



DNF Board Meeting
February 21, 2024 5:30-7:45pm
Rocky Mt Retreat Center

Attendance:

Board Members: Ryan Lazo, Ryan Erickson, Hadley Beville, Sheryl McGourty, Kate Randall, Cody Reinheimer, Wes Medlock; General Manager: Joe Zwieback; Employees: Madison Root; Member Owners: None.

Time	Subject	Facilitator
5:30	I. Call to Order	
	A. Check-In Question	Sheryl
	B. DNF Board Mission Statement	Board
	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.	
5:40	II. Membership Comments or Questions	Board
	<ul style="list-style-type: none">● Issues Raised: None● Action Taken: None● Action Required: None	
	III. Minutes Approval from last meeting	Hadley/Cody
	<ul style="list-style-type: none">● Cody made a motion to approve the January minutes, Sheryl seconded, motion carried.● Issues Raised: None● Action Taken: Done● Action Required: None	
	IV. Agenda Approval	Wes
	<ul style="list-style-type: none">● Wes made a motion to approve the agenda, Sheryl seconded, motion carried.● Issues Raised: None● Action Taken: Done● Action Required: None	
5:50	V. Old Business	
	A. Joe to share the budget with the BOD. Kate to forward the BOD budget to Hadley to create a spreadsheet and upload to the Drive.	Joe/Hadley
	<ul style="list-style-type: none">● Issues Raised: None● Action Taken: Done● Action Required: None	
	B. Wes to schedule yearly GM review.	Wes
	<ul style="list-style-type: none">● Issues Raised: None● Action Taken:	

- **Sheryl:** Took over and it is in motion.
 - **Action Required: None**
- C. Kate to send possible dates/ invites to the finance committee for the next meeting the week before the February BOD meeting (Wes, Joe, Mads, Ryan E). Kate
 - **Issues Raised: None**
 - **Action Taken: Done**
 - **Action Required: None**
- D. Joe to email Kate a copy of the updated finance report from the third quarter. Joe/Kate
 Kate to start uploading updated finance reports and create a system in the "finance" folder in the drive. (Hadley to help.)
 - **Issues Raised: None**
 - **Action Taken: Done**
 - **Action Required: None**
- E. Hadley to send out a doodle poll for the next Harvest Fest meeting. Hadley
 - **Issues Raised: None**
 - **Action Taken: Done**
 - **Action Required: None**
- F. Cody will format the by-laws, send it out to the BOD, create a comment protocol, and set a timeline/ due date to have them reviewed by. Cody
 - **Issues Raised: None**
 - **Action Taken: Done**
 - **Action Required: None**
- G. Wes will follow up with Cindy about USDA grant Wes
 - **Issues Raised:**
 - **Action Taken:**
 - **Wes:** I have not.
 - **Action Required: Wes to email/call Cindy about USDA grant by next meeting.**

6:10 VI. Committee Updates

- A. Governance Wes
 - **Issues Raised:**
 - **Action Taken:**
 - **Wes:** We are reviewing the bylaws as a BOD. We have not set a date deadline yet for the BOD to review and get feedback.
 - **Action Required: None**
- B. Executive Sheryl
 - **Issues Raised: None**
 - **Action Taken:**
 - **Sheryl:** Hadley, Kate, Sheryl, and Wes will get together next Thursday to start the evaluation process. Joe has been sent his portion to fill out and we will get ours done next week.
 - **Cody:** This could be included in the BOD calendar so there is more time versus it being close to the election.
 - **Action Required: Hadley to put "prepare for GM review" in October in the calendar.**
- C. Finance Kate
 - **Issues Raised: None**
 - **Action Taken:**
 - **Kate:** I took minutes. I don't know if anyone else would like them?
 - **Wes:** Would you be able to upload it to the drive?

- Kate: Yes. Only Carolyn was able to come, the other two were not present. She talked about medical stipends, health insurance, and raises across the board for staff. She had some interesting ideas.

- **Action Required: None**

D. Feasibility

Cody

- **Issues Raised: None**

- **Action Taken:**

- **Cody:** We met about the USDA grant. Waiting to hear back from Cindy to see if it's worth it. We are up in the air on whether it will be worth pursuing. Kate was going to get a free audit from Shaw. We need to circle back when we hear back from Cindy.

- **Action Required: None**

E. Special Events Committee

Hadley

- **Issues Raised: None**

- **Action Taken:**

- **Hadley:** The meeting went great. Joe, Mads, and Ryan W. introduced the idea of hiring Kiki as the event manager/planner.
- **Mads:** It went really well. We are planning on working with her. She will set up the next meeting.
- **Sheryl:** Are we going to make a contract for her?
- **Mads:** Yes, it is all operations. The next step is that Kiki will set a meeting. From there we will do the contract after. From there, I doubt the special events committee will have to meet as much because she will be organizing everything.
- **Mads:** She was asking for the email addresses and who to send it to?

- **Action Required: Mads/Joe to send Kiki BOD emails: Hadley, Sheryl, Wes, Kate, Ryan L., and Ryan E.**

6:25 IX. New Business

- Update on Ben's communication/consult

Sheryl

- **Issues Raised: None**

- **Action Taken:**

- **Sheryl:** It does not look like he's going to be able to help us that much...He can only help us if our corporate status changes to a C-corp. He suggested Dave Swanson (Co-op attorney).
- **Joe:** We have a signed letter of engagement with Mackey-Reed (CPA). I am about to upload the Dec. financials from last year and with that are the questions. Slow process, but making progress.

- **Action Required: None**

- March Strategic Planning Session-Venue?

Hadley

- **Issues Raised:**

- **Sheryl:** I don't have a plan. I felt like our group felt good and then we all got together as a group and it had a strange feeling as to why are we doing the strategic review anyway? Ryan E. had great questions like what are our measurables? Etc. I want to make sure when we get together we are clear with what we are doing. Let's figure it out!
- **Our plan:** Venue options: Presbyterian Church; Purpose: Practical vision & obstacles (strategic plan) would be easy for us to update & make relevant.
- **Hadley:** Notes from my group's last BOD meeting:

Now what:

- Balloon payment is coming up in November 2025.
- Update strategic plan to garner data and begin to define what's needed for KPIs
- Hold a part two meeting on the strategic plan.
 - Finish practical vision & obstacles & then tackle #3 at the end - January or February

- Ryan E.: High level objectives/goals we need to button down to be helpful to BOD, staff, and operations that are insightful and actionable. What are the tangible metrics to leave the Co-op and BOD in good shape?
- **Action Taken: None**
- **Action Required: Sheryl will secure the Presbyterian Church for retreat pt. 2. Kate will update the strategic plan from BOD retreat (pt. 1) 2023. Joe will bring a projector if needed.**
- By Laws revision Board
 - **Issues Raised: None**
 - **Action Taken:**
 - **Cody:** Doing a final review of the by-laws. The lawyer piece is kind of complete. The next step would be to talk to a CPA. The by-laws say they can only be amended by a meeting of the owners.
 - **Wes:** The members will want to know that these by-laws have been vetted and thoroughly reviewed by a CPA and lawyer.
 - **Joe:** I have a different opinion to how this gets done. I don't think there's enough time to get this out to the membership and get input from the membership and vote on it at the same time as elections.
 - **Wes:** What if we send it out now? Present what we have now with a disclaimer?
 - **Cody:** Send it out now (with a disclaimer), have time for feedback by March 15, and then put it on the ballot for April 15?
 - **Sheryl:** *I think what is most important is the letter or message that is sent out with the by-laws. (Cody to write?) Bring democratic conversation in, ask for feedback, explanation...
 - **Sheryl:** Ben gave me an excellent recommendation of a Co-op lawyer - to send to the governance committee.
 - **Action Required:**
 - **Joe & Mads to update Ryan W. that this is in the works and to look out for an email.**
 - **Cody to write a message to members (Include: Deadline, feedback/email us!, explanation, disclaimer) and send to BOD by February 28.**
 - **BOD to give feedback within 48 hours after.**
 - **Membership response time frame = 3 weeks for review**
 - **Ryan W. to send by-laws out to members shortafter (TBD).**
 - **Ryan E. to reach out to Co-op lawyer tomorrow & aim for a timeline of mid-March.**
- USDA Grant Board
 - **Issues Raised: None**
 - **Action Taken: None**
 - **Action Required: None**
- Board Elections Board
 - **Issues Raised:**
 - **Cody:** Save the dates for candidates sent out from BOD co-presidents (orientation, etc.).
 - **Cody:** Video portion? - May not be necessary.
 - **Action Taken: None**
 - **Action Required: None**
- Board Message Ryan E
 - a. **Issues Raised:**
 - i. **Ryan E. - focus:** 50 year anniversary, include a heads up for the bylaws, march is when the Co-op was formed, spring
 - b. **Action Taken: None**
 - c. **Action Required: Ryan E to send message to BOD by**

7:10 VII. General Manager Update and Questions

- **Issues Raised:**

- **Joe:** We should get in touch with Devan about the road diet and when it's going to happen. But, the store is doing very well right now.
- **Action Taken: None**
- **Action Required: Sheryl to reach out to Devan about road diet.**

7:30 VIII. Policy Governance Review

A. Policy B1: Financial Conditions and Activities

GM

- **Issues Raised:**
 - **Wes:** The budget for 2024 is reasonable. We will see with want to increase wages.
- **Action Taken:**
 - Wes made a motion to accept Joe's B1 report and that we are in compliance, Kate seconded, motion carried.
- **Action Required: Add to new business to ask more questions/ comment.**

B. Policy D2: Accountability of GM

Board

- **Issues Raised: None**
- **Action Taken:**
 - **Wes made a motion that we are in compliance with Policy D2, Sheryl seconded, motion carried.**
- **Action Required: None**

7:45 XI. Adjourn

- **Wes made a motion to adjourn the meeting, Cody seconded, motion carried.**

Policy Type: Executive Limitations

Policy Title: B1 – Financial Condition and Activities

Last revised: July 19, 2023

With respect to the actual, ongoing financial conditions and activities, the General Manager must not cause or allow the Cooperative to be unprepared for future opportunities, the development of fiscal jeopardy, or key operational indicators to be below average for our industry.

The GM must not:

1. Allow sales growth to be inadequate.
2. Allow operations to generate an inadequate net income.
3. Allow liquidity (the ability to meet cash needs in a timely and efficient fashion) to be insufficient.
4. Allow solvency (the relationship of debt to equity) to be insufficient.
5. Allow growth in ownership and owner paid-in equity to be insufficient.
6. Default on any terms that are part of the Cooperative's loans.
7. Allow late payment of contracts, payroll, loans or other financial obligations.
8. Incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.
9. Acquire, encumber or dispose of real estate without Board approval.
10. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
11. Use restricted funds for any purpose other than that required by the restriction.
12. Allow financial record keeping systems to be inadequate or out of conformity with Generally Accepted Accounting Principles (GAAP).

13. Transact capital expenditures greater than \$10,000.00 per month without approval of the Board and fail to disclose said capital expenditures.
14. Fall out of good NCG membership standing nor fall out of line with any applicable national NCG purchasing contract requirements.

Policy Type: Board-Management Relationship
Policy Title: D2 – Accountability of the GM
Last Revised: October 26, 2015

The General Manager is the Board's only link to operational achievement and conduct.

1. The Board will view GM performance as identical to organizational performance so that organizational accomplishment of Ends and organizational operation within Executive Limitations will be viewed as successful GM performance.
2. The Board will not instruct or evaluate any employee other than the GM.

- We would want to get election packets out and publicized by March 1 at the latest.
- There is a 2 week window for Ryan W to get the election packet info transcribed to a newsletter, email, and voting platform.
- Most likely there would also be the Bylaws amendment vote on the ballot. This proposed amendment would be sent out to members, no later than March 15.
- There is 1 week for members to look over the advanced info and consider their votes.
- Results would be verified by Staff and Board. BOD WOULD COMMUNICATE TO ALL CANDIDATES FIRST AFTER THE ELECTION.
- The BOD orientation date would be pre-determined with all candidates asked to save the date in advance, so as to avoid a scheduling fiasco.
- The first BOD meeting date would also be saved by all candidates previous to the election results. The important dates are in the packet and on the last "Application" page.

BOARD ELECTION SCHEDULE

Sunday, March 24: Applications due in-store or received via email

Monday, April 8: Candidate information for voters is available in-store & online at www.DurangoNaturalFoods.Coop

Monday April 15 – Thursday April 24: Ballots available to vote in-store or online (10 day voting period)

Monday April 29: Election verified and results announced

**Wednesday May 8, 5:30 - 7:00: New Director Training
ALL CANDIDATES, SAVE THIS DATE NOW**

**Wednesday May 15, 5:30 – 7:45pm: First meeting of the new Board
ALL CANDIDATES, SAVE THIS DATE NOW**