



DNF Board Meeting

July 16th, 2025 5:30-7:45 pm

Rocky Mt Retreat Center

<u>Time</u>	<u>Subject</u>	<u>Facilitator</u>
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5:30I.	Call to Order	Wes
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II.	Check-in Question	Sheryl
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DNF Board of Directors Mission Statement

The Durango Natural Foods Co-op board democratically and cooperatively serves as the voice of our member-owners, working together in accordance with the Bylaws and Policy Governance to ensure the present health of the Co-op, while honoring its past and envisioning its future as a food and community hub.

II. Membership Comments or Questions

Board

None

III. Minutes Approval from last meeting

Ryan L

Motion: Wes

Second: Ryan

Approved: Unanimously

IV. Agenda Approval

Wes

Additions/amendments:

Wes - Add a discussion about the one-pager regarding the finance committee.

Ryan - Accessibility and communications discussion

5:45V. Old Business

- Danny: Schedule the next finance committee meeting.

Danny is working on sending a new calendar invite and updating the invite list.

- Danny will draft a one-pager outlining the options of refinancing vs. paying off and some of the talking points around these.

Yes, this was created.

- Sheryl/Wes: board agendas moving forward will link to the editable policy doc.

Yes, this is linked in the agenda below.

- Sheryl: set a meeting with Mads to discuss Harvest Fest

In lieu of this, they have been in communication via email and phone. The next meeting (Hadley will schedule) will be with the Special Events Committee, pending availability of members.

- Ryan: research and apply for the advertising event.

This was not done and the deadline passed.

- Ryan: Add to the January and February board calendar patronage dividend review.

This is complete and the board calendar is updated.

- Wes: Re-share the Google Doc version of the policies governance policies so they can be easily reviewed/commented on.

Yes, complete.

- Mads: Get contact information from the adjacent red house.

Still needs to be done

- Wes: Add strategic plan review to the August meeting agenda

Needs to be done

- Sheryl: Reach out to board candidates to let them know about the opportunity to join committees.

Needs to be done

- Joe/Mads will ensure there is a basic landing page for the Harvest Fest created on the Co-op webpage before the next board message goes out
- Joe: open a high yield business savings account before the next board meeting.

Joe is still in the process of doing this. He noted the burdensome paperwork processes and that the Axos account cannot connect with TBK. The current APY is 3.8%. Joe is starting with \$25,000 in the savings account and \$5,000 in the checking account.

- Ryan: Build out volunteer positions for the Harvest Fest.

Complete, with the exception of the newly discussed server positions. All positions can be found on the [Co-Ops GivePulse page](#) (volunteer management platform).

- Jackson: Update the Conflict of Interest form based on his suggestions. Share with board members

Jackson has the modified clause written and will merge it with the current document.

- Sheryl: Will pick up gift cards for Hadley and Ryan E, along with a card for each, then bring them to the next meeting.

This is complete.

- Sheryl: Look for backup flash drive with board documents

This is complete.

- Ryan: Update the appointments
- Ensure conflicts of interest forms are uploaded

This is complete. Ryan was ensure what to do with the physical forms. Wes noted the Secretary is supposed to keep physical copies in a safe way. Ryan will review the policies to determine if the forms need to be kept at Ryan's house or if the storage shed at the Co-op will suffice.

- Ryan: Send new board [positions](#) and terms on Mads

This is complete.

6:00VI. Committee Updates

- [Governance](#) Wes

No updates

- Executive Sheryl

No updates

- Finance Danny

Danny noted they are working on scheduling the next meetings and have been in contact with the non-board members of the committee.

- Feasibility Jackson

Jackson asked set up a meeting with Danny to talk about the workflow, history, and how decisions are being made with the committee.

Jackson asked if we could potentially have a tab for each committee. Danny noted users could filter. They agreed this should work

E. Special Events Committee Ryan

[Volunteer sign-up](#).

Sheryl noted the Harvest Festival is shaping up nicely and that all things are on track (permits, music, vendors, activities, etc.). She also noted that Hadley is in the process of scheduling the next Special Events Committee meeting.

Ryan: Reach out to past year volunteers and see if they want to assist this year.

F. [Review Action Item Tracker](#) Danny

Policy Handbook: Work in progress

Password manager: Still exploring options

6:30VI. New Business

- July Board MessageSheryl

Items to include: Harvest fest volunteers, slushies (others tbd).

- Staff Manual progress for Board to view by August Mads/Joe
- Current progress: Joe has made edits to some sections and Mads is making updates to those areas and some where Joe isn't as familiar (i.e. scheduling software). Joe noted, we have an employee manual, it just needs to be updated.

Wes asked if we are still on track to review by August. Joe: No, September and October are more realistic.

- Road Diet Update Joe

There are no updates as of now. Joe reached out to the City about three weeks ago but has not received a response.

- Discussion about the one-pager regarding the finance committee

Goal: Project what these equities will look like in three years depending on outlined scenarios.

Danny presented three refinance/payoff scenarios with projections on mortgage balance, equity, and long-term debt-to-equity ratio. He compared:

- Full payoff now
- Refinance entire amount
- Partial payoff with refinance

Key discussion points:

- Keeping cash on hand for flexibility (e.g. potential building purchase next door, business loans)
- Projections included estimated increases in property value, cash flow impact, and amortization considerations
- Board members reviewed balance sheet alignment issues and assumptions behind Danny's model
- Preference for a \$50K partial payoff with refinance was expressed by several members
- Danny will refine projections (correct amortization model and clarify interest/principal breakdowns) and share with the board.
- Consensus: proceed with TBK Bank and avoid shopping for other lenders unless rates are not favorable
- Danny to confirm refinance options with TBK and report back by next meeting
- The Board suggested obtaining a new building appraisal (last done in 2019) to better understand the Co-op's equity position and support long-term planning.
- Broad agreement emerged around pursuing **Scenario 3** (partial payoff and refinance) as the most balanced option.
- The board emphasized the importance of confirming feasibility with TBK before making a final decision.

Questions and Clarifications:

- **Is the outstanding long-term debt just the member loans?** Yes.
- **In Scenario Three, where did the \$50,000 come from?** Danny explained that this was based on Joe's recommendation as the maximum cash outlay the Co-op could afford while maintaining safe reserve levels.
- **Danny's preferred scenario:** Scenario Three — partial payoff and refinance, as it preserves flexibility while reducing debt burden.
- **Why does the March balance sheet show a mortgage balance of \$120,263.23?** Joe clarified that this amount is reflected in the "current portion" of liabilities, and that the full mortgage balance is split between current and long-term sections of the balance sheet. The group reconciled this with the \$131,000 observed in July's actuals.
- **Should the Co-op shop around for a better loan?** Danny and Joe agreed that staying with TBK is likely the most efficient and beneficial option due to the longstanding relationship, convenience of integration with current operations, and favorable past terms. However, Danny will still verify that TBK's offer is competitive.

- Accessibility conversation Ryan

Ryan brought up new accessibility standards, Web Content Accessibility Guidelines 2.2 (WCAG) for state entities in Colorado and how those may inform some of how the Co-op does communications and websites.

Joe and Mads agreed it's worth looking into how it could be beneficial and noted the website is currently undergoing some changes already. So, it is a good time to have staff explore this more. Discussion supported exploring simple accessibility improvements as part of ongoing website work. After the transition of marketing duties and once Jacob gets settled, we can get an update on this work at the November meeting.

6:45VII. GM report/questions, comments Board

Wes commented on the fact that we had another month over \$500,000. Joe noted the really speaks to the loyalty of our customers.

Wes attributed the revenue growth in part to the addition of the third register. Joe confirmed that customer count records were broken in recent weeks and mentioned throughput hitting 72 customers per hour, twice in the last two months.

Joe raised a concern about a sharp increase in insurance costs—from ~\$13,000 to ~\$26,000. He plans to call the provider for clarification and may need to explore new quotes.

NCG Conference Discussion:

- Joe explained that the fall NCG GM conference conflicts with the Harvest Fest. He expressed a preference to attend the Harvest Fest, given the upcoming discussion around the refinance decision. He noted the lack of transparency from NCG, particularly regarding leadership changes and the absence of an agenda or registration details.
- The Board discussed the possibility of a backup attendee. Joe clarified that NCG requires the designated representative (GM) to attend and typically doesn't allow other staff or board members to participate.
- Joe plans to speak with NCG leadership the next day to get clarity on expectations, potential consequences of not attending, and

7:05 XI. Policy Governance Board

- B5-Treatment Of Customers Board/GM

Motion to approve: Wes

Second: Jackson

Approved: Unanimously

- C1- Governing Style Board/GM

Motion to Approve: Wes

Second: Ryan

Approved: Unanimously

7:45 XII. Meeting Adjourn

Wes adjourned the meeting at 7:45 p.m.

Action Items:

- Ryan: Reach out to Lauren from board email address to check on board meeting attendance.
- Mads: Get contact information from the adjacent red house.
- Wes: Add strategic plan in the August agenda.
- Ryan: to refresh himself on the document storage policy. Wes noted C8 is the policy to review.
- Ryan: Create drink server volunteer positions for Harvest Fest
- Ryan: Reach out to past year volunteers to see if they would like to volunteer at the 2025 Harvest Festival.
- Ryan: Share GivePulse log-in with Jacob and other relevant Co-op staff.
- Jackson: Explore scheduling a meeting with Danny to discuss the handoff of the Feasibility Committee. Schedule a meeting if, after document and Committee note review, he thinks it's necessary.
- Jackson: Explore the use of Google Approvals for board use.
- Ryan: Add staff manual review to the September 2025 board meeting.
- Joe will nudge the City for a road diet update.
- Wes: Add discussion about balloon payment options to August board meeting
- Danny: refine projections on one-pager (correct amortization model and clarify interest/principal breakdowns) and share with the board.
- Danny: Continue discussion with TBK bank regarding the refinance options
- Wes: Add WCAG update to the November board meeting agenda.

- Joe: call the Co-op's insurance provider for clarification about the sharp rate increase. Joe may need to explore new quotes.

Policy Type:Executive Limitations

Policy Title:B5 – Treatment of Customers

Last Revised:September 28, 2015

The General Manager must not be unresponsive to customer needs.

The GM must not:

1. Operate without a system for soliciting and considering customer opinion regarding preferences, product requests, complaints and suggestions.
2. Fail to provide education of member/owners and the community at-large to include, at minimum, cooperative ideas and principles.
3. Fail to provide customers with a safe and pleasant shopping environment, including superior customer service.
4. Fail to provide customers with product policy information.

Policy Type:Board Process

Policy Title:C1 – Governing Style

Last Revised:July 21, 2022

The Board will govern in a way that (1) emphasizes strategic and proactive leadership, (2) provides clear distinctions of Board and management roles, (3) deliberates in many voices but governs in one voice and (4) in a manner consistent with the Four Pillars of Cooperative Governance (Teaming: successfully working together to achieve common purpose; Accountable Empowerment: successfully empowering people while at the same time holding them accountable for the power granted; Strategic Leadership: successfully articulating the cooperative's direction/purpose and setting the organization up for movement in this direction; Democracy: successfully practicing, protecting, promoting and perpetuating our healthy democracies) In order to do this, we will:

1. Be a strategic leader by focusing our vision outward and toward the future.

2. Ensure effective systems of delegating authority to professional management, holding the use of that power accountable, and clearly distinguishing between board and management responsibilities.
 - a. Observe the 9 Policy Governance principles (Ownership, Position of Board, Board Holism, Ends Policies, Board Means Policies, Executive Limitations Policies, Policy Sizes, Clarity and Coherence of Delegation, Any Reasonable Interpretation, Monitoring)
3. Maintain team discipline, authority and responsibility.
4. Practice the habits of a successful democracy.
5. Obey all relevant laws and bylaws.

