

## **BBRSDA Board Meeting Minutes**

November 16–17, 2015 – 8:30 a.m.

Silver Cloud Stadium – Royal Brougham Room

### 1. Call to Order/Establishment of Quorum

President Williams called the meeting to order at 8:41 a.m. Present were President Williams, Vice-president Christensen, and Secretary/Treasurer Solberg; board members Marinkovich, Andrew, Gibbons, and Johnson; and ex-officio board member Friccero. A quorum was established.

Also present were retiring executive director Aspelund and incoming executive director Martello, as well as Interim Marketing Director Lang. Committee members in attendance were Buckley – Quality and Jackson – PR/O, and BBRSDA member in attendance was Michael LaRussa.

### 2. Approval of Agenda

Christensen moved and Johnson seconded to approve the agenda as presented. Aspelund advised that Wink would present the *Fall 2015 Salmon Market* report on Tuesday at 1:30 p.m. Marketing Committee members Singleton and Lowrance will be available after lunch Monday to discuss a proposed marketing plan. Tuesday from 4:00–5:30 p.m. there will be a marketing presentation by Koopman Ostbo. **MOTION CARRIED UNANIMOUSLY.**

### 3. Approval/Ratification of Previous Minutes

#### A. October 18–19, 2015 meeting

Marinkovich moved and Solberg seconded to approve the October 18–19, 2015 minutes as presented. **MOTION CARRIED UNANIMOUSLY.**

### 4. Member Comments

The board held a moment of silence in honor of Dave Hansen and Roland Briggs, longtime Bristol Bay fishermen no longer with us.

LaRussa thanked the board for its time and efforts, and commented that the board might want to consider making the Action Memo available to attending members to inform their attendance during relevant parts of meetings or when to provide input to board members. Williams stated his willingness to provide members with more information.

Jackson reported that he doesn't know the status of the defunding petition, but stressed that listening to members—particularly during the member meeting—and not poo-pooing their comments/concerns is critical; ignoring members' thoughts and input is harmful to the organization.

Buckley advised that he has now had two papers accepted in scientific publications and is working on a third on a comprehensive evaluation of the BBRSDA to earn his PhD.

5. Executive Director Report – Aspelund

In addition to the written report, Aspelund advised that she'd also sent out notices of the executive director's hire to all applicants.

6. Committee Reports

A. Finance – Solberg

The Finance Committee attempted twice to meet prior to this meeting, but due to travel schedules, have been unable to meet to approve the August financials. Andrews commented that the Finance Committee hadn't met to review and recommend the FY16 draft budget; Solberg stated that he was unaware that it was supposed to. Aspelund reminded the board that it had determined that the Finance Committee would not make the recommendations it had the prior year (budget cap and class allocations), and that the full board agreed instead to make those decisions jointly. Friccero commented that the board is working as a Committee of the Whole, so that work isn't sidestepping the Finance Committee. Williams advised that in a perfect world, the Finance Committee would take a more active role in budget development. Discussion ensued regarding the balance of the budget-building process.

B. Sustainability – Marinkovich

Marinkovich contacted Lindsey Bloom and Tim Bristol of Salmon State/CFBB to request a brief update on the Pebble Mine for a *Waypoints* that went out last week; it also described the CFBB transfer to Salmon State. Bloom will also provide a short Pebble update at the Member Meeting this week. The committee recommended approval of three projects in the amount of \$93,950 to the full board and a total budget of \$137,388, one of which is a UAF project that Gibbons is going to seek partner funding for. Andrew mentioned the House hearing in D.C. a couple of weeks ago regarding EPA and Pebble.

C. Marketing – Christensen

The Marketing Committee met over two nights to discuss the FY 16 marketing program. The good news is there is a healthy budget for marketing in FY 16; that's important since it's the BBRSDA's primary responsibility. The committee considered a proposal to support involvement in the Monterey Bay Aquarium's Holiday Event and recommends its approval to the board. There are a lot of details that still need to be worked out on the "Industry Proposal", however. The committee approved the Industry Proposal unanimously, but the In-house Projects proposal failed 3/3. However, the full board will make the final decision. The chair's intention is that everyone stays involved, that everyone has valuable input, and that the best aspects move forward on their merits through a group effort. Christensen strongly encouraged the board to make the committee appointments in June as that provides necessary extra time over the summer and early fall to talk to constituents and begin work.

Lang reiterated that the In-house Projects presented were estimates and the board will fine-tune those. Last week was Restaurant Week and Bristol Bay received good press,

though she doesn't have many details yet. The Williams-Sonoma event had more folks there than anticipated. Oceana has posted a correction to its website to remove the "don't buy salmon during the off season" message in its press about salmon labeling fraud and issued a retraction. Discussion ensued about how we may need to develop our own press around that retraction, as well as working with Chefs Collaborative to see how they are responding to the alleged fraud. It was discussed that this is an area that we can ask for members to assist in by educating friends and others about how to be a savvy salmon consumer. Friccero commented that that we should consider the Marketing Committee be utilized for content and intellectual property, but that the board needs to recognize that perhaps that committee may not be best utilized for reaching consensus. Williams acknowledged that the membership is looking for actions that move product and that we'll get there by focusing on the big picture and working through the details. We need to promote Bristol Bay sockeye as America's Fourth of July meal in honor of the hard-working fishermen giving up their holiday to put meals on America's tables. The goal is to create Bristol Bay brand awareness alongside ASMI's Alaska Seafood branding. Lang reported that DiValva is doing more than the contract required for the NYC canned salmon project and will provide additional details soon.

Williams stated that he'd like to see the Marketing Director's report separate from the committee report and would like it as a standalone after the Executive Director's report on the agenda.

D. Quality – Johnson

The committee wasn't satisfied with the results of its November 2, 2015 meeting so it met again on November 12 to further refine its budget recommendations. Buckley provided an update of the S-K grant application and advised the board that the manager of the S-K grant program was very pleased with our concept and was further advised that we should request \$300,000 instead of \$250,000, so the grant request was revised for that amount. On the RSW discount program, we have received a specific review of inurement from our federal tax attorney. Marinkovich had a discussion with one of the primary RSW vendors in the Bay, with a similar discussion by Buckley and Gibbons held later, and a follow-up discussion has been scheduled to further discuss concerns that the vendor expressed with the proposed program, particularly regarding the importance of vendor tech support for the units, salesperson's commissions, and relationships with support vendors. Marinkovich and Friccero feel strongly that BBRSDA not be involved in sales as those must lie with the vendors instead. While working to launch this chilling program in the Bay we need to be aware of the woeful lack of support for RSW in the Bay. The next step is determining how we advocate this project to those who aren't chilling. There's a group of folks that need to be educated that those who don't chill are affecting the quality of the entire Bristol Bay pack. We've received a proposal for an educational campaign that is recommended by the committee for inclusion in the budget, as well as a proposal from Marinkovich about undertaking that effort in house at less cost using staff. Part of the educational campaign also includes paid chilling ambassadors that can help advise those thinking about chillers regarding considerations

they may want to consider as they select a system. The committee also recommends a project of investing \$180,000 for discounted tender-mounted ice machines and insulated ice boxes in places that are underserved. There is funding included in the committee's draft budget to fund someone to analyze the chilling survey. There is also \$25,000 in funding proposed to improve the delivery system on the Bristol Lady, pending owner/operator agreement. Funding for a Quality Coordinator in the amount of \$35,000 was also included. Marinkovich advised that the list of the Quality Committee initiatives requires a Quality Coordinator to ensure their successes.

Gibbons reported that he met with three top processing executives. One stated that we'd "drilled the stake through the heart of canned salmon" several years ago and that the future of canned salmon is in collapse. It is becoming clear to companies that they need to retool away from canned salmon, though it may not be feasible without a requirement for mandatory chilling. With two years of canned inventory in the warehouse, one processor is considering not canning in 2016. There's a marked move away from canned culture. We need to operate more collaboratively with processors, convincing them that we are as invested in our products' future as they are.

Williams has been in contact with the manager of the Bristol Bay Borough regarding a potential RSW tax incentive and advised that he would appreciate having a draft ordinance that can be introduced to the Borough Assembly.

E. PR/Outreach – Solberg

PR/O hasn't met since the prior meeting, but has been active with publication of several *Waypoints*, as well as a newsletter to be distributed during Expo. Solberg met with Jackson last week to discuss his role as a new committee member and discussed how new committee members can be best supported.

The deadline for submitting materials for the current board meeting had passed when Jackson's two proposals were submitted so weren't timely for discussion at this board meeting. Those proposals included a 30-day notice on proposals and a proposal regarding prompt passage of minutes.

Jackson advised that he has brought his proposals forward based comments from memberships' feeling that they don't have an understanding of what the board is doing and want to. He hopes that the board can develop processes that provide timely information to members in advance of decision making.

The board recessed at 11:56 a.m. and reconvened at 1:33 p.m. with all board members present.

The floor was turned over to two Marketing Committee members to present information regarding the Industry Proposal, Keith Singleton – president of Alaskan Leader Specialty Products Division; Alaska Leader Fisheries is half-owned by BBEDC, but Singleton emphasized that he was speaking as a Bristol Bay fishermen – and John Lowrance formerly

the owner of Leader Creek Fisheries. The effort to move the retail needle is going to take adequate funding, three to five years, and a lot of collaborative work between fishermen and processors. According to Singleton, brand equity is everything; it is a key element of selling Bristol Bay sockeye and we control that.

Lowrance broadly outlined the Industry Proposal. This is not a one-year venture; you're really looking out three to five years to be able to measure results. This is a proposal to develop effective marketing techniques in retail (grocery/wholesale clubs) for sockeye salmon in the U.S. No one has the perfect formula whereby they can define if you invest \$X you can move X thousands of fish. This project would select a single market in a small city (<1 million population) in which to test a series of marketing promotions. Because a small city will contain a majority of the major retail outlets that salmon is sold in, once the year is over and we know what does and doesn't work, the results will already be known and understood by those major retailers when it comes time to expand the project in year two. The board needs to see presentations by at least three marketing firms before selecting one to work with. The tricky part is branding ourselves; we can't force our brand into stores so our branding must be compatible with the stores' existing brands.

Distilling down the trickle-down effects to fishermen of this plan: the goal is that if we spend this money effectively and the program works as envisioned, in future years when there's an abundance of fish, we'll know that we have a program that works and what it costs to move product. Gibbons stated that "Inventory is like cancer!" Instead of "trickle down", we need to initiate "push up". Solberg asked what month 15 looks like? What do we see in the relative short-term, circling back after next season? This is a data-heavy program; we need a monthly report and by months five through eight, we should start seeing some affects, though "red fish" sales happen in summer (winter is "white fish" season). This project can be rolled out by May 2016. The goal is stabilizing the price that fishermen can survive with no matter what. A legal issue that needs pursuing is whether or not the BBRSDA could accept a commission if BBRSDA is responsible for securing a contract for fish sales.

7. Action on Committee Non-FY 16 Budget Recommendation(s)

A. Monterey Bay Aquarium Holiday Event Recommendation

There are 1,800 people attending the event (1,000 servings provided); this is the crowd that makes recommendations about what seafood people should eat. A local TV chef celebrity (Joe Pisto) representing Domenico's Restaurant will cook Bristol Bay Sockeye at a booth at the Monterey Bay Aquarium Holiday Event. Two thousand dollars will fund the booth, travel costs for a couple of folks to help at the booth, the salmon, etc. There isn't adequate funding in the FY 15 Marketing budget, but there will be carryover that can be utilized.

Christensen moved and Johnson seconded to fund this event in the amount of up to \$2,000, with actual receipts required for reimbursement to be funded out of carryover.

**MOTION CARRIED 6/0/1 (Marinkovich abstained).**

8. FY 16 Budget – Aspelund/Solberg

The board reviewed and discussed individual class budgets.

The board recessed at 4:43 p.m. and reconvened at 8:38 a.m. on Tuesday, November 17, 2015 with all board members present, except Solberg. President Williams announced that Joe Bundrant of Trident Seafoods would be joining the board for a marketing presentation after the meeting ended for the day and that there would be a field trip at 11:30 a.m. during the board's lunch hour.

Christensen moved and Andrew seconded to pull \$250,000 from reserves to be utilized for the FY 16 Marketing budget. **MOTION CARRIED UNANIMOUSLY.**

Gibbons moved and Johnson seconded to pull \$250,000 from reserves to be utilized to jump-start the RSW discount unit project. **MOTION CARRIED UNANIMOUSLY.**

The board recessed at 11:23 a.m. and reconvened with the same board members present at 1:30 p.m. BBRSDA members in attendance were Michael LaRussa, Phil Basargin, and Zach Reutov, as was Quality Committee member Buckley.

Christensen moved and Marinkovich seconded to merge the Research and Sustainability classes in both the budget and structure. **MOTION CARRIED UNANIMOUSLY.**

Andrew moved and Christensen seconded to support the SAVEQ proposal for funding to implement a fishing vessel drill instructor course. **MOTION FAILED UNANIMOUSLY.**

Gibbons moved and Marinkovich seconded to table the request for sponsorship of the AFDF 2016 Symphony of Seafood.

Marinkovich moved and Andrew seconded to present the balanced FY 16 budget as presented in the amount of \$1,674,560, with the FY 15 carryover allocated to the Marketing budget. **MOTION CARRIED UNANIMOUSLY.**

9. Fall 2015 Salmon Market Report Overview – Andy Wink, McDowell Group

Andy Wink, McDowell Group, provided an overview of the *Fall 2015 Salmon Market Report*. It is too soon to project what the final 2015 price will be. He noted that the share of price isn't the same as share of revenue since there are additional costs coming out of the share of revenue that are unknown. What fishermen really want to know is what their share of the "resource" is. There is some new movement in recent sales that is promising.

Gibbons moved and Andrew seconded to into Executive Session at 3:24 p.m. to discuss Personnel and Legal issues. **MOTION CARRIED UNANIMOUSLY.**

10. Executive Session – Personnel and Legal

Andrew moved and Solberg seconded to come out of Executive Session at 3:49 p.m. with no action taken. **MOTION CARRIED UNANIMOUSLY.**

The board recessed at 3:50 p.m. and reconvened at 5:45 p.m. with all board members present, including Solberg.

A. Alaska Legal Counsel Hire

Andrew moved and Christensen seconded to retain the Levesque Law Group as its Alaska counsel. **MOTION CARRIED UNANIMOUSLY.**

B. Ratify Martello's hire

Christensen moved and Andrew seconded to ratify Martello's executive director employment agreement as presented. **MOTION CARRIED UNANIMOUSLY.**

11. Miscellaneous Business – None.

12. Future Agenda Items – None.

13. Review/Confirm Future Meeting Dates

January 19–20, 2016 – Fairhaven Village Inn, Bellingham, WA

February 16–17, 2016 – Fairhaven Village Inn, Bellingham, WA

March 3–4, 2016 – Anchorage, AK

14. Adjourn

Christensen moved and Gibbons seconded to adjourn at 6:02 p.m. **MOTION CARRIED UNANIMOUSLY.**