

BBRSDA Board Meeting Minutes

November 15-16, 2016 – 8:30 a.m. PST

Silver Cloud Hotel – Seattle, WA

1. Call to Order/Establishment of Quorum

President Friccero called the meeting to order at 8:38 a.m. PST. Present were President Friccero, Vice President Christensen, Secretary/Treasurer Solberg, board members Johnson, Williams and Gibbons. Wood participated via teleconference. A quorum was determined to exist.

Executive Director Martello and staff members, Aspelund and Padilla were present.

Also present was BBRSDA member, Mark Buckley.

2. Approval of Agenda

Williams moved and Christensen seconded to approve the agenda allowing for flexibility as necessary to accommodate the schedule of guest presenters. **MOTION CARRIED UNANIMOUSLY.**

3. Approval of Previous Minutes

Christensen moved and Johnson seconded to approve the October 10-11, 2016 minutes as edited. **MOTION CARRIED UNANIMOUSLY .**

4. Member Comments

President Friccero recognized member Mark Buckley, as well as Kate Consenstein and Christine Fanning of Rising Tide Communications (RTC) in attendance and opened the floor for comments.

Buckley requested the BBRSDA keep apprised of the current political situation. Discussions regarding how the current political climate will affect the Bristol Bay fishery followed.

5. Marketing Plan 2.0 – RTC

Consenstein and Fanning provided a brief recap of Bristol Bay 1.0 and the preliminary metrics they had access to. Of note were an increase in recognition of Bristol Bay Sockeye by 70% and an overall increase in year over year sales. A final project analysis will be available in the first part of 2017.

9:34 a.m. PST – President Friccero recognizes member in attendance, Peter Most.

Fanning advised on the preliminary collaborative Marketing Plan for 2017 designed to increase brand reach while capitalizing on lessons learned from the 2016 Marketing Campaign. The plan seeks to expand on the current product push by engaging additional retail partners and furthering development of retail asset kits. The plan also calls for the addition of increased PR efforts in 2017.

Friccero thanked RTC for their work and opened the floor to board discussion on the proposed plan. Comments on Marketing Plan 2.0 focused on which specific retail

chains to engage and the most effective way to engage them. The board then discussed the merits of a BBRSDA presence at the Boston Seafood Show and emphasized to Rising Tide their desire to continue assessing the progress of the campaign.

The meeting recessed at 10:33 a.m. PST and reconvened at 10:55 a.m. PST.

Friccero invited member Peter Most to address the board. Most thanked the board and staff for their time and effort with the BBRSDA and requested the organization further their efforts in disseminating information to the membership. He suggested a meeting synopsis be available to members in addition to the agenda that is already posted. Martello advised that staff will continue ongoing efforts toward transparency.

6. BBSRI Proposal – Michael Link

Friccero welcomed Michael Link the meeting and requested he provide information on the BBSRI Proposal.

Link explained the overarching goal of this proposal, created in collaboration with ADF&G, was to ensure adequate fisheries management in the Bay. Under the new proposal, a new group, the Bristol Bay Fisheries Collaborative (BBFC), would act a funnel for all stakeholder funds allocated to ADF&G for fishery management in the Bay. The BBFC would be overseen by a working group made up of representatives from ADF&G and BBSRI who would suggest inclusion of strategic management programs.. ADF&G would still retain specific final decision making authority.

Budgetary requirements for the BBFC for 2017 would be as follows:

- Total Proposed Core Program Costs: \$2,630,000
- Total anticipated Funding from ADF&G: \$1,682,000
- Balance to be supplied by BBFC Stakeholders: \$948,000 + \$58,000 (estimated indirect fee applied by ADF&G) = \$1,005,000

The BBFC would request a \$250,000 contribution by the BBRSDA and a \$250,000 contribution by Bay Processors. The BBSRI would match those contributions with a \$500,000 total contribution.

Friccero thanked Link for addressing the RSDA and opened the floor to discussion. The board generally agreed that the BBRSDA would need some forum from which to oversee the BBFC and a level of governing control that would allow them to ensure their members' interests were considered.

Link advised he would work to address these concerns in further adjustments to the proposal, namely incorporating an industry working group in the BBFC's organizational structure. Friccero requested Link open conversations with Martello regarding further development of the proposal.

The meeting recessed at 12:26 p.m. PST and reconvened at 1:45 p.m. PST.

Christensen moved and Solberg seconded a motion to go into Executive Session at 1:54

p.m. PST. **MOTION CARRIED UNANIMOUSLY.**

Christensen moved and Williams seconded a motion to come out of Executive Session at 3:17 p.m. PST with the directive that Martello will request a cost proposal from legal counsel to seek a ruling from the IRS on the potential for an inurement violation related to proposed RSW programs. **MOTION CARRIED UNANIMOUSLY.**

The meeting recessed at 3:18 p.m. PST and reconvened at 3:29 p.m. PST.

7. Committee Reports & Recommendations

a. Marketing – Williams

i. Bristol Bay Marketing Plan 2.0

Williams opened discussion on Bristol Bay Marketing Plan 2.0. Board discussion surrounding specific elements of the Plan ensued. The board discussed elements of the plan but also noted that RTC intended flexibility to exist in all elements of 2.0 and that specific programs could be dropped or added as the campaign evolved. Johnson moved and Williams seconded to approve \$360,000 in FY17 for continued work with RTC on BBRSDA marketing efforts. **MOTION CARRIED UNANIMOUSLY.**

ii. McDowell Fall and Spring Sockeye Market Reports

Christensen moved and Williams seconded to approve \$56,145 in FY17 for funding the Fall and Spring Market Reports by McDowell Group. **MOTION CARRIED UNANIMOUSLY.**

iii. Report on Boulder Event – Friccero

Friccero provided a brief recap of the Public Dinner and retailer visits he participated in with RTC as part of the Boulder pilot project. Friccero's comments were favorable of both RTC and his interactions with participating retailers. He encouraged further strengthening of the remote retail training, noting that the highest-level customer shopping experience was achieved at those retailers who fully engaged in the BBRSDA branding campaign. Friccero further noted the importance of providing quality sourcing information to our current and future retail partners.

Friccero attended the ASMI All Hands in Anchorage. He reported that he engaged with several industry representatives at the meeting and was encouraged by the information he gathered while in attendance.

The meeting recessed at 4:27 p.m. PST and reconvened at 4:44 p.m. PST.

b. Sustainability – Johnson

i. Port Moller Test Fishery

Christensen moved and Johnson seconded to approve \$40,000 in FY17 to fund the Port Moller Test Fishery. **MOTION CARRIED**

UNANIMOUSLY.

ii. BBSRI MOA Review

Friccero opened discussion to review the BBSRI MOA. General board feeling was favorable, with reservations, in regards to the general premise of the MOA. Members felt further discussions with the BBSRI and ADF&G regarding industry involvement and programs funded needed to take place. **NO ACTION TAKEN.**

c. PR/Outreach – Solberg

i. BBRSDA Outreach Proposal

Solberg presented the committee recommended 2017 Outreach/Townhall proposal.

Christensen moved and Solberg seconded to approve \$11,300 in FY17 to fund the Outreach Proposal. Discussion followed. Friccero and Williams commented on the necessity to present a consistent message at the events and suggested that both Quality and Marketing initiatives be addressed. Martello noted her agreement of this concept and Jackson, participating via teleconference, advised he would work closely with staff to ensure the correct tone was set at the events.

MOTION CARRIED UNANIMOUSLY.

ii. 2017 Drill Conductor Training Proposal

Christensen moved and Solberg seconded to approve the Drill Conductor Training Proposal at no funding commitment from the BBRSDA. **MOTION CARRIED UNANIMOUSLY.**

d. Quality – Gibbons

i. Ice Barge – Bristol Lady

Christensen moved and Johnson seconded to approve \$20,000 in FY17 to fund the Ice Barge, Bristol Lady. Friccero, Johnson, Solberg, Gibbons, Williams and Christensen voted in favor; Wood recused himself. **MOTION CARRIED 6/1.**

ii. Ice Barge – Bristol Maid

Christensen moved and Johnson seconded to approve \$20,000 in FY17 to fund the Ice Barge, Bristol Maid. Friccero, Johnson, Solberg, Gibbons, Williams and Christensen voted in favor; Wood recused himself. **MOTION CARRIED 6/1.**

iii. NEI Processor Survey

Johnson moved and Christensen seconded to approve \$12,300 in FY17 to fund the NEI Processor Survey. **MOTION CARRIED UNANIMOUSLY.**

iv. Quality Campaign

Gibbons presented the committee recommendation for a 2017 Quality Campaign. Gibbons suggested to work with an agency to craft and deliver this campaign. Friccero and Solberg noted the importance of a professional campaign tailored to the fleet. Johnson suggested working through academic/educational forums to help craft the message. Williams moved and Gibbons seconded to approve \$50,000 in FY17 to fund a Quality Campaign. **MOTION CARRIED UNANIMOUSLY.**

e. Finance – Solberg

i. FY16 Budget Revisions

Solberg stated that the Finance Committee had waived the notice requirements to meet on the morning of 11-15-16. Solberg advised that staff had made several FY16 budget revisions to reallocate surpluses toward funding shortfalls. Aspelund noted that all reallocations were made within class except for those excess funds from Organization, Marketing and Quality that were moved to fund two unforeseen Sustainability expenditures in 2016; the University of Washington invoice and 2016 Cost Recovery Funding.

Christensen moved and Williams seconded to approve the FY16 Budget Revisions. **MOTION CARRIED UNANIMOUSLY.**

ii. FY17 Budget Recommendation

Solberg detailed the final FY17 Budget recommendation from Finance Committee. It is as follows:

FY17 Budget Class Allocations:

- \$248,000 – Org
- \$164,000 – Admin
- \$487,000 – Marketing
- \$290,000 – Quality
- \$112,000 – Sustainability

FY17 Budget – \$1,301,000

Williams moved and Solberg seconded to approve the FY17 Budget recommendation. **MOTION CARRIED UNANIMOUSLY.**

The meeting recessed at 6:10 p.m. PST and reconvened at 8:45 a.m. on 11-16-17.

8. Executive Director Report – Martello

Martello detailed her activities over the preceding month. Friccero applauded Martello's accomplishments and recognized the contributions of staff. Solberg moved and Christensen seconded to approve the 11-15-16 Executive Director Report as written. **MOTION CARRIED UNANIMOUSLY.** Wood, joining via teleconference, was momentarily unavailable.

9. Fall Sockeye Market Report – Andy Wink

Friccero invited Wink to present his 2016 Fall Sockeye Market Report to the Board. Wink highlighted the following points from his report.

- Wholesale sockeye prices were up in recent months
 - 1st wholesale price for frozen H&G BB Sockeye roughly \$1.50/lb
- First wholesale volumes from May-August greater in 2016 vs. 2015
- Net processing revenue substantially greater in 2015 vs. 2014; improves outlook for future ex-vessel values
- Global sockeye harvests strong in 2016, largest since 1996
- Farmed production likely to decline in 2016
- Preliminary ex-vessel value for BB sockeye up by 66% from 2015
- Currency markets favorable
- BB Salmon Driftnet Permit value up 22%

Wink's report included a segment devoted to improving fishing performance through quality and planning. He noted that "quality-oriented fishermen generally received 30-50% higher prices in 2015 than dry boats." Wink further noted the residual benefits of improving quality in the processors' ability to leverage that quality guarantee in sales negotiations and thus drive up prices in general.

The meeting recessed at 10:39 a.m. PST and reconvened at 11:08 a.m. PST. Wood was temporarily unavailable by phone.

10. Miscellaneous Business

- President Friccero appointed Gibbons to the Marketing Committee.
- Board reviewed a brief statement provided by Michael Link explaining the BBRSDA's current position on the BBSRI/ADF&G MOA. Friccero requested Martello respond to Link.
- Solberg encouraged the BBRSDA to retain a sustainably-minded focus in the coming year.

Christensen was excused and departed the meeting at 12:10 p.m. PST

Williams moved and Solberg seconded a motion to go into Executive Session at 12:03 p.m. PST. **MOTION CARRIED UNANIMOUSLY.**

Williams moved and Johnson seconded a motion to come out of Executive Session at 1:20 p.m. PST with no action taken. **MOTION CARRIED UNANIMOUSLY.**

The meeting recessed at 1:21 p.m. PST and reconvened at 1:38 p.m. PST.

11. Future Agenda Items

The Board agreed the BBSRI MOA should be on the January board meeting agenda.

12. Review/Confirm Meeting Date

- a. January 19-20, 2017

Board requested Martello set up a in person Board meeting for January 19-

20th in Anchorage

b. March 2-3, 2017 – Anchorage, AK

13. Adjourn

Solberg moved and Williams seconded to adjourn the meeting. **MOTION CARRIED UNANIMOUSLY.**

The meeting recessed at 1:21 p.m. PST reconvened at 2:18 p.m. PST.