



DNF Board Meeting  
 October 18th, 2023 5:30-7:45pm  
 Rocky Mt Retreat Center

Attendance:

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

Time	Subject	Facilitator
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**5:30 I. Call to Order**

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|----------------------|--------|
| A. Check-In Question | Sheryl |
| B. DNF End Statement | Board  |

*Durango Natural Foods Co-op is a member owned cooperative grocery store serving the Durango area. Our business philosophy is based on ‘triple bottom line’ values – people, planet, & profits. We do this so that:*

- *Healthy, local, organic, responsibly-sourced products are available to anyone who wants them.*
- *Consumers have an uplifting, satisfying, and safe shopping experience.*
- *Local and regional farmers and producers have a reliable market.*
- *Our employees have a great place to work.*
- *Our community has more equitable food distribution.*
- *Members are part of a socially just and environmentally responsible business.*
- *Our community has a hub of ideas and visions for the future.*

*This will ultimately result in a thriving, informed, locally-focused community, which rests on a healthy planet.*

**5:40 II. Membership Comments or Questions**

Board

- **Issues Raised:**
  - Cody: Talking to a friend about the Co-op while in Santa Fe and the friend saying it's expensive.
  - Mads: One of my friends said a similar thing and commented on the field day collection being less and that that selection saves him.
  - Joe: Did you ask them/ can you ask them what it is? If looking at Nature's O or Natural Grocers we are pretty competitive.
  - Cody: I did overhear a couple in the refrigerator aisle saying things were expensive. In the zone above the Luv Tempeh.
  - Joe: We try to do price comparisons...not as often as possible. At the same time people are buying and we are slammed.
  - Sheryl: I noticed two things quite a bit higher are butter and salad dressing. (than Nature's O & Natural Grocers) I'd love Strauss butter and nature's valley, but we are out a lot of the time.
  - Kate: It's hard b/c you have to keep up the margins and can't compare to chains.
  - Cody: A lot of people don't know a/b the discount when you buy in bulk (cases) of anything.

- Cody: I talked to another friend and supporter of the Co-op and she talked with her friends a/b how great it would be if DNF started another branch in Bayfield. I talked to her a/b all of the factors around that. I also told her I was unsure of the Bayfield community & how well it would be received.
- Joe: Feasibility committee!
- **Action Taken: None**
- **Action Required: None**

### III. Minutes Approval from last meeting

Hadley

- **Hadley made a motion to approve the September minutes, Sheryl seconded, motion carried.**

### IV. Agenda Approval

Wes

- **Sheryl made a motion to approve the amended agenda, Cody seconded, motion carried.**
- **Issues raised:**
  - Sheryl would like to add to New Business a payment to Rocky Mountain Retreat Center.
  - Ryan L: I would like to add to New Business a food coalition idea.
- **Action Taken: None**
- **Action Required: Items added to New Business.**

### 5:50 V. Old Business

- A. Joe to add signed loan agreement to drive added to old business Joe
- **Issues Raised: None**
  - **Action Taken: Joe did this.**
  - **Action Required: None**
- B. Wes to send doodle poll for next bylaws meeting Wes
- **Issues Raised: None**
  - **Action Taken: Cody started a thread. Meeting is scheduled.**
  - **Action Required: None**
- C. Ryan L. will reach out to FLC about DNF deli grab n' go items on campus and connect them to Mads Ryan L.
- **Issues Raised: None**
  - **Action Taken: Done**
  - **Action Required: None**
- D. All BOD will read about the USDA grant and circle back with ideas Board
- **Issues Raised: None**
  - **Action Taken: BOD member read.**
  - **Action Required: None**
- E. Ryan L. to send message to BOD by Sept. 19 and to Ryan W. by Sept. 24 Ryan L.
- **Issues Raised: None**
  - **Action Taken: Done.**
  - **Action Required: None**
- F. BOD send Sheryl venue thoughts and activity thoughts Board
- **Issues Raised: It is coming up & we have nothing planned.**
  - **Action Taken: Kate sent Sheryl venue thoughts. It is also on New Business.**
  - **Action Required: None**
- G. Everyone to review Board Mission Statement and provide feedback Board
- **Issues Raised:**
    - Cody: We ran out of time and energy last week.
  - **Action Taken: Done.**
  - **Action Required: None**

## 6:10 VI. Committee Updates

- A. Governance Wes
- **Issues Raised:**
    - Cody: Issue on the timing so please reply to email.
  - **Action Taken: Meeting set for next Wednesday.**
  - **Action Required: Respond to email on time.**
- B. Executive Sheryl
- **Issues Raised: None**
  - **Action Taken: None**
  - **Action Required: None**
- C. Finance Kate
- **Issues Raised:**
    - Kate: We will have a quarterly finance meeting in November, but no date set yet. Ryan E. and Wes would like to be included as well as Mads and Cody.
    - Kate: We need a board budget for next year that needs to be approved at the next meeting. I was thinking of sending out the current one and asking people what they want changed.
  - **Action Taken: None**
  - **Action Required: Include Mads, Ryan E., Cody, & Wes on doodle poll for email. Kate to send doodle poll to set date. (Meeting is on Zoom) Kate to send out bOD budget and requests feedback.**
- D. Feasibility Cody
- **Issues Raised: None**
  - **Action Taken: None**
  - **Action Required: None**
- E. Special Events Committee Hadley
- **Issues Raised:**
    - Hadley: Our event has been wrapped up and now we can brainstorm other things to do in the future.
    - Cody: What about a debrief?
    - Hadley: yes, we should have a debrief.
  - **Action Taken: None**
  - **Action Required: hadley to send out a doodle poll for the next Committee meeting to debrief.**

## 6:25 VII. General Manager Update and Questions

- **Issues Raised:**
  - Hadley: Is the sealing of the parking lot provided/ included by the company?
  - Joe: That is a totally separate process. You have to wait 6 months to a year. A lot of people do not seal, but this is deferred maintenance. Our winters are pretty bad and we need to do a little more research, especially when it comes to closing the parking lot for three days. If there were more things we were doing we could use those days for other maintenance. There is maintenance that needs to be done on our building and parking lot next spring or summer.
  - Cody: So this is a one time thing?
  - Joe: We need to do more research, but it's about every three years.
  - Hadley: Ok so that is not a normal thing included in the concrete companies job?
  - Joe: No, totally separate process.
  - Sheryl: Are you 100% satisfied with the parking lot?
  - Joe: We're good.

- Sheryl: How did it go when they came?
- Joe: It went well, I had a long talk w/ them when they came. It was an expensive lesson. We got a fair deal on it.
- Cody: W/ the sealing, let's shop around first, sign a contract and all that.
- Joe: Projects & stuff: Theoretically the sidewalks are supposed to start tomorrow, but it did come in about \$3,000 more than the original quotes at \$8,000 on top of the \$5,300. It should've only been another \$5,300.
- Mads: The reason it came up was the city came out and told us we had to do more work after telling the city arborists to cut the piece of root and then put a mesh over it. So they are starting either tomorrow or Friday.
- Kate: Now it's at about \$11,000. I'm just asking what's the procedure. We voted on the just over \$10,000 bid over email after the last meeting. but now it's about \$3,000 more so what's the procedure if we vote again?
- Cody: I think it's just for over \$10,000 so if it's \$3,000 more it's not a provision of over \$10,000.
- Ryan L: That can cause issues in the future.
- Sheryl: I think we should make a motion to approve.
- Joe: We did know from the original bid and with our vote that it could be more.
- Cody: last time we approved \$10,720 from Earth Wood & Stone's estimate with the understanding of price increase by about \$1,000.
- **Sheryl made a motion to approve the sidewalk repair expenditure to \$15,000, Ryan L. seconded the motion, motion carried.**
- Cody: Question of clarification to Joe: In the sec a/b the annual celebration "we're getting used to the new procedures"?
- Joe: The permit and city procedures are very different. We missed the alcohol thing and it's like...what happened? We need to know what those procedures are. And if we want to change the venue next year we can. Some folks were saying Buckley Park. I say a private venue where we don't have to deal w/ the city.
- Cody: That does drive up the price of the event.
- Joe: This is again what we need to talk about. We should start earlier so that we don't get jammed again at the end. The city messed up also.
- Cody: The timing of the Harvest Fest I was totally involved. So I would like to attend the debrief to offer insight.
- Kate: I think we should take Joe's note to the debrief meeting, especially regarding the price (\$4,000 + employee pay)
- Joe: A lot of it was the staff time. I think we can bring someone in to plan who wants to make a little extra money and not run our marketing person ragged.
- Kate: How much was the band?
- Joe: \$1,000 cash, \$1,000 store credit
- **Action Taken: None**
- **Action Required: Hadley to add email motions carried to previous month's minutes. Hadley to add Cody in doodle poll for Harvest fest debrief meeting.**

## 6:50 VIII. Policy Governance Review

### A. Review Policies: A Global End

Joe

- **Issues Raised:**
  - Sheryl: Is this often that we review A Global End?
  - Kate: Ask Wes.
  - Joe: Maybe the thought was that Joe would do something on the A policy, but I was not clear on that at all.
  - Sheryl: It just seems odd, but it is on the calendar.

- Cody: Usually Joe does get a break on the calendar, and the Global A is on the board.
- Joe: I don't mind putting something together for next month.
- Cody: When I came on board, the BOD at the time did a lot of work on updating this in Feb of 2019 so I thought it was a BOD thing.
- Sheryl: What a/b the B Global Executive Constraint?
- Cody: That's just the title of it. There's no actual policy.
- Joe: I know in other places like the A policy, you just make up stuff, accounting for everything you've done to connect back to the ends statement. The limitations policies we report on every month.
- Cody: I think there's some kind of mix-up because the BOD should be reviewing A, not the GM.
- Joe: I will do B1 & A together for the next meeting. Or maybe we do the A policy at the retreat?
- Cody: It feels like a governance responsibility.
- Sheryl: For tonight's purposes, are we ok to let the A go and move on to D4?
- Ryan L: I think we can talk about it at the retreat.
- Joe: Our strategic plan should come off of the A policy too. So getting that together could be helpful moving forward.
- Sheryl: Ok we will bring this up at the retreat.
- **Action Taken: Action Taken: Cody made a motion to table Policy A review until we determine who should evaluate it at the BOD retreat, Sheryl seconded, motion carried.**
- **Action Required: Make sure to add how policy A will get on to the calendar, who's responsible, look at and review at the BOD retreat.**

#### B. Review Policy: D4 (Monitoring GM Performance)

Board

- **Issues Raised:**
  - Ryan L: When is the annual review?
  - Sheryl: We did our last one in February.
  - Cody: We started in September but it's a process. Usually end of the yearish because it is an annual review. We did it the first time after Joe's first full year.
  - Ryan L: Is it an official document?
  - Sheryl: Yes it's in the drive
  - Joe: I have a self evaluation. I am not part of the rest of the process.
  - Sheryl: But I think that you didn't fill out something last year. We need to look into that.
  - Cody: There was absolutely no process when I started and we created those documents.
  - Ryan L: It doesn't like something he should not do if it is a requirement. It should be included in there more explicitly. That's just my feedback.
  - Sheryl: Would that be in one of the GM policies?
  - Joe: That's up to you guys. I did one each year.
  - Ryan L: If it is part of the process it should be completed.
  - Cody: It could be more specific to DNF.
  - Sheryl: It could be added in language in 5. Do we want to table that and add it in? Sometimes it goes to governance, but sometimes we do it as a BOD and send it out via email.
  - **Cody made a motion to table D4 monitoring until we've had a chance to review possible amendments to D4 via email from Ryan L, Hadley seconded, motion carried.**
- **Action Taken: None**

- **Action Required: Ryan L to come up with language to add under section 5 (GM self-evaluation and BOD evaluation) and send via email to BOD for email motion.**

## 7:10 IX. New Business

### A. 2023 Board Retreat

Board

- **Issues Raised:**

- Sheryl: I am looking for input on locations/venues, time, and things you would like to see done that day.
- Cody: Sheryl's yurt comes to mind.
- Kate: We could get lunch catered.
- Kate: Last year we met in a classroom at Fort Lewis and we had Sandhya come to lead us in...
- Sheryl: Helped us divide our mission statement and team building (group initiatives). The year before we did social styles and took us through some of that. I am hearing that this year maybe more of a combination of work focused with some kind of social aspect. What do we want to spend our time doing?
- Joe: Did anyone invite Ryan W?
- Sheryl: I have not, but I will.
- Hadley: I definitely would like to get some BOD work focused things done as well as team building.
- Cody: It would be helpful to get some BOD input on some of the more sticky items in the By-Laws revision project. Maybe we can identify some sections at the next governance meeting. (Just a couple.)
- Hadley: I also think it could be cool to talk about some feasibility things as a BOD.
- Sheryl: What about the strategic plan and the ends statement and trying to gather a vision? It's been something that bothers me a little bit. It's there but we don't use it, it's not measurable, it's complicated to me, and I don't think it guides us. And I don't know if this is the right time? How much time do we have?
- Cody: I think if we go the strategic plan route we should make it the main focus with a skilled facilitator and have the retreat over 2 days.
- Ryan L: Is there a timeline for this?
- Cody: It was supposed to be a 3-5 year plan.
- Joe: I don't think we ever finished it. It went over 2 days, it was never vetted by the whole group, and it never really came together. Like what's important... We never really talked about any of the ideas. It's very difficult to measure some of this stuff.
- Cody: Another retreat option could be developing a business plan (feasibility plan) for another location like the deli/ juice bar.
- Hadley: What are our top priorities for the retreat?
- Kate: Are we really wanting to do a business plan? I feel like there's a lot to discuss w/ Joe and Mads before this.
- Mads: I mean I'd say we haven't had a feasibility meeting in a while. So it's not a top priority specific to this, and more of a general brainstorming session.
- Hadley: So maybe more of the conversation around the strategic plan to aid the feasibility down the line.
- Cody: We are definitely in agreement with the juice bar production kitchen thing, but we do know there are a lot of factors. I just don't want us to repeat the discussions we've had. Our focus is to pay off the loan, stabilize staffing, etc. so I think maybe the strategic plan is appropriate with a facilitator.

- Sheryl: I think it could go either way. I also have faith, because we have a document, that we could do it without a facilitator and that it would just be cool for us to look at it. Breaking up into smaller groups, tackling things, and coming back to discuss as a group. Instead of having everyone on everything.
- Cody: Yes, it's very appropriate for the BOD to address the strategic plan. Joe is right that we did not have time for it in the past.
- Ryan L: I like to idea of breaking up into chunks and tackling the strategic plan.
- Ryan L: Happy to help plan the retreat w/ Sheryl.
- **Sheryl: Time: Something like 9-5, work on strategic plan, and plan the retreat w/ Ryan L. We will send out an email w/ ideas/decisions to the rest of the BOD.**
- Cody: Leave room to add & amend things.
- Sheryl: We could have my friend/ private chef cook.
- Mads: I am tempted to offer to cook for us.
- **Action Taken: None**
- **Action Required: Sheryl to invite Ryan W. to BOD retreat. Governance Committee to highlight sticky bylaws to go over at the retreat (?) Sheryl & Ryan L to send out an email w/ ideas/decisions to the rest of the BOD.**

B. Reserve Fund

Board/GM

- **Issues Raised:**
  - Joe: I thought that was approved?
  - Sheryl: The last thing was that you would look into ideas through a guy in Montrose.
  - Joe: This is a CO thing. I sent the laws to you guys and I thought this was passed? Within the last three months.
  - Cody: We did not receive anything.
  - Sheryl: This started a couple of months ago and you were going to look into the New Mexico law?
  - Joe: That was the CPA that worked with LaMontanita, he was really jammed at the time and unsure of what he's allowed to do in CO. He said the tax stuff would be fine. Both myself and Lindy don't have a good connection with him. I need to get back in touch / Bryan at Mackey Reed (?) He should be getting freed up now after taxes are filed.
  - Mads: I remember that around 2 months ago we reviewed and brought to the BODs attention that you would look further into it. SO he did send out the email in a manager's report.
  - Joe: So I need to get in contact with somebody soon. We are able to make these reserve funds before we declare a dividend. So how does that work? And I assume we pay tax on that also. We have carryforwards on taxes. Creating a reserve fund is new for me. In CO it is not so spelled-out on how they work and how we account for that. I have not been able to find anybody, especially on 501-c12.
  - Sheryl: Do you know who we should be asking?
  - Joe: That's why I asked Brian and LaMontanita, in NM. Unless we asked the only other 501-c12 in town (La Plata Electric).
  - Kate: Whose rules do we have to be following?
  - Joe: CO
  - Kate: What about starting by talking to Brian, see how they do it, & find out if we can do it that way?
  - Joe: He goes to a lot of Co-op financial meetings. And again we have time w/ this b/c we have about a year.
  - Kate: When would be a good time to talk w/ him?
- **Action Taken: None**



- **Action Required: Joe to talk to Brian from Mackey Reed about the reserve fund and how they do it in New Mexico.**

C. USDA Grant

Board

- **Issues Raised:**

- Cody: It looks perfect for our refrigeration situation.
- Ryan L: I do agree w/ hiring someone for the job.
- Sheryl: We would have to put up 50% of the money.
- Joe: Refrigeration is really sticky. It has to be engineered, installed, we don't have anybody here, so it has to be brought in from out of town, they want to talk to contractors, and so on. 20 years ago Keith installed it and I don't think he would be interested in doing it again. I think our first one would be produce. But we would have to close the store, have people work on it...there are a lot of factors to this. All of the coolers/freezers need help. They all are remote units. All of our current refrigerants are old and banned now. Everything has to be figured out. I have a guy at NCG that I will try to get a hold of for guidance. But we are starting to make money and a lot of our deferred maintenance is done.
- Cody: This is an opportunity to cut the price in half. I know we want to pay off the loan and save our money, but this is a great opportunity. Do you see it as a good move?
- Joe: We should have significant money on the bottom line. In 2025 our loan payment is due. What do we want to prioritize our money on?
- Cody: To me it makes sense to make a move on refrigeration. I am trying to understand what you are saying.
- Joe: I think right now our best plan is to keep repairing (if we can keep them going) our refrigeration and focus on paying off our loan payments.
- Sheryl: I feel like the USDA grant is a much longer convo. It could be HVAC, solar, refrigeration. If people are interested in having a deeper conversation we could have this as a great feasibility item.
- Cody: Does anyone know if this is a grant that repeats?
- Kate: The last deadline listed was Dec 2024. But we could ask Tiffany.

- **Action Taken: None**

- **Action Required: Cody to send out a doodle poll to the entire BOD about organizing a feasibility committee to discuss the USDA grant discussion.**

D. Board Message

Ryan E.

- **Issues Raised:**

- Ideas: Retreat coming up (strategic plan) equity drive, gratitude for the Co-op (Nov./Thanksgiving)
- Sheryl: I feel like we should change the due date in relation to the BOD meeting dates. We need more leeway. I think Ryan could have it the BOD the next Monday after the BOD meeting and then to Ryan W. by the end of the week.

- **Action Taken: None**

- **Action Required: Ryan E. to send the BOD message to Ryan W. by October 24th. Sheryl will communicate ideas and due date to Ryan E. Hadley to touch base with Ryan W. about new date for BOD message (& then possibly change BOD calendar)**

E. Payment to Rocky Mountain Retreat Center

Sheryl

- **Issues Raised:**

- Sheryl: Pat Blair is going to write DNF a check for the amount we paid already. She is nervous a/b Rocky Mtn retreat getting paid as a non-profit. To make it easy, Katrina & I talked about us to receive a check from her in the amount that we paid (We need a record from Joe. - They are renting it to us for \$7.50/hour.) We are then going to write a check to TLR as a donation.

- **Action Taken: None**

- **Action Required: Joe to send Sheryl the amount that we have paid to Rocky Mountain Retreat. Joe to write a check to TLR in that amount as a donation.**



## F. Food Coalition Idea

Ryan L

- **Issues Raised:**

- Ryan L: I was just talking to someone at GFC about a GFC food coalition meeting and to see if the Co-op could be there.

- **Action Taken: None**

- **Action Required: Ryan L is going to attend a GFC local food coalition meeting.**

## 7:45 XI. Adjourn

- **Hadley made a motion to adjourn the meeting, Sheryl seconded, motion carried.**

Policy Type: Ends

Policy Title: A – Global End

Last Revised: February 2019

Durango Natural Foods Co-op is a member owned cooperative grocery store serving the Durango area. Our business philosophy is based on ‘triple bottom line’ values – people, planet, & profits. We do this so that:

- Healthy, local, organic, responsibly-sourced products are available to anyone
- who wants them.
- Consumers have an uplifting, satisfying, and safe shopping experience.
- Local and regional farmers and producers have a reliable market.
- Our employees have a great place to work.
- Our community has more equitable food distribution.
- Members are part of a socially just and environmentally responsible business.
- Our community has a hub of ideas and visions for the future.

This will ultimately result in a thriving, informed, locally-focused community, which rests on a healthy planet.

Policy Type: Board-Management Relationship

Policy Title: D4 – Monitoring GM Performance

Last Revised: November 16, 2022

The Board will systematically and rigorously monitor and evaluate the GM's job performance compared to expectations set forth in Board policies.

1. The Board will acquire monitoring information by one or more of three methods: (a) by internal report, in which the GM discloses policy interpretations and compliance information to the Board; (b) by external report, in which an external, disinterested third

party selected by the Board assesses compliance with Board policies; or (c) by direct Board inspection, in which a designated director or committee assesses compliance with the policy.

2. In every case, the Board's standard for compliance will be any reasonable GM interpretation (as described by operational definitions and metrics) of the Board policy being monitored. The Board is the final arbiter of reasonableness but we will always judge with a "reasonable person" test rather than with interpretations favored by individual directors or by the Board as a whole.
3. The Board will accept that the GM is compliant with a policy if he/she presents a reasonable interpretation and adequate data that demonstrate accomplishment of that interpretation.
4. The Board will monitor all policies that instruct the GM. The Board can monitor any policy at any time by any method listed above but will ordinarily follow the schedule outlined in the Board Annual Calendar.
5. The Board will evaluate the General Manager 6 months and one year after the date of hire and annually thereafter, based on a summary of monitoring reports reflecting that evaluation period.
6. The Board shall maintain a Finance Committee for the purpose of financial oversight of the General Manager. This committee will meet at least quarterly to review and discuss the quarterly financial reports, and will ideally consist of community members who possess a professional level of financial understanding, with the Treasurer as the Chair.