



**DNF Board Meeting**  
**September 18th, 2024 5:30-7:45 pm**  
**Rocky Mt Retreat Center**

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

<b>Time</b>	<b>Subject</b>	<b>Facilitator</b>
<b>5:30</b>	<b>I. Call to Order</b>	
	A. Check-In Question	Sheryl
	B. DNF Ends Statement	Board
	<b>II. Membership Comments or Questions</b>	Board
	<ul style="list-style-type: none"> <li>● <b>Issues Raised:</b> <ul style="list-style-type: none"> <li>○ Great feedback from the Harvest Fest!</li> </ul> </li> <li>● <b>Action Taken:</b> None</li> <li>● <b>Action Required:</b> None</li> </ul>	
	<b>III. Minutes Approval from last meeting</b>	Hadley
	<ul style="list-style-type: none"> <li>● <b>Issues Raised:</b> None</li> <li>● <b>Action Taken:</b> Hadley made a motion to approve the August minutes, Wes seconded, motion carried.</li> <li>● <b>Action Required:</b> None</li> </ul>	
	<b>IV. Agenda Approval</b>	Sheryl
	<ul style="list-style-type: none"> <li>● <b>Issues Raised:</b> None</li> <li>● <b>Action Taken:</b> Ryan L made a motion to approve the agenda, Sheryl seconded, motion carried.</li> <li>● <b>Action Required:</b> None</li> </ul>	
<b>5:50</b>	<b>V. Old Business</b>	
	A. Hadley to email BOD exit survey for review	Hadley
	<ul style="list-style-type: none"> <li>● <b>Issues Raised:</b> <ul style="list-style-type: none"> <li>○ Add these questions: <ul style="list-style-type: none"> <li>■ Did you feel that the board made every effort to prepare you/ educate you for the board (onboarding)?</li> <li>■ Did you complete your term? If not, why are you leaving?</li> <li>■ Did you complete your term? If so, are you running for re-election?</li> <li>■ Change some of the open-ended to yes or no, scale (see Ryan's comments on doc)</li> </ul> </li> </ul> </li> <li>● <b>Action Taken:</b> None</li> <li>● <b>Action Required:</b> Hadley to update edits and turn into google forms, send to BOD after.</li> </ul>	
	B. BOD to send feedback to Wes and Wes to finalize questions	Wes
	<ul style="list-style-type: none"> <li>● <b>Issues Raised:</b> None</li> <li>● <b>Action Taken:</b> Done</li> </ul>	

- **Action Required: None**
- C. BOD members to fill out spreadsheet for tabling at the Co-op Board
  - **Issues Raised:**
    - BOD members need to sign up each month!
  - **Action Taken:** None
  - **Action Required: Dani will be tabling on Wednesday, 9/25. Hadley will sign up for the month of October and let Joe, Mads, Caitlin, and the BOD know.**
- D. BOD members to fill out travel calendar Board
  - **Issues Raised:**
    - BOD members need to fill out travel calendar.
  - **Action Taken:** None
  - **Action Required: None**
- E. Joe to send governance committee feedback from Brian about the bylaws Joe
  - **Issues Raised:** None
  - **Action Taken:** Done
  - **Action Required: None**
- F. Danny to plan the next Feasibility Committee meeting Danny
  - **Issues Raised:**
    - Danny: Last month working on the scenario and finding gaps - need to look further into lender options/ interest rate (need to research more for co-op specific) - need to schedule a meeting with Joe and Mads in the next month - need to come up with a budget to present - need Joe/Mads help with sales forecasting (basing on other businesses around town) - need volunteers on research for spaces to lease/ purchase (commercial kitchens!)
  - **Action Taken:** None
  - **Action Required: Danny will set up a meeting (week of Sept. 30) and send to Joe, Mads, and all BOD members and have something to present by next month.**
- G. Sheryl to contact Terryl about facilitating BOD retreat and reach out to the potential venue Sheryl
  - **Issues Raised:** None
  - **Action Taken:** Done
  - **Action Required: None**
- H. Hadley to write and send board message Hadley
  - **Issues Raised:** None
  - **Action Taken:** Done
  - **Action Required: None**
- I. Policy C1: Governing Style Board
  - **Issues Raised:** None
  - **Action Taken:** Wes made a motion that we are in compliance with Policy C1: Governing style, Sheryl seconded, motion carried.
  - **Action Required: None**

## 6:10 VI. Committee Updates

- A. Governance Wes
  - **Issues Raised:** None
  - **Action Taken:** Joe sent Brian's suggestions, wording, recommendations, and perspectives, and Wes and Joe met. Will talk more in new business.
  - **Action Required: None**
- B. Executive Sheryl
  - **Issues Raised:**
    - We need a separate document of the board's ongoing decisions to be able to find information easily.
  - **Action Taken:** None

- **Action Required:** Add an agenda item for next month to begin GM review. ; Hadley will create google document to log ongoing board decisions and a google sheets for action items.
- C. Finance Ryan E
- **Issues Raised:** None
  - **Action Taken:** None
  - **Action Required:** None
- D. Feasibility Danny
- **Issues Raised:** None
  - **Action Taken:** None
  - **Action Required:** None
- E. Special Events Committee Ryan L
- **Issues Raised:**
    - Harvest Fest: Went well!
    - Kiki sent over a document with all of her thoughts too.
    - BOD debrief (**GLOWS**):
      - The timing of the year and day (lucky with the weather). Food. (Some people said too much food on their plate?) Turn out- an estimated 200 people. Music - need more partnership (marketing/social media). Vendors. The atmosphere (kid friendly). The chalkboards. The perimeter being around the entire property and the flow. funneling of people. Renting from the city. Working with a planner. Slideshow (once up and running). Volunteers greeting people. Volunteer system. Having a photographer was great. The carrots balloons. Diverse selection of vendors (jewelry, petting zoo, face painting, etc.). Desiderata (band). Free swag was a hit!
    - BOD debrief (**GROWS**):
      - Slideshow (maybe show on a tv next year for better viewing). Announce bands. MC/ Announcer. PA system set up for better audio. In between the bands have background music, DJ's, etc. Increase raffle hype. Clicker to count people. More dance music/ more undercover agents to start the party. Schedule more staff for food/bar/service/cashier. BOD members present at BOD tent (schedule shifts). All BOD members to stand up on stage and introduce ourselves. Give a speech about the Co-op's day-to-day, working with staff, new developments within the store (Joe/ Mads). Takedown: Lights, schedule shifts, organized breakdown into vehicles. Shift schedules.
      - Caitlin: Hoping for more of a setup for the BOD tent (aesthetic/ materials/ coordination). More money for the food budget (we did run out). Reconsider alcohol options (beer was a hit, seltzer was not). Two POS stations for money.
  - **Action Taken:** None
  - **Action Required:** Mads and Joe will finalize the Harvest fest budget / final numbers and send to the board.

## 6:30 IX. New Business

- A. DNF Board Retreat and Terryl Peterson Board
- **Issues Raised:** None
  - **Action Taken:**
    - Venue: Sheryl toured the ranch - donated for day (cover cleaning fee). December 7th is available.
    - Facilitator: Terryl is open. Would like to do prep for it with 2-3 BOD members and management. She is an amazing professional in town. (Price: \$160/hr,

probably not more than \$1,000.) Sent her strategic plans (old and new). She will be at the October BOD meeting.

- Have not planned food, lunch, or snacks (catered by DNF?).
- Ryan E is available to meet with Terry before the retreat.
- **Topics: How to handle DNF's money/ patronage dividends?**

- **Action Required: Add meeting with Terry to the October agenda.**

B. Jenny's Availability

Jenny/Board

- **Issues Raised:** None
- **Action Taken:** None
- **Action Required: Re-address and add to the October agenda.**

C. Voting on and releasing bylaws to membership

Wes

- **Issues Raised:**
  - Unmade decisions on bylaws presented to BOD:
    - **Section 8.4** - Two options: (1) We would be liable to pay taxes if we keep the 80% and put that in reserves or revolving capital account. (2) Allocate the 80% to the members as patronage dividends based on each shopper's patronage.
      - **What if we propose the two options in the vote to the members? (Including donating your dividends back to the Co-op.)**
  - How to conduct the vote:
  - **\*\*Wes: Would like to present this to the membership no later than October 15.**
- **Action Taken:** None
- **Action Required: Wes to reach out to Robert about bylaws comments, changing of BOD seats, and how much his comments were taken into consideration (appreciation). Wes to send out a doodle poll for a governance meeting this month (whole board).**

**\*\*\*Table remaining items for October meeting.\*\*\***

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

D. October Board Message

Jenny

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

**7:00 VII. General Manager Update and Questions**

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

**7:15 VIII. Policy Governance Review**

A. Policy B6: Staff Treatment and Compensation

Joe

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

B. Policy C3: Board Meetings

Board

- **Issues Raised:** None

- **Action Taken:** None
- **Action Required:** None

## 7:45 XI. Adjourn

Policy Type: Executive Limitations  
 Policy Title: B6 - Staff Treatment and Compensation  
 Last revised: September 28, 2015

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*The General Manager must not treat staff in any way that is unfair, unsafe, or unclear or illegal.*

The GM must not:

1. Operate without written personnel policies that:
  - a. Clarify rules for staff.
  - b. Provide for fair and thorough handling of grievances in a way that does not include the board as a participant in the grievance process.
  - c. Are accessible to all staff.
  - d. Inform staff that employment is neither permanent nor guaranteed.
2. Cause or allow personnel policies to be inconsistently applied.
3. Provide for inadequate documentation, security and retention of personnel records and all personnel related decisions.
4. Establish compensation and benefits that are internally or externally inequitable.
5. Change the GM's own compensation and benefits, except as his or her benefits are consistent with a package for all other employees.
6. Operate with inadequately trained staff.
7. Operate without a mechanism for staff feedback regarding management and operations.
8. Utilize volunteers in a manner that is financially or legally unsound.
9. Allow staff to be uninformed about the role of the Board.
10. Fail to support staff contacting Board members concerning either illegal activity or Breaking of DNF Co-op Policies by the General Manager

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.

Policy Type: Board Process

Policy Title: C3 – Board Meetings

Last Revised: October 12, 2015

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*Board meetings are for the task of getting the Board's job done.*

1. Only issues that reflect the Board's chosen and legal areas of responsibility shall consume Board time.
2. Meetings will be open to the membership except when executive session is officially called.
  - a. The Board President may put an Executive Session on the agenda, or a simple majority may declare one to discuss financial issues, real estate, personnel matters, litigation, or potential litigation.
  - b. The Board may include no one or anyone else it chooses in an Executive Session.
  - c. The Board member/owner calling for an Executive Session must state their purpose in advance.
  - d. Whenever possible, an Executive Session should be announced on the published agenda or a Board majority may declare an Executive Session during a Board meeting.
  - e. While discussions in Executive Session shall be confidential, any resulting action or vote shall be reported in the minutes, in a manner consistent with the need for confidentiality.
3. We will seek consensus through discussion. We will then finalize and document decisions through the use of motions, seconds and majority vote.

4. Board meeting agendas will be determined by the Board president, and may be modified at the meeting by a majority vote of the Board.
  - a. The President shall ensure that the agenda is posted in the store no later than three days prior to the meeting.
5. Minutes shall be kept for each meeting using the following format when appropriate:
  - a. The minutes shall use a format that includes at least the following headings for each agenda item:
    - i. Item Title: This heading should match agenda titles.
    - ii. Issues Raised: This heading identifies main points of discussion.
    - iii. Action Taken: This heading records Board votes, informal decisions, postponement or tabling of items, and so on.
    - iv. Action Required: This item records further planned action, such as requests for more information, deadlines for action, or assigned duties to specific persons.
    - v. Attachments: This heading is used as needed, and attachments are identified by title and date.
6. Rotate monthly reviews of Board Process and Board-Management Delegation policies.

**Section 2.8 - Termination & Redemption.** Ownership may be terminated voluntarily by an owner at any time upon notice to the Co-op. Ownership may be terminated involuntarily by the Board for cause after the said owner is provided fair notice of the issues and an opportunity to respond in person or in writing. Cause may include intentional or repeated violation of any provision of the Co-op's bylaws or policies, actions that will impede the Co-op from accomplishing its purposes, actions or threats that adversely affect the interests of the Cooperative or its member-owners, willful obstruction of any lawful purpose or activity of the Cooperative, or breach of any contract with the Co-op.

2.8 - this section does not talk about redemption although it is stated as such. We can either take out the word redemption or put in that the equity is transferred to the Co-op.

7.2 As discussed at the Board Meeting, La Montanita doesn't refund equity. So our question is - do we want to make equity refundable? If we do not - do we want to include language that states that an inactive account is donated to the Co-op such as:

Transference of Equity - Equity cannot be transferred to another person. In the event that a Member's account is inactive for 10 years - the equity is transferred to the Co-op proper.

Section 7.2 - **Redemption.** Upon request following termination of ownership, shares shall be redeemable to the amount of contributed required equity, less a reasonable processing fee, as determined by the Board. Any and all debts owed to the Co-op by the member requesting redemption must be resolved in order to receive equity redemption. No redemption shall be made if it would render the Co-op unable to pay its debts as they become due in the usual course of business or cause the assets to be less than the liabilities. ~~A patronage dividend may be waived in whole or in part by vote of the Board, in the best interest of the owners.~~

Section 8.4 - **Deferred amounts.** Payment of a portion of patronage dividends, not to exceed eighty percent of the allocation, may be deferred as determined by the Board, **as stated in section 8.1.** Such amounts shall be credited to revolving capital accounts in the names of recipient owners. They shall accrue no dividend or interest on equity capital, and may not be pledged as collateral for a loan. They may be redeemed at no more than their carrying value on the books of the Co-op when determined by the Board to be no longer needed for capital purposes. At that time they shall be redeemed in the order of the oldest outstanding amounts and on a pro rata basis among such amounts. Deferred amounts may also be redeemed under compelling circumstances as determined by the Board. They shall be subject at all times to being offset by amounts otherwise due and payable to the Co-op.

Section 8.4 - **Deferred Amounts.** Payment of a portion of patronage dividends, not to exceed eighty percent of the allocation, may be deferred as determined by the Board, as stated in section 8.1. Such amounts shall be credited to revolving capital accounts in the names of recipient owners. They shall accrue no dividend or interest on equity capital, and may not be pledged as collateral for a loan. They may be redeemed at no more than their carrying value on the books of the Co-op when determined by the Board to be no longer needed for capital purposes. At that time they shall be redeemed in the order of the oldest outstanding amounts and on a pro rata basis among such amounts. Deferred amounts may also be redeemed under compelling circumstances as determined by the Board. They shall be subject at all times to being offset by amounts otherwise due and payable to the Co-op.

Joe 8.4 - we chatted about this clause for a while - essentially, there is nothing wrong with it IF we ever want to declare a Patronage Dividend. Since it is clear that only the Board can declare the dividend, this presents no jeopardy to the Co-op. It's a lot of record keeping though. The advantage is that the 80% percent that is deferred is not taxed as it would be if we just put it into reserves. Tax is 21% currently and paying the Members would be 20% so there is a 1% difference. More than that though - the 80% stays in the Member's name and remains a liability - unless the Co-op retains it indefinitely - it still needs to be paid back to the Members - if the dollars are taxed and put into a reserve, the money belongs to the Co-op, is not a liability and does not have to be distributed to the Members.

Propose that 8.4 has both options, as determined by the BOD annually



Section 8.5 - **Net Losses.** In the event the Co-op shall incur a net operating loss in any fiscal year, the portion of such loss attributable to the patronage of owners shall be carried forward to offset income of the same character in subsequent years, and any remaining loss shall be carried back and forward to offset income of the same character in prior and subsequent years as required or permitted under federal income tax law.

**8.5** The suggestion here was to either eliminate this clause or rewrite it to In the event the Co-op shall incur a net operating loss in any fiscal year, the portion of such loss attributable to the patronage of owners shall be treated as per federal and state income tax laws. All our business is done in accordance to the laws so this is not really necessary.