

Open Harvest Cooperative

Board of Directors Meeting Minutes

Wednesday, May 6, 2015

6:00 – 8:00PM

Two Pillars Church, 1430 South Street

Present **Board Directors:** Carla McCullough (Board Chair), Brandé Payne (Vice Chair), Megan Jackson (Secretary), Sarah Bauman, John Christensen, Barbara DiBernard, Sarah Disbrow, Mary Hansen, Bob Hutkins, Steven McFadden, Molly Phemister, Lin Quenzer, Kat Shiffler, Janet Squires, Nick Svoboda. **Staff Members:** Amy Tabor (Brand Manager), Matt Pirog. **Member Owners:** Skylar Falter, Paula Shafer (notetaker).

Absent **Board Directors:** None.

6:03 pm **Welcome, Introductions, Announcements:** The Board Chair called the meeting to order, welcomed board members, staff, and member owners. She announced that the General Manager (GM) was on maternity leave and circulated a congratulatory card for all to sign.

Since this was the last meeting before new directors are seated, the chair announced that this is also the last meeting for two board members: Janet Squires and Lin Quenzer. She thanked them for their service to Open Harvest.

6:05 pm **Consensus items: Approval of minutes and agenda:** The Chair presented the draft April board meeting minutes and the May agenda for approval.

Consensus items: The board approved the April meeting minutes and the May agenda with no changes.

6:10 PM **Reserved Member Comments:** None.

6:15 PM **GM Monthly Report (with Outreach Report):** The board chair asked if there were questions about the GM’s monthly report, which was distributed prior to the meeting. A board member expressed concern that the store managers who were designated to act on behalf of the GM in her absence were not present. One could not attend the meeting and the other was ill.

SALES

March 2015 Sales: \$381,342

Original Budget: \$377,527 (3rd qtr. budget of \$1,132,582/3)

March 2014 Sales: \$405,511

AP TO INVENTORY RATIO

Accounts Payable as of March 31, 2015 was \$155,753 and the last inventory was \$213,129. This is a ratio of .73.

Date	3/14	4/14	5/14	6/14	7/14	8/14	9/14	10/14	11/14	12/14	1/15	2/15
AP to Inv. Ratio	.72	.79	.82	.59	.68	.74	.78	.71	.83	.86	.70	.81

(You want a maximum of .75 or .80 for an AP to Inventory Ratio. More than one means you owe more than the wholesale value of the inventory on your floor)

WAGES AND SALARIES

Wages and Salaries for March 2015 were 17.84% of store sales, or \$68,022
Wages and Salaries budgeted for the 3rd quarter was 19.5% of store sales, or \$74,362
Wages and Salaries for March 2014 were 19% of store sales, or \$77,057

TOTAL OPERATING EXPENSE

Total Operating Expense for March 2015 were 35.50% of store sales, or \$135,395
Total Operating Expense budgeted for the 3rd quarter was 37.50%, or \$143,308
Total Operating Expense for March 2014 were 39.97% of store sales, or \$162,071

TOTAL STORE SALES PER LABOR HOUR (SPLH)

March 2015 Total Store SPLH was \$68.18
March 2014 Total Store SPLH was \$59

4/14	5/14	6/14	7/14	8/14	9/14	10/14	11/14	12/14	1/15	2/15
\$60	\$57	\$55	\$53	\$56	\$59	\$57	\$57	\$60	\$69	\$68

MEMBERSHIP NUMBERS for March 2015

- Renewals - 82
- New Members - 26
- Membership Forfeitures - 100
- Member Equity Redeemed - 0
- Total Member Count- 2,783

SUMMARY

- The store continues to meet its goals for labor hours worked and weekly sales.
- The store has also continued to meet its planned savings of \$1,000 per week for repayment to the cash reserve funds.
- The April All Staff Meeting was successful. The GM recognized the staff for its achievement of the difficult task of reversing the financial situation. This was due to everyone’s hard work. While the staff must continue to strive for high productivity and efficiency, it is on the right track.
- The GM’s focus for the month of April was to complete as many projects as possible and to train the acting managers. She is confident that the store will run smoothly during her leave.

OUTREACH ACTIVITIES SUMMARY

- The new Outreach Coordinator is Emily Brede.
- The in-progress and planned activities are:
 - Kickstarter Fundraiser: April 15th – May 15th
 - Open Harvest recording member owner stories: June 4th -7th, 10 AM - 6 PM, Open Harvest Parking Lot
 - The cost of the project is \$3,000, which is the purpose of the Kickstarter campaign. At present, donations stand at \$640; if the target is not met Kickstarter returns all funds to the donors.
 - A board member asked if the store had a contingency plan should the target not be met. There is no plan at present.
 - Another board member asked if member owners are interested in telling stories about Open Harvest. There appears to be great interest.
 - Local Foodshed Working Group Meeting, May 12th 4:30 - 5:30 PM, Ploughshare Brewing Co.
 - Brave New Brew Fest, Sunday, May 17th 2 - 5pm, The Bay, 2005 Y St. The store is providing cheese samples.
 - URBAN HOMESTEAD CLASS SCHEDULE, Antelope Park Church of the Brethren, 3645 Sumner Street
 - Worm Farming, May 12th 6 - 8 PM
 - Organic Gardening, May 16th 1 - 3 PM, Dawes Middle School
 - Foraging Wild Edibles, May 23rd 1 - 3 PM, at Bill Hawkin's farm, 1305 West Mill Road, Malcolm, NE
 - The Urban Homestead Summer Session begins June 9th. Nine classes are planned.
- Completed activities:
 - DHHS Wellness Fair
 - Ameritas Wellness Fair
 - YMCA Healthy Kids Day
- Recent Donations:
 - Work Well
 - Nebraska Safety Council
 - Zac Clubb Benefit Concert
 - Randolph Elementary

6:12 PM

Finalize Policy Manual: The committee chair thanked one of the committee members for her work on the policy committee; she is leaving the board. He stated that the committee will need additional help after this month.

Draft policies which had been discussed and tabled last month were discussed and clarified. Several minor changes to the language of two policies were suggested. The two policies affected involved the process for removing a board member and the board's interactions with the store staff. The committee chair requested consensus on the approved policy document.

Consensus item: The board approved the policies with the changes noted in discussion.

6:46 PM

Finance (financial review vs. audit, L4 summary): The committee recommended that the store perform an independent financial review rather than an audit as the cost of the review is lower than an audit. Bylaws require that an audit be performed at least once in every 5 years; the last audit was in 2013.

The committee chair stated that the GM has done an impressive job over the past year addressing the store's financial circumstances. The profitability for the most recent quarter showed a \$20,000 improvement over the same quarter last fiscal year; the GM moved the store from a loss of \$10,000 to a profit of \$10,000.

The board chair requested consensus on obtaining a financial review rather than an audit.

Consensus item: The board approved a financial review rather than audit.

6:55 PM

Election (2015 results): The committee chair summarized the committee report that had been distributed electronically prior to the meeting.

CANDIDATE MEET AND GREET: April 11th at the 2 Pillars Church.

- The event was not well attended. Most of the candidates were there, along with a few other current Board members. No staff and no other member owners were in attendance.
- The low attendance could have been due to the time of the event or also perhaps the new location. In prior years, the Meet and Greet was held at Meadowlark Coffee. While the coffee shop is at times noisy, it may be a better venue for this event. It is located right next door to the store, making participation easier for staff and shoppers.
- Overall suggestion: Schedule the event for a Sunday afternoon at Meadowlark, as these have been well attended in the past.

BOARD ELECTION RESULTS

- There were 317 ballots cast this year. The store, and the front end in particular, did a great job of promoting the election and encouraging member owners to vote, resulting in a threefold increase in turnout. For a reward, the staff all received 40th anniversary T shirts that also says "Staff".
- There were seven candidates running for six seats on the Board. The tally results of the election are as follows:
 - o Megan Jackson – 225
 - o Mary Hansen – 207
 - o Ross Brockley – 198
 - o Brande Payne – 197
 - o John Christensen – 191
 - o Ellen Dubas – 184
 - o Lin Quenzer – 155
- Five write-in candidates each received one vote.

- Twenty seven (27) ballots were invalid, resulting in a total of 290 ballots that were counted. The reasons for ballots being invalid are as follows:
 - o 12 had no member owner number
 - o 8 had a member owner number that was invalid (or not current)
 - o 4 had a name written instead of the member owner number (so validity couldn't be verified in database)
 - o 3 had a member owner number that had already cast a ballot
- This represents an increase in the number of invalid ballots, probably due to the overall increase in the number of voters. However, the committee suggested that the ballot could be improved by clarifying that a valid member owner number is required in order for a ballot to be counted.
- This year's election was contested; however, this was not always the case in years past. At times, candidate applications were submitted at the last minute. The committee suggested that future election committees start the process earlier. The committee could perhaps brainstorm or solicit ideas for potential candidates earlier in order to recruit and encourage them to apply for election before the deadline.
- The committee's overall conclusion is that the election was successfully run thanks to the Open Harvest Staff and Election Committee Members.

7:00 PM

40th ANNIVERSARY COMMITTEE REPORT

The committee met on April 15th. Present were Amy T., Kelsi S., Emily B., Steven Mc., Kat C., Megan J., Joe N., Mary H.

Discussion topics:

Kickstarter: Open Harvest Storymobile. Everything is pretty much ready to go! Kelsi sent out a link for committee members to view the Kickstarter page – it went live April 16th!

Promotion of the Kickstarter and Open Harvest Storymobile:

- Storymobile postcards and stickers to handout in-store / Lincoln Earth Day
- Word of mouth through staff and Board
- Social media (Facebook event)
- Set up display at the front of the store. Possibly incorporate a computer so that customers can view the kickstarter page and video.
- 40th anniversary donation jar?
- Once Board Election posters come down (April 26th) – Storymobile posters will go up
- Email explaining the Storymobile project

July 3rd Will be Open Harvest's Official Birthday. Steven explained our store astrology – Cancer. We will discuss our birthday celebration further in the Marketing Meeting, but it will be celebrated this July 3rd!

June All-Staff Picnic (Sunday, June 12th, 2016)

1 – 4 PM

Possible locations:

- American Legion Park (Randolph St.)
- Antelope Park
- Cooper Park

Meme Contest (leading up to parking lot event)

Steven McFadden, Meme Maestro

Parking Lot Event (October 3, 2015) – switched due to change in Husker Football schedule

Rain Location: Auld Pavilion

Overflow parking (Sunmart)

(4 hours) 10 AM – 2 PM or 3 PM – 7 PM

Discussion and brainstorming took place on what we wanted the event to look like. Discussion will continue at the next meeting.

NEXT MEETING: Wednesday, May 20th (10 AM – 11 AM)

7:07 PM

Board Operations (retreat, orientation, and video): The chair presented the 2nd draft agenda for the upcoming board retreat. No further comments or suggestions were given for the agenda so this will be the final version. The board is planning to hold a social event on the evening prior to retreat that will include the board's consultant.

The orientation for new board members is scheduled for June 1; the new policy manual needs to be available by then.

7:10 PM

Guest Members' Comments: One member owner asked if the new policies will be available to public. The Bylaws and Articles of Incorporation are available on the store's webpage. The member owner stated that having the policies available would help member owners attending the meeting to better understand the meeting discussion. The board will post its agendas and minutes to its webpage and will discuss whether policies will be posted.

The board then viewed a video provided by its consultant describing the history of food co-ops. This was to prepare for the retreat. Board members were asked to view a second video prior to the retreat; a link to that video will be sent to board members. The newly elected board members will also be asked to view the two videos prior to the board retreat.

7:36 PM

Adjourn to Executive Session – GM Review