

**BRIARPATCH FOOD CO-OP, INC.**  
**Board of Directors Regular Meeting**  
**MINUTES January 26, 2021**

**Directors Present (via Zoom):** Rachel Berry, Kwong Chew, Jonathan Collier, Richard Drace, Kali Feiereisel, Mark Fenton, Katie Ivy, Alana Lucia, Alan Weisberg

**Absent:**

**Staff Present (via Zoom):** Andrea Echegaray, Finance Manager, Mark Goehring, Columinate Consultant/Meeting Facilitator, Mary Hunter, Administrative Assistant, Chris Maher, General Manager, Rebecca Torpie, Marketing Manager.

**Guests Present (via Zoom):** Laura Sanchez, Davis Food Co-op

## **1.0 Preliminaries**

**1.1 Call to Order:** The meeting was called to order at 4:15pm

**1.2 Opening Quotes:** Presented by Alan Weisberg:

“We are striving to forge a union with purpose,  
to compose a country committed to all cultures, colors, characters and  
conditions of man.  
And so we lift our gazes not to what stands between us,  
but what stands before us.”

- Amanda Gorman

**1.3 Check-in and Reminders:**

**February:** Board Development Committee (BDC) Vets candidate applications (Feb 2), Board nominates slate of candidates (Feb. 11), BDC informs candidates not chosen for slate of the self-nomination via petition of owner signature process (Feb 25), Ends Report Preparation

**March:** Board Retreat (date to be determined), Candidate Orientation (Mar 9), Self-nomination via petition deadline (Mar 17), Preliminary Board Leadership Position Nominations, Board Performance Monitoring Survey Group 2: C Policies (C:1-4) Review, President’s Article for Annual Report Due, Board Approves Ends Report (Mar 30), Deliver Evaluation Memo from the Board to GM based on Monitoring Table, Board approves 2020 auditors’ report, speaks with auditors, and approves final 2020 patronage dividend calculation (Mar 30)

**April:** Board Candidate Campaign (Apr. 1-May 17), Voter Online Login Information Mailed/Emailed to Owners, Preliminary Board Leadership Positions Nominations, Candidate Forum (Apr 27), Annual Report to Owners by April 30.

## **1.4 Owner Forum: Public Comment/Communications to the Board**

### **2.0 Consent Agenda**

1. Approve January 2021 Agenda
2. Approve December 2020 Minutes
3. Approve 2021 Owner Business Meeting Date: **May 25, 2021**

**MOTION: Katie Ivy moved to approve the 2021-01-26 Consent agenda items, Alana seconded, and the motion passed unanimously.**

### **3.1 Board Business**

#### **3.2 Active Board Recruitment: Jump-on-Board Mixer Debrief**

Kali debriefed the Board about the successful mixer, which included three potential candidates and several Board members. Alana noted that the caliber of candidates was very strong. The format and execution of the gathering was effective, despite meeting virtually instead of in person.

#### **3.3 Final Polling of Interest – Board Candidacy**

All three incumbents, Mark Fenton, Rachel Berry and Richard Drace confirmed that they are interested in running for the 2021 Election year.

#### **3.4 Future Board Leadership**

Mark Goering introduced the suggestion for the directors to consider a continuing conversation about the Co-op's Board leadership needs into the future, leading to the election of officers in May. Alan provided context of the changes with the new store, continued facilitation of the meetings (with or without Mark G.), maintaining Board cohesion, and addressing concerns as he has witnessed discord among Board members in the Co-op's past. He expressed willingness to continue as President for another year but is open to others taking the lead. He acknowledged that development of a succession plan for the Presidency is a priority.

Richard expressed appreciation for the current stability of the Board. He asked whether expansion to Auburn would necessitate any changes to the Board make-up or elections to ensure Auburn owners feel included.

Rachel echoed appreciation for current Board cohesion and highlighted the need to focus on individual Directors' strengths during the Auburn expansion. At a recent Columinate Board President roundtable discussion, she mentioned that another co-op included a staff member on their Board, and she would like our Board to consider that further.

Alan remarked the roundtable discussion felt limited via Zoom, and he missed the in-person connections experienced at live CCMA events.

Jonathan highlighted our Board's diversity and different experiences, but similar values and commitment to the Co-op's success and engagement with the community. He also noted the benefit received from NCG membership and from Chris' leadership.

Alana appreciates the Board's emphasis on servant-leadership and the high-level of professionalism. She is confident that future leaders, who have the time to commit, will execute solid board leadership.

Kwong noted that director personalities do not hinder the Board's work and that there are many benefits to the process-oriented stability that is in place.

Chris attributes the Board's success to the shift from operational to strategic-focused leadership, showing up to meetings prepared, thoughtful and ready to do the work. Effective Board leadership is an important component to ensure continued success of the Co-op.

Alan appreciates the benefits of Policy Governance.

### **3.5 Board Retreat – Early Conversation**

Mark Goehring encouraged directors to consider virtual retreats (2 hours or less) focused on various topics such as Future Board Composition, Auburn Outreach and/or Diversity-Equity-Inclusion Study and Education.

Richard commented on the importance of connecting with Auburn community in advance of the store opening.

Despite fatigue from virtual meetings via Zoom, Alana stressed the need for a unified Board voice and supports these mini retreats as a tool for achieving unity. Katie agreed that two hours or less is a good maximum length of time for a virtual meeting.

Rachel asked the Board to consider an in-person outside gathering, safely social-distanced, at some point this year. She suggested continuing the work from the Abolitionists' Challenge.

Alan proposed to take leadership of this topic, with contributions from Alana, Chris and Mark Goehring for a plan going forward.

### **3.6 Board Previews General Manager Evaluation Process; previews prior year's Monitoring Table (2020)**

Rachel noted the contradiction of the instruction for individual director comments on the General Manager (GM) Evaluation process vs. speaking as one Board voice and asked Chris how he would like to receive constructive feedback. Chris is open to immediate feedback at any time, to him directly or to the whole Board as appropriate.

Mark Goehring reminded all that the GM Evaluation is not the place to direct future GM activity, as that should be done as potential future changes to monitoring reports. Alan suggested that directors clearly examine the language of the monitoring reports if there is an area of concern. The reports are a tool and the language can be adjusted.

Mark Goehring recommended two additional articles for Board consideration:

[Monitoring the Manager: The Accountability Zone - M. Goering](#)  
[A Board's Duty: Determining What is Reasonable - T. Joyal](#)

#### **4.0 Accountability - GM:**

##### **4.1 FYI Report:**

Jonathan asked about taxation on the PPP loan. Andrea confirmed that legislation passed by Congress in late December clarified that the proceeds are not taxable.

Kwong asked about refinancing options for our existing loans. It was confirmed that the Co-op currently enjoys a low rate on the building loan of 3.75%, so the cost to refinance would likely outweigh the benefits from a lower rate. He also asked about the standard deviation within the Staff Survey around salary. Chris acknowledged a need for better communication and education for the staff about the process for wage increases. He also described inherent challenges with a system that includes both annual merit-based wages increase and overall Wage Scale increases driven by mandated increase to the State minimum wage. Now that the Co-op has reached the \$15/hour minimum wage, the process will become less complex and easier for employees to understand.

Kali expressed appreciation for the accomplishments in the FYI report, especially the hiring of the Food Service Manager and the implementation of the Monterey Bay fish standards in the Seafood department.

Richard asked about the employee wage ceiling. Chris explained that each level on the Wage Scale has a base pay rate and a ceiling (maximum) pay rate. Ceiling pay rates ensure that the Co-op doesn't overpay employees for specific jobs compared to market rates. Ceiling pay rates will often be adjusted when the base rate is adjusted.

Mark Fenton appreciated the lower workers' compensation insurance premiums which have occurred as a result of the efforts of Human Resources and management to ensure a safe workplace.

Jonathan asked about the future of the Farmlink loan guarantee program. Chris noted that management will make a proposal to the Finance Committee and then to the full Board to raise the \$100,000 limit on loans and loan guarantees. This is necessary, given the increased interest in the program from local area farms and ranches and also because of interest in longer-term loans, like equipment loans and

real estate loans. Expansion to Auburn is also expected to increase demand for these loan guarantees.

Alan noted our Outstanding Independent Grocery Store award from Progressive Grocer Magazine. Marketing Manager, Rebecca Torpie, is extremely proud of her team, and recognized Laura Peterson for entering the Co-op in the contest for this national recognition.

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

Jonathan appreciated and has full confidence in the staff identified in the succession plan.

Chris noted that all managers are being asked to create their own succession plans which will be useful as a roadmap for new operations managers in the Auburn store.

**MOTION: Richard moved to approve the B-9 Emergency GM Succession Monitoring Report, Rachel seconded, and the motion passed unanimously.**

**4.3 Preliminary 2020 Patronage Dividend:** The action to be taken by the Board is approval of the methodology for calculating the 2020 patronage dividend. This is necessary in order to proceed with the auditors' review of 2020 financial results and preparation of the 2020 tax return. The final patronage dividend amounts will be approved at the March meeting, after the auditors have completed their work and financial results are finalized.

Management is recommending that the same calculation as prior years, which includes pay out of 20% of net income attributable to owners. Management also proposes that the de minimus dividend amount, below which dividends will not be mailed or available for use at the register, be increased from \$2.00 to \$5.00. This change is allowed under the bylaws and is considered necessary in order to avoid mailing and processing thousands of dividends that will ultimately not be redeemed.

Chris confirmed that the patronage dividend is tax-deductible and that future dividends will depend on profitability. Reduced profitability is normal during the first few years after opening a new store and could result in little or no patronage dividends being declared until profitability returns to normal.

**MOTION: Alana moved to approve the preliminary 2020 patronage dividend calculation methodology, as follows: (a) the declared dividend shall be equal to the amount of net income attributable to owner sales; (b) distribution of an amount equal to 20% of the declared dividend will be paid out to owners as a credit toward store purchases, with the balance retained for re-investment in the**

Co-op; and (c) as allowed under the Co-op's bylaws, only dividends of \$5.00 or greater will be paid., Richard seconded and the motion passed unanimously.

## 5.0 Development Planning (Open Session):

### 5.1 Development Progress Update

Progress for Auburn expansion is moving forward, with the design team evaluating new schematics.

Future renovation and possible expansion of the Grass Valley store location is also under consideration. Chris is recommending a re-evaluation of the existing "master plan" once the Auburn store design has been completed. This would leverage new design ideas, especially as they relate to a post-Covid paradigm, that will have come out of the Auburn design process.

There was a brief discussion about the value of continued and expanded cooperation among regional co-ops.

**6.0 Meeting Evaluation** – Board members expressed appreciation for a successful meeting

**7.0 Meeting Adjournment:** Meeting was adjourned at 6:30 p.m.

### SUMMARY OF DECISIONS:

1. Approve January 2021 Consent Agenda Items P. 2, lines 6-8.
2. Approve Monitoring Report: B9 GM Succession P. 5, lines 21-22.
3. Approve Patronage Dividend Calculation Methodology P. 5, lines 44-48.

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

**NEXT REGULAR MEETING WILL BE HELD Tuesday February 23, 2021 at 4:15p.m., via Zoom teleconferencing.**

Minutes prepared by Mary Hunter on January 29, 2021.

APPROVED BY:



DATE: 2/25/21

(These minutes were approved by the Board of Directors on February 23, 2021. The official signed copy is on file.)