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**BRIARPATCH FOOD CO-OP, INC.
Board of Directors Regular Meeting
MINUTES January 28, 2020**

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Directors Present: Kwong Chew, Jonathan Collier, Richard Drace, Kali Feiereisel, Mark Fenton, Katie Ivy, Alana Lucia, Alan Weisberg

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Absent: Rachel Berry

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Managers & Guests Present: Kat Bass-Pederson, Andrea Echegaray, Ruth Ghio, LeeAnne Haglund, Jan Kirkpatrick, Maia Lipkin, Tammi Reidl, Tiana Rockwell, Brett Torgrimson, Rebecca Torpie, Bruce Wain, Mareia Coffeen-McElroy

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1.0 Call to Order: The meeting was called to order by Alan Weisberg, President, at 6:00p.m.

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Richard Drace presented this month's opening quote(s):

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"Sometimes the questions are complicated and the answers are simple." - Dr. Seuss

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2.0 Owner Forum: Public Comment/Communications to the Board:

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2.1 BriarPatch Owner, Ruth Ghio: Ruth came to address the Board about BriarPatch's product selection and concerns about freshness of products and excessive packaging materials in the store.

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3.0 Reminders and Check-in:

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January: 2020 Multi-Year Business Plan & Budget for BOD Approval – Final (moved from Dec. 2019); Preliminary Patronage Dividends; Board to Approve 2020 Owner Meeting Date; Board Performance Monitoring Survey Group 2: C Policies (C:1-4) to BOD (Due Mar. 2); Board candidate application deadline (Jan. 31);

February 2020: NC Sustainable Food & Farm Conference (Feb. 7-9); BDC Vets candidate applications (Feb. 4); Candidate Applicant Interviews with BDC (Feb. 11 & 13); "Co-op Love" Tabling Survey (Feb. 14); Board nominates slate of candidates (Feb. 25); BDC informs candidates not chosen for slate of the self-nomination via petition of owner signature process (Feb. 26); Sac CBL Co-op Café (Feb. 29); Ends Report Preparation;

March 2020: Board Retreat with Mark Goehring (Mar. 21); Candidate Orientation (Mar. 10); Election Notice Mailed to Owners (Mar. 30); Self-nomination via petition deadline (Mar. 17); Preliminary Board Leadership Position Nominations; Board Performance Monitoring Survey Group 2: C Policies (C:1-4) Review; Article for Annual Report Due (BOD President); Ends Report; Admin Request BOD to Bring BOD Binders to April Meeting for

1 Updating; Deliver Evaluation Memo from the Board to GM based on 2019
2 Monitoring Table; Confirm Patronage Dividend
3

4 **4.0 Consent Agenda:**

- 5 1. Approve January 2020 Agenda
 - 6 2. Approve December 2019 Minutes
- 7

8 **MOTION: Katie Ivy moved to approve the 2020-01-28 consent agenda items, Alana**
9 **Lucia seconded, and the motion passed unanimously. Jonathan Collier and Kali**
10 **Feiereisel abstained from the vote due to being absent from the December Board**
11 **meeting**
12

13 **5.0 Study & Engagement:** None scheduled
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15 **6.0 Board Business:**
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17 **6.1 Board Leadership Monthly Report:** All Board leadership positions: President,
18 Vice President, Treasurer, Secretary, and Board committee Chairs provided an
19 overview of the work done over the past month.
20

21 **6.2 Final Polling of Interest – Board Candidacy / Leadership Positions:**

22 Board Candidacy – Kali Feiereisel, Alana Lucia and Jonathan Collier all plan to run in
23 the 2020 Board Election.
24

25 Board Leadership Position – Alan Weisberg would like to re-run for President; Alana
26 Lucia would like to re-run for Vice President but is also willing to potentially step
27 down if another Director shows interest; Mark Fenton would like to re-run for
28 Treasurer; and Katie Ivy would like to re-run for Secretary.
29

30 **6.3 Active Board Recruitment: Jump on Board Mixer Debrief:** There was strong
31 turnout at the Jump on Board Mixer held on January 14th. The evening was well
32 facilitated by the Board Development Committee and Board attendance was 100%. A
33 suggestion was made to have Directors or Board Development Committee members
34 follow up with interested potential candidates after the Mixer in case they need more
35 information.
36

37 **6.4 Owner Forum Debrief:** Chris spoke to Owners about how retained patronage
38 dividends have been reinvested in the Co-op. He also spoke about BriarPatch
39 expansion and announced that the Co-op is pursuing opening a second store in the
40 Auburn area. The Board expressed appreciation for Central Square Co-op members'
41 presence and for the overall level of owner engagement at the Owner Forum.
42

43 **6.5 CBLD Co-op Café: Feb. 29 – Final Poll of Interest in Attending:** The Co-op
44 Café has a new format this year due to Leslie Watson of Columinate now planning
45 and facilitating the workshops.
46

47 Jonathan, Alana, Katie, Alan, and Kwong would like to attend the February 29th CBLD
48 Co-op Café. Richard and Mark are tentative on attending, and Kali cannot attend.

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2 **6.6 Approve 2020 Owner Business Meeting Date:** The Board was asked to approve
3 May 26th, 2020 as the Annual Owner Business Meeting date. The meeting will take
4 place immediately prior to the May Board meeting.
5

6 **MOTION:** Alana Lucia moved to approve the 2020 Owner Business Meeting Date of
7 May 26, 2020, Richard Drace seconded, and the motion passed unanimously.
8

9 **6.7 January 2020 Columinate Call Notes:** The Board reviewed the planned topics
10 for their upcoming retreat on March 21st and no additional items arose for inclusion
11 on the agenda.
12

13 **7.0 Accountability - GM:**

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15 **7.1 FYI Report:** The Board gave their appreciation for how robust the January FYI
16 Report is.
17

18 Patronage Dividend – Using the same methodology as last year (subject to Board
19 approval), \$137,000 in dividends would be paid out to Owners in April 2020, which is
20 significant decrease from last year due entirely to lower profitability. Katie asked if
21 the 2019 Annual Report will explain the lower profitability portion of the patronage
22 dividends. Andrea agreed to forward the request to Chris for possible inclusion in his
23 article in the Annual Report. The plan is to include patronage dividends in the Annual
24 Report.
25

26 Sustainability – The Board would like to meet BriarPatch’s Sustainability Coordinator,
27 Lauren Scott and the Green Team. The Owner Engagement Committee plans to
28 invite Lauren to a committee meeting in the coming months.
29

30 Merchandising / Marketing – The BriarPatch Merchandising and Marketing
31 departments are working together to update the merchandising policy. The Board
32 inquired about whether owners would be given the opportunity to provide input.
33 Andrea and Rebecca explained that no significant changes to the Co-op’s stringent
34 merchandising standards are expected. The primary purpose of the update is to
35 improve clarity of language.
36

37 BriarPatch to be Awarded Food Business of the Year – Kali informed the Board that
38 BriarPatch will be awarded the “Food Business of the Year” Award at the 2020
39 California Small Farm Conference taking place in Paso Robles on February 27-29.
40

41 Bear Yuba Land Trust Conservation Easement – Chris met with Sierra Harvest, Bear
42 Yuba Land Trust and Mountain Bounty Farm to explore a collaboration to preserve
43 farmland using conservation easements. The first project would be the purchase of
44 an easement for Mountain Bounty Farm land by BYLT through funds raised in the
45 community. The easement would restrict future use of the land to farming, open
46 space and possibly farm worker housing. This work will establish a new model for
47 saving local farmland and ensuring farmers have stability through affordable leases
48 or land ownership in Nevada County. The Board Development Committee will

1 consider inviting Sierra Harvest to come speak at a Board meeting about this
2 program.

3
4 **7.2 B-9 Emergency GM Success Monitoring Report:** The report focused on the
5 Board's B-9 policy that states the General Manager shall not fail to provide a
6 succession plan that designates not less than one other manager sufficiently familiar
7 with Board and GM issues and processes to enable her/him to take over with
8 reasonable proficiency as an interim GM.

9
10 The Board asked about the addition of the Operations and Customer Service Manager
11 and the Human Resources Manager to the succession plan. Andrea explained that
12 this clarification was added to show that these individuals, in conjunction with the
13 Finance Manager, would have an important role in running store operations in the
14 event of an unplanned absence at the GM level. Alan asked for confirmation that the
15 Finance Manager would act as "Interim GM" and Andrea confirmed.

16
17 **MOTION: Mark Fenton moved to approve the B-9 Emergency GM Succession**
18 **Monitoring Report, Richard Drace seconded, and the motion passed unanimously.**

19
20 **7.3 2020 Multi-Year Business Plan & Budget:** Andrea presented the 2020-2022
21 Multi-Year Business Plan (MYBP) inclusive of the 2020 Budget. The MYBP is meant
22 to satisfy the requirements set forth in the B-2 policy for annual planning and
23 budgeting. Approval of the MYBP occurs when the Board approves the B-2
24 Monitoring Report as being in compliance with the B-2 Limitations Policy. This
25 affirms that the MYBP, including the 2020 Budget, demonstrate compliance with this
26 aspect of the Policy.

27
28 Alan asked each Director to speak to what aspect of the MYBP excites them and what
29 they feel the Board's role is in carrying out the strategies outlined in the document.
30 Discussion followed.

31
32 PatchWorks – Alana asked for information about how the change to the BriarPatch
33 volunteer program, now known as PatchWorks, transpired in order to better tell the
34 story and educate owners about the change. Andrea reported that the primary reason
35 for the change was to expand the volunteer program to include more community
36 members and to broaden the scope of BriarPatch's impact on the nonprofit
37 community. Specifically, the changes made will increase the number of volunteers
38 from approximately 40 to 100 in the first year. In addition, the program has been
39 improved significantly in terms of tracking and reporting volunteer hours, as well as
40 coordinating with volunteers and participating community nonprofits.

41
42 The Board expressed appreciation to Chris, Andrea and Rebecca for the new format
43 and increased clarity in the MYBP and for their hard work in creating it.

44
45 **7.4 B-2 Business Plan & Budget Monitoring Report:** The report focused on the
46 Board's B-2 policy that states the General Manager shall not cause or allow business
47 planning and budgeting, for any Annual Plan or part thereof that deviates materially
48 from the Board's Ends priorities, risk financial jeopardy, or fail to be derived from a
49 multiyear plan.

1
2 **MOTION:** Richard Drace moved to approve the B-2 Business Planning & Financial
3 **Budgeting (2020) Monitoring Report, which is inclusive of the 2020-2022 Multi-**
4 **Year Business Plan & 2020 budget, Alana Lucia seconded, and the motion passed**
5 **unanimously.**
6

7 **7.5 Preliminary 2019 Patronage Dividend:** The action to be taken by the
8 Board is approval of the methodology for calculating the patronage dividend.
9 This is necessary in order to proceed with the auditors' review of 2019 financial
10 results and preparation of the 2019 tax return. The final patronage dividend
11 amounts will be approved at the March meeting, after the auditors have
12 completed their work and all financial balances are finalized. Accordingly,
13 please note that the dollar amounts included in the attached calculation are
14 preliminary and subject to change.
15

16 The B-4(2) monitoring policy requires that we present the Board with a "range
17 of options and implications". Accordingly, the handout provided to the Board
18 showed two scenarios: 20% payout and 100% payout. We have also presented
19 various metrics, such as average dividend per owner, to show the implications
20 of each option presented.
21

22 The Finance Committee was asked via email to recommend to the full Board
23 approval of a 20% patronage dividend payout for 2019, with the remaining 80%
24 retained for reinvestment in the Co-op. This methodology is consistent with
25 the past several years and is the minimum payout as mandated by the IRS. This
26 allows BriarPatch to retain funds for reinvestment in the Co-op. We are also
27 asking the Board to approve a de minimus threshold of \$2.00, under which we
28 are not required to distribute individual dividends, because of the high
29 administrative cost and expected low redemption rate.
30

31 **MOTION:** Kwong Chew moved to approve the preliminary 2019 patronage dividend
32 **calculation methodology, as follows: (a) the declared dividend shall be equal to**
33 **the amount of net income attributable to owner sales (an IRS requirement); (b)**
34 **distribution of an amount equal to 20% of the declared dividend will be paid out**
35 **to owners as a credit toward store purchases, with the balance retained for re-**
36 **investment in the Co-op; and (c) as allowed under the Co-op's bylaws, only**
37 **dividends of \$2.00 or greater will be paid. Mark Fenton seconded and the motion**
38 **passed unanimously.**
39

40 **8.0 Development Planning (Open Session):**

41 **8.1 Development Progress Update:**

42 January Owner Forum Debrief – Covered under Board Business section 6.4 of these
43 minutes.
44

45 **9.0 Closed Session**

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1 **9.1 Development**

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3 **9.2 Board Previews GM Evaluation Process, Previews Prior Year’s Monitoring**
4 **Table (2019)**

5
6 **10.0 Accountability – Reports: Committee Reports, Recommendations, & Actions**

7
8 **10.1 Owner Engagement Committee Report (January):** The Owner Engagement
9 Committee will be tabling in front of the store on February 14th for the Co-op Love
10 Tabling survey. All volunteer spots have been filled.

11
12 Owner Engagement Committee Membership / Structure - The Board discussed an
13 owner suggestion made at the January Owner Engagement Committee meeting
14 regarding committee membership and structure. This will be discussed further at the
15 February 21st committee meeting.

16
17 **11.0 Meeting Evaluation**

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19 **12.0 Meeting Adjournment:** Board Meeting was adjourned at 8:48 p.m.

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21 **SUMMARY OF DECISIONS:**

- 22 1. Approve January 2020 Consent Agenda Items P. 2, lines 8-11.
23 2. Approve 2020 Owner Business Meeting Date of May 26, 2020 P. 3, lines 6-7.
24 3. Approve B-9 Monitoring Report P. 4, lines 17-18.
25 4. Approve B-2 Monitoring Report Inclusive of the 2020-2022 Multi-Year Business
26 Plan and 2020 Budget P. 5, lines 2-5.
27 5. Approve Preliminary 2019 Patronage Dividend Calculation Methodology P. 5,
28 lines 31-38.

29
30 **SUMMARY OF ASSIGNMENTS AND COMMITMENTS:**

- 31 1. Kat to register attending Directors for the February 29th Co-op Café and send
32 confirmation via email.
33 2. Chris to consider the profitability change and impact on patronage dividends in
34 his article for the 2019 Annual Report.
35 3. BYLT Conservations Easement – BDC to consider inviting Sierra Harvest to
36 come speak to this at a Board meeting study and engagement session.
37 4. Chris to consider publishing a form of the Multi-Year Business Plan that would be
38 made available to Owners per Alan’s suggestion.
39 5. Rebecca and Andrea to create patronage dividend messaging for the Board to be
40 able to speak clearly to owners regarding methodology and reason for retained
41 portion of dividends for reinvestment back into the Co-op.

42
43 **Announcements, Reminders & Dates:** See Date Reminders at bottom of Agenda
44 page.

45
46 **NEXT REGULAR MEETING WILL BE HELD Tuesday February 25th at 5:30 –**
47 **8:30p.m., in the Community Room at BriarPatch.**

48
49 Minutes prepared by Kat Bass on January 29th, 2020.

1



2 **APPROVED BY:**

DATE: 3/13/20

3 (These minutes were approved by the Board of Directors on February 25th, 2020.

4 The official signed copy is on file.)