



**DNF Board Meeting**  
**May 15th, 2024 5:30-7:45 pm**  
**Rocky Mt Retreat Center**

Attendance:

Board Members: Ryan Lazo, Ryan Erickson, Hadley Bevill, Sheryl McGourty, Danny Kurzendoerfer  
 Medlock; General Manager: Joe Zwieback; Employees: Madison Root; Member Owners: None.

Time	Subject	Facilitator
<b>5:30</b>	<b>I. Call to Order</b>	
	A. Check-In Question	Sheryl
	B. DNF Board Mission Statement	Board
<b>5:45</b>	<b>II. Membership Comments or Questions</b>	Board
	● <b>Issues Raised:</b>	
	○ Wes: Native American shopper offended by the name of Anasazi beans (Adobe Milling), maybe we could change the name.	
	● <b>Action Taken: None</b>	
	● <b>Action Required: None</b>	
	<b>III. Minutes Approval from last meeting</b>	Hadley
	● Hadley made a motion to approve the April minutes, Wes seconded, motion carried.	
	● <b>Issues Raised: None</b>	
	● <b>Action Taken: None</b>	
	● <b>Action Required: None</b>	
	<b>IV. Agenda Approval</b>	Wes
	● Wes made a motion to amend the agenda by moving new board member vote in to the beginning of the agenda, Ryan L. seconded, motion carried.	
	● <b>Issues Raised: None</b>	
	● <b>Action Taken: None</b>	
	● <b>Action Required: None</b>	
	<b>IX. New Business</b>	
	A. Vote in new Board of Directors	Board
	● <b>Issues Raised:</b>	
	○ Wes made a motion to formally seat Danny, Jenni, and Sheryl to the DNF Board of Directors, Hadley seconded, motion carried.	
	● <b>Action Taken: None</b>	
	● <b>Action Required: None</b>	
	● <b>Wes made a motion to approve the agenda, Ryan L. seconded, motion carried.</b>	
<b>5:55</b>	<b>V. Old Business</b>	
	A. Ryan L to email remaining members who commented on bylaws	Ryan L

- **Issues Raised: None**
  - **Action Taken: Done**
  - **Action Required: None**
- B. Hadley to update the notes and dates on the GM evaluation Hadley
- **Issues Raised:**
    - **Hadley needs notes from Sheryl.**
  - **Action Taken: None**
  - **Action Required: Hadley to add notes to GM evaluation.**
- C. Wes to upload signed GM contract Wes
- **Issues Raised: None**
  - **Action Taken: Done, can be found in BOD/ BOD Only folder.**
  - **Action Required: None**
- D. Wes & Sheryl to create BOD template for succession plan (Google forms) Wes/Sheryl
- **Issues Raised:**
    - In discussion.
  - **Action Taken: None**
  - **Action Required:**
    - **Wes & Sheryl to create succession plan template.**
- E. Hadley to send email to special events committee to set up a meeting for events in the future (wait for new BOD). Brainstorm ideas for future events/ tabling, email Ryan W. about future events and BOD involvement Hadley
- **Issues Raised: None**
  - **Action Taken: Done**
  - **Action Required: None**
- F. Add to calendar in January - BOD to initiate recruiting new BOD members for the following election Hadley
- **Issues Raised: None**
  - **Action Taken: Done**
  - **Action Required: None**
- G. Ryan E. to send BOD lawyer reviewed bylaws Ryan E
- **Issues Raised: None**
  - **Action Taken: Done**
  - **Action Required: None**
- H. Wes and Ryan E. to determine a meeting with the lawyer Wes/Ryan E
- **Issues Raised: None**
  - **Action Taken: None**
  - **Action Required:**
    - **Wes & Ryan E. to schedule meeting with lawyer.**
- I. Sheryl to collect gift cards & cards for Cody & Kate Sheryl
- **Issues Raised: None**
  - **Action Taken: Done**
  - **Action Required: None**
- J. Ryan L. to create an exit/ eval form and send to BOD members Ryan L
- **Issues Raised: None**
  - **Action Taken:**
    - In draft form
  - **Action Required:**
    - **Ryan L. to create exit/entrance aval to BOD members.**
- K. Hadley to add last edits to practical vision and make it streamlined Hadley
- **Issues Raised: None**
  - **Action Taken: Done**
  - **Action Required: None**
- L. Mads to schedule feasibility committee Mads
- **Issues Raised:**
    - Have not scheduled and open to giving this action item to someone else.
    - Ryan L. okay to step in.
  - **Action Taken: None**

- **Action Required:**
    - Vote in committee chairs to delegate tasks to new chair.
- M. Move Policy D3 (Delegation to GM) to new business to suggest changes (Governance Committee) Wes
- **Issues Raised: None**
  - **Action Taken: Done**
  - **Action Required: None**

## 6:05 VI. Committee Updates

- A. Governance Wes
- **Issues Raised:**
    - Wes: Nothing major. To make it consistent, they changed the language to “member-owners”. There were also comments to speak to a CPA (Brian, DNF’s CPA) regarding sections 8.4, 8.5, and 9.3.
    - Wes: We do have a window of opportunity to meet with the lawyers to ask them questions for 30 minutes. Please read through the by-laws and add comments/questions before we meet.
    - Election estimated to be early-mid July (can be pushed back).
  - **Action Taken: None**
  - **Action Required:**
    - Wes to send Danny & Jenni revised by-laws.
    - Joe to reach out to Brian re by-laws CPA specific questions.
    - BOD to review by-laws and add questions/ comments to the thread before Thursday, 5/23.
- B. Executive Sheryl
- **Issues Raised:**
    - Sheryl & Wes need to create a template for succession plan.
    - Joe: Please consider that anything can happen, and I think it is very important for people from the inside to move up. What happens if both of us are gone and you have to bring in someone from the outside? Create a system, reach out to NCG, Columinate, Headhunters, etc.
  - **Action Taken: None**
  - **Action Required:**
    - Sheryl & Wes to create a template for succession plan.
- C. Finance Ryan E
- **Issues Raised:**
    - Ryan E: I chaired because Kate moved off the board. Tim, myself, Carolyn, Joe, and Mads. Cash is in a good spot. Want to get up to 400-500k to build a buffer of cash. Inventory good. Rented storage space in alley - one year lease. On the radar - Balloon payment may be coming up next year. Right now we have a good debt ratio. Mortgage rates are high if we were to refinance. Payroll steady, need more clarity on road diet before we touch raises. Member loans are paid monthly, probably increasing next year. Round-Up is happening at the register going to Slow Money.
    - Danny: Do we use our round-up as a write-off/ can we?
    - Joe: Not sure how that works because we are collecting from the members. Good point.
    - Mads: Goal for 2024 is \$10,000 in round-up.
    - Sheryl: Member-owner loan payment - are we following the schedule we made?
    - Joe: \$300 until 2025 and then up to \$500 in 2026.
  - **Action Taken: None**
  - **Action Required: None**

- D. Feasibility (feasibility chair?) Board
- **Issues Raised:**
    - We need a feasibility chair & regular meetings to be scheduled (New business).
    - 8th Ave Tav closing? Danny will look into this.
  - **Action Taken: None**
  - **Action Required:**
    - Danny will look into 8th Ave Tav closure.

- E. Special Events Committee Hadley
- **Issues Raised: None**
  - **Action Taken:**
    - Next meeting is scheduled for Wednesday, 5/22 4-5pm at Hermosa Coffee Roasters.
    - Good meeting w/ Kiki at Rotary Park. Dreamed big of all the fun ideas to happen at 50th Harvest Fest. Should be hearing from Kiki about next steps soon. Very efficient.
    - Wes: Idea - Someone to create a poem about DNF (ode to DNF).
  - **Action Required:**
    - BOD members look at the contact list for Harvest Fest & add contacts.

## 6:25 IX. New Business

- B. Vote in new Board of Directors Board
- **Issues Raised: None**
  - **Action Taken: Moved to top of agenda**
  - **Action Required: None**
- C. New BOD Conflict of Interest forms Jenni/Danny
- **Issues Raised: None**
  - **Action Taken: None**
  - **Action Required:**
    - Danny & Jenni to upload to Google Drive
- D. Vote in Board Officers Board
- **Issues Raised:**
    - Technically we need to have a President and Vice President so we will revise the current officer roles.
  - **Action Taken:**
    - Ryan L. made a motion for Sheryl to be President, Ryan E. seconded, motion carried.
    - Hadley made a motion for Wes to be Vice President, Ryan E. seconded, motion carried.
    - Wes made a motion for Hadley to be Secretary, Danny seconded, motion carried.
    - Wes made a motion for Ryan E. to be seated as Treasurer, Ryan L. seconded, motion carried.
  - **Action Required:**
    - Hadley to update Google Drive & contact list with new board officer roles.
- E. Vote in Board Committee Chairs Board
- **Issues Raised:**
  - **Action Taken:**
    - Wes made a motion to be Governance Committee chair, Ryan L. seconded, motion carried.
    - Wes made a motion for Ryan L. to be Special Events Committee chair, Danny seconded, motion carried.
    - Hadley made a motion for Danny to be Feasibility Committee chair, Wes seconded, motion carried.
    - Committee members:

- Executive: Sheryl, Wes, Hadley
- Governance: Wes, Hadley, Ryan E., Mads, Joe
- Finance: Wes, Ryan E., Danny, Mads, Joe, Alyssa, Carolyn, Tim
- Special Events: Sheryl, Wes, Hadley, Ryan L., Ryan E., Mads, Joe
- Feasibility: Sheryl, Wes, Hadley, Danny, Mads, Joe

- **Action Required:**

- Hadley to update Google Drive with board committee chairs.
- New committee chairs to add members to emails for meeting/times/minutes.
- Jenni - preference/ feedback to committee memberships?

F. Bylaw revisions - next steps

Wes/Ryan E

- **Issues Raised: None**
- **Action Taken: None**
- **Action Required:**

- Wes & Ryan E. to set up a meeting with the lawyer after receiving feedback by next Thursday.

G. Determine travel for Mackey Reid to consult BOD about reserve fund

Joe/Board

- **Issues Raised:**

- Joe: We should create a dedicated meeting for Mackey Reid when he comes to visit Durango. Review is \$9,000+, he said there are also ways he can do sections. Unsure, this store has never had a review. It is a good business practice, especially for a Co-op, because the BOD is always changing. Review would be for 2024, get going somewhere in 2025.
- Danny: What's the difference between review and audit?
- Joe: Audit is full blown, go through all of your files, where you're not in compliance with gaap. A review is not as formal, ask for procedures (SOPs), and then give you a summary.
- Danny: Are you proposing we do it every year? And is it legally binding?
- Joe: Yes. It is highly encouraged by NCG. Not sure if the review is legally binding, audit, yes.
- Sheryl: Abbreviate July BOD meeting, have a small agenda, and have more time for Mackey Reid meeting.
- Wes: Could he provide documents for us to upload to the drive?
- Joe: Yes.
- Danny: Needs more context.
- Joe: Brian from Mackey Reid will come here to explain the extension of our taxes as well as an opportunity to talk to CPA about how and what we are doing. Our taxable income has been zero, but this year it could be different.
- Wes: Can we all meet for the next BOD meeting at 5:00-6:00 for BOD meeting, then meeting w/ Brian 6:00-7:45.
- Sheryl: Are we coming up with an agenda with what we are bringing to Brian?
- Yes - Joe to create FAQ/ baseline questions/ agenda topics.

- **Action Taken: None**

- **Action Required:**

- Joe to invite Brina from Mackey Reid to the July BOD meeting (Wednesday, July 17, 6:00-7:45).
- Joe to create FAQ/ baseline questions/ agenda topics for BOD for meeting with Brian before the next BOD meeting (June).
- Wes to create a draft agenda for the June meeting.

H. Board Message

Sheryl

- **Issues Raised:**

- Voted back on/ welcome new BOD members, 50th anniversary (Harvest Fest 9/7), by-laws, farmer's market, new register lineup buzzing

- **Action Taken: None**

- **Action Required:**

- Sheryl to send BOD message (due 5/20 to board, 5/24 to manager).

## 7:15 VII. General Manager Update and Questions

- **Issues Raised:**
  - Great numbers, team!
  - Talking about the new design for the register area.
  - Good succession plan for deli and marketing job turnover. Working on the grocery manager position to be filled.
  - Ryan L: What is the salary of the marketing position?
  - Joe: We have not decided yet.
  - Great that JLF has been reduced.
- **Action Taken: None**
- **Action Required: None**

## 7:30 VIII. Policy Governance Review

- A. Review Policies: B1 (Financial Condition and Activities) Joe
- **Issues Raised:**
    - We do not have a finance manager, so it is extremely important for the BOD to oversee, ask questions, and be active in this process.
  - **Action Taken:**
    - Wes made a motion that we are in compliance with Policy B1, Sheryl seconded, motion carried.
  - **Action Required: None**
- B. C5 (Officers' Roles) Board
- **Issues Raised:**
    - Governance committee to begin making a list of policies to review.
  - **Action Taken:** Wes made a motion that we are in compliance with Policy C5, Ryan E. seconded, motion carried.
  - **Action Required:**
    - **Wes to begin making a list of policies to review for Governance committee.**

## 7:45 XI. Adjourn

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

Policy Type: Executive Limitations  
Policy Title: B1 – Financial Condition and Activities  
Last revised: July 19, 2023

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*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 Process  
Policy Title: C5 – Officers' Roles  
Last Revised: October 12, 2015

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We will elect officers in order to help us accomplish our job.

1. No officer has any authority to supervise or direct the GM.
2. Officers may delegate their authority but remain accountable for its use.
3. The president ensures the Board acts consistently with Board policies.
  - a. The president is authorized to make decisions that are consistent with Board Process and Board-Management Relationship policies in order to facilitate the Board's functioning.
  - b. The president will chair and set the agenda for Board meetings.
  - c. The president plans for leadership (officer) perpetuation.
  - d. The president may represent the Board to outside parties.
  - e. The president will preside over the annual meeting of member/owners.
4. The vice-president will perform the duties of the president in her/his absence.
5. The treasurer will lead the Board's process for creating and monitoring the Board's (not the Cooperative's) budget.
  - a. In addition, the treasurer will facilitate the Board's understanding of the financial condition of the Cooperative.
6. The secretary will make sure the Board's documents are accurate, up to date, and appropriately maintained.
  - a. In addition, the secretary is responsible for preparing the Board minutes, either personally or through delegation to another Board member. After meetings, the Secretary shall perform or oversee the editing of the minutes.

