

**MNFC Middlebury Natural Foods Cooperative**  
**Board of Directors Meeting**  
**May 15, 2024**

**Board Members Present:** Erin Buckwalter, Ollie Cultrara, Lynn Dunton, Erika Dunyak, Caryne Eskridge, Suzanna “Zan” Goldblatt Clark, Barbara Hofer, Samantha Langevin, Cody Mears, Amanda Warren.

**Board Members Absent:**

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

**Board Monitor:** Amanda

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

**Member-Owner Business:** Lynn reported a customer comment about not liking waxed apples and asked if the Co-op has them. Greg will find out. Lynn also said she was asked about the recent recall of walnuts from California. Greg said the Co-op did not receive any of the walnuts affected by the recall and has switched to another producer of walnuts for the bulk department.

Amanda relayed that she was approached by a member-owner and asked if the Co-op would join a coalition that is supporting a boycott of products from Israel, particularly olive oil. Greg said the Co-op does not carry Israeli olive oil. The only Israeli products MNFC carries are holiday-specific items during Passover. The Co-op has worked over the years to expand its offerings for Passover. Greg informed the Board that the Co-op’s practice has been to let customers vote with their dollars on which products we carry rather than boycott a company.

Greg reported that 800 member-owners had voted so far in this year’s Board election, which is  $\frac{3}{4}$  of the goal to match last year. He had been approached about candidate bios having pronouns and a concern this would influence voting. He said that adding them was voluntary for the candidates.

**Minutes:** On a motion by Amanda, second by Ollie, all voted in favor to approve the minutes of April 17, 2024 as amended with Lynn, Zan, Barbara, Samantha abstaining.

**Board Process BP-6:** Ollie presented the final draft. On a motion by Zan, second by Lynn, all voted in favor to approve the revised BP.

**Board Process BP-8:** Ollie said the Board compensation used to be in a BP8 appendix. Moving it into the BP makes it easier to access and monitor. There is more detail of education expenses. Lynn asked how compensation compares to other co-op boards. Amanda said they are all different and there is no trend, some Boards do not have stipends or discounts. The compensation listed is for June 2025 and needs some corrections. Erika suggested, should it become necessary, that a policy be added that if the Co-op becomes insolvent, the Board will not be paid. Erin suggested keeping the 8 year compensation history in the appendix and only include compensation figures going forward in the BP. Ollie said they will verify and update the numbers.

On a motion by Ollie, seconded by Lynn, all voted in favor to approve the revised BP with corrected numbers.

**June Meeting:** Caryne noted that the next Board meeting falls on June 19th, the national Juneteenth holiday. She asked if the meeting date should be changed. It was noted that it is short notice to change the date given new directors will be planning on it. It was agreed it should be considered along with other holidays in future agenda planning. The meeting will stay on June 19th.

**Board Development Committee:** Barbara noted there will be at least one new director in June that will need a Board Buddy to mentor them before and after the June meeting as well as on-going. Zan, Caryne and Lynn offered to do this. There will be a Board orientation on June 10 with Michael Healy, Greg, Amanda and Barbara. Additional orientation on policy governance, understanding the GM reports and Co-op history was suggested as well as a store tour.

**GM Report:** Fiscal year 2025 started April 1 with sales growth of 11% for the month of April. FY 2025 is budgeted for 7.2% growth. Customer counts and basket size increased in April. Greg expects the financial audit will be complete in July. Profit sharing will be paid out in June. Rally For Change May 16-22 will benefit Farmacy. The Rally is done once quarterly. Any rounding up at other times goes to HOPE and CVOEO.

**Board Budget:** Ollie said the CCMA costs were over budget but overall 92% of the budget was used in FY 2024.

**EL 2 - Planning and Financial Budgeting:** Greg said the Plan shows how goals and the budget in the last plan were met and then presents what is ahead and what changes to anticipate. Multi-year plans cover up to 5 years. MNFC is doing well in part because there is no debt. The pandemic created a lower budget, fewer staff, decreased personnel costs and margin fell while PPP loans brought extra income. Going forward budgets will have lower net profit of 1% as earlier budgets did. There will be a new market study to compare to the last one in 2012.

Lynn suggested that store space in the context of growth will be a challenge. She asked if a second floor was in the Plan. Greg said the store can support 3,000 sq. ft. in a new second floor for office or conference space, not retail. The sales per square foot has increased since expansion. It decreased to \$1,500 per square foot when expansion was completed in 2018. Since then it has increased to \$2,500 per square foot per year. What space needs are and how to meet them will influence decisions.

Cody asked how long the last expansion took. 18 months

Ollie suggested the fiscal jeopardy definition in this report be included in EL 1. They asked about cash reserves falling below \$500,000 and how that number is determined. Greg said it covers accounts payable and salaries.

(Zan left the meeting at 7:23)

On a motion by Barbara, and seconded by Samantha, 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.

**EL 1 - Financial Condition and Activities - Q4 FY 2024:** Amanda said she is amazed at the increase in member-ownership given the Co-op is in a small community. Cody asked if the Co-op knows customer demographics. Greg said the market study will give information. The Board acknowledged that MNFC's steadily growing number of member-owners is a testament to

the strength of our Co-op. Lynn said it would be good to understand the impact of the College on sales. Greg will renew the ACRP parking lease. Samantha said the level of detail in the report was helpful, especially the reminder on interpreting ratios.

**Executive Session:** At 7:37, on a motion by Amanda, seconded by Ollie, the Board voted all in favor to go into Executive Session to monitor EL 1. At 8:04, on a motion by Amanda, seconded by Ollie, the Board voted all in favor to come out of Executive Session.

**EL 1** - On a motion by Amanda, and seconded by Caryne, the Board voted all in favor to accept the EL 1 report and agreed the report was on time with reasonable interpretation of sufficient data and in compliance.

**Adjournment:** At 8:05, on a motion by Amanda, seconded by Cody, all voted in favor to adjourn the meeting.

Respectively submitted by Victoria DeWind