a motion by Amanda, seconded by Cody, the Board voted all in favor to come out of Executive Session.

Adjournment: At 8:06, on a motion by Caryne, seconded by Ollie, all voted in favor to adjourn the meeting.

Respectively submitted by Victoria DeWind