

1 **BRIARPATCH COOPERATIVE OF NEVADA COUNTY, INC.**
2 **Annual Owner Meeting**
3 **MINUTES May 31, 2022**
4 **SCD Community room and via Zoom Conference Call**

5
6 **Board of Directors Present:** Rachel Berry, Kwong Chew, Richard Drace, Kali Feiereisel,
7 Mark Fenton, Katie Ivy, Alana Lucia, Alan Weisberg

8
9 **Staff, Owners & Guests Present:** see list of attendees in Appendix attached.

10
11 **1.0 Land Acknowledgement & Call to Order:**

12
13 Owner Relations Coordinator Chelle Wheatley opened the meeting and offered an
14 acknowledgement of our use of the lands of the Nisenan people. The meeting was
15 called to order by Rebecca Torpie at 7:02 p.m.

16
17 **2.0 Election Recap:**

18
19 Chelle Wheatley summarized the 2022 Board Election results, confirming candidate
20 Deborah Yashar and incumbents Katie Ivy and Kwong Chew were elected. 780
21 owners voted this year (7.8% participation) and the Co-op donated \$2.00 per vote, or
22 \$1,560, to the Sierra Harvest Foothills Fresh program.

23
24 **3.0 President's Report and Board News:**

25
26 Board Director Alana Lucia reminded attendees of our five Ends Policies and how the
27 Board monitors the fulfillment of the Policies via General Manager Chris Maher's
28 monthly reporting. Through the year, the Board also focused on continued
29 education, learning from speakers on relevant topics such as local water/farming
30 issues, sustainability, the Auburn community, and DEI awareness and expansion.

31
32 Alana expressed profound appreciation for exiting board director Alan Weisberg, who
33 is retiring from the BriarPatch Board after 19 years of service. Alan had seen many
34 transitions for the co-op and provided immense support and leadership during his
35 tenure.

36
37 **3.0 Treasurer's Report and Auditors' Review:**

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39 Board Treasurer Mark Fenton presented the Co-op's 2021 Financial Results, noting
40 the Co-op is in very good financial health.

41
42 In 2021, net income of \$1.2M was significantly lower than last year, due primarily to
43 return to "normal" after the high sales and low staffing experienced during the peak of
44 the pandemic in 2020. The lower profit resulted in lower patronage dividends paid
45 out to owners, with the retained portion used for improvements such as a new roof,
46 painting and replacement of aging equipment

1 Sales of \$37.0 million represented a 1.3% decline compared to the prior year, mostly
2 because we're comparing 2021 sales to the pandemic peak. 77% of our sales came
3 from Co-op owners. As a percent of sales, gross profit was about the same as in the
4 prior year.

5
6 Operating expenses of \$13.1M were higher than in 2020, in spite of lower sales, due
7 primarily to increased wages for staff, increased staff discounts, pandemic costs and
8 the \$10 appreciation coupon in last year's Annual Report. Other income/expense
9 consists primarily of depreciation expense on our building and equipment. This is the
10 way we spread costs between years for large capital expenditures. \$712K of expense
11 is a "normal" number for this line.

12
13 Last year's \$140K non-operating income included an \$800,000 Paycheck Protection
14 Program grant from the Federal government to support the Co-op in keeping
15 employees on staff during the pandemic. This was used for Hero Pay and other
16 increases to staff wages and benefits.

17
18 Net income of \$1.2M was 3% of each dollar we brought in. This "low profit margin" is
19 typical for the grocery industry. We use this small amount of profit to pay dividends
20 to owners and to pay for store improvements and repairs.

21
22 The Balance Sheet indicates we are in a strong cash position. The decrease in cash is
23 related to payments toward buildout of our new store in Auburn. We're fortunate to be
24 moving into the Auburn store project with such a healthy cash balance. We'll see cash
25 continue to decline as the project moves toward completion, but our financial
26 projections show that we'll keep adequate cash on hand throughout the project and
27 until the new store becomes profitable. Debt balances remained low, relative to
28 assets and equity, although this will change since we plan to borrow money to fund
29 approximately half of the Auburn store buildout. Owners' equity is the accumulated
30 amount of money paid in by community members to become owners, plus
31 accumulated profits. This approximates what would be left over if the Co-op sold all
32 assets and paid off all liabilities. The fact that we have so much more equity than debt
33 is a sign of strong owner investment in our Co-op.

34 35 **4.0 General Manager Report: State of the Co-op**

36
37 General Manger Chris Maher reflected on the state of the Co-op, noting success
38 despite post-pandemic challenges of staff hiring, inflation and supply chain
39 disruptions.

40
41 We have made Hero Pay permanent for our staff and worked with local distributors to
42 keep the shelves stocked. We have stayed true to our Ends Policies, keeping
43 shoppers safe and focusing on sustainability efforts throughout the store. Nearly 10%
44 of our net income went to community sponsorship and donations, including to those
45 displaced by a record year of fires. Our PatchWorks volunteer program was
46 particularly successful, gaining national recognition among the grocery industry.

47
48 The most notable highlight of 2021 was the signing of a ten-year lease for a new store
49 in Auburn. Located in North Auburn at Bell Road, the 20k sq ft store will feature a full

1 deli, outdoor seating and focus on fresh local produce. We have worked through
2 design, building prep, equipment ordering, construction, and are now into our hiring
3 cycle. The new store will be comprised of approximately 80 employees and our goal
4 is for 30% of Auburn staff to transfer from the Grass Valley store, in order to facilitate
5 transfer of knowledge and culture to the new store. It is important to understand that
6 we will still be one co-op and one board of directors, with two stores.
7

8 Chris expressed his appreciation to the BriarPatch Board for their vision, to the
9 Auburn team of project manager, realtor, construction team, and to the entire staff for
10 their hard work and support this year.
11

12 5.0 Owner Q&A

13
14 Chris opened the meeting to participant Q&A and offered the following responses:
15

- 16 • BriarPatch owners that live in Auburn often have multiple reasons to come to
17 Grass Valley to shop. Having a store closer to their homes will mean they can
18 expand their purchasing and become ambassadors for the new location.
- 19 • Heartfelt thanks from a former board member of Central Square Co-op for
20 obtaining the goal of a food co-op in Auburn. So excited to see the progress.
- 21 • Marketing and merchandising for the new store will be based on the Grass Valley
22 store but will quickly adjust to the local needs for the Auburn community.
- 23 • As of now, there is not a plan for a car-charging station in Auburn. We do not own
24 the property, as we do in Grass Valley, and the landlord needs to manage the
25 parking lot for multiple tenants. This can be a suggestion to consider for the
26 future.
- 27 • Kudos to the staff, that go beyond for all customers.
- 28 • Appreciation for Alan Weisberg for his profound contributions to the Co-op for
29 nearly two decades.
- 30 • Multiple store expansions are not a foregone conclusion for the Co-op. We are
31 not about growth for growth's sake but will listen to the community needs.
32 Expansion can offer support for new farmers in new communities, as well as more
33 job opportunities and community resiliency.
34

35 **6.0 Meeting Adjournment:** The Owner Meeting was adjourned at 7:55 p.m.
36

37 Minutes prepared by Mary Hunter on June 2, 2022.
38

39 **APPROVED BY:**  **DATE:** 6/28/2022
40 (These minutes were approved by the Board of Directors on June 28, 2022. The
41 official signed copy is on file.)
42

BRIARPATCH COOPERATIVE OF NEVADA COUNTY, INC.
Annual Owner Meeting
May 31, 2022
Attendee List

Chelle Wheatley
Kathleen Fenton
Bob Branstrom
Carolyn Seyler
Cheryl Rubin
John Watson
Ellen Clephane
Bruce Waln
Margaret Florence
Carol Lee Meinhold
Leah Schwinn
Kwong Chew
William Ososki
Deb Gibbs
John Burnside

Molly Spackman
Joseph Guida
Kali Feiereisel
Mary Hunter
Chris Maher
Rebecca Torpie
Brett Torgrimson
Glenn Dal Porto
Alana Lucia
Mark Fenton
Katie Ivy
Rachel Berry
Richard Drace
Deborah Yashar
Jan Collins