

Open Harvest Cooperative

Board of Directors Meeting Minutes

Wednesday, September 02, 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, Ross Brockley, John Christensen, Barbara DiBernard, Sarah Disbrow, Ellen Dubas, Mary Hansen, Bob Hutkins, Steven McFadden, Molly Phemister, Nick Svoboda. **Staff Members:** Kelsi Swanson (General Manager), Matt Pirog. **Member Owners:** Paula Shafer (notetaker), Skylar Falter.

Excused Absence **Board Directors:** Kat Shiffler

Unexcused Absence **None.**

6:04 pm **Welcome, Introductions, Announcements:** The Board Chair called the meeting to order, welcomed board members, staff, and member owners. One board member read an excerpt from a letter that she received from Honorable Jeff Fortenberry, who represents Lincoln and the surrounding area in the US House of Representatives. The letter was in response to the board member's support for a genetically modified organism (GMO) labeling law.

6:09 pm **Consensus items: Approval of minutes and agenda:** The Chair presented the draft August board meeting minutes and the September agenda for approval.

Consensus items: The board approved the August meeting minutes and the September agenda with no changes.

6:05 PM **Reserved Member Comments:** None.

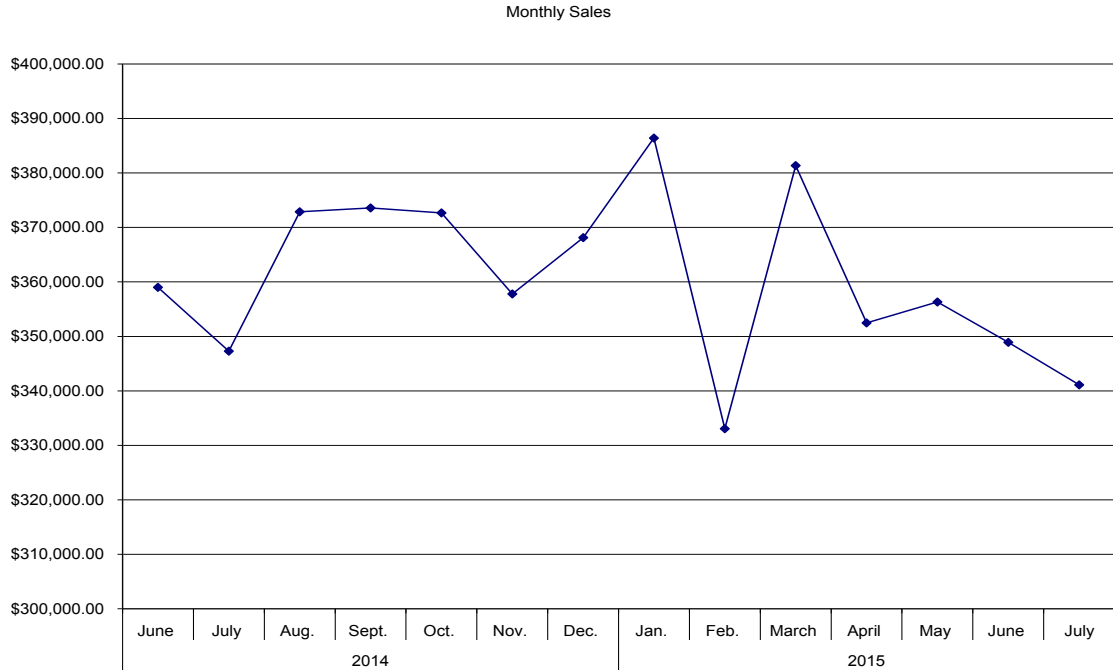
6:09 PM **GM Monthly Report:** The GM discussed the highlights of her monthly report, which was distributed prior to the meeting.

SALES

July 2015 Sales: \$341,084

Original Budget: \$352,803 (1st qtr. budget of \$1,058,410/3)

July 2014 Sales: \$347,304



AP TO INVENTORY RATIO

Accounts Payable as of July 31, 2015 was \$137,344 and the last inventory was \$226,874. This is a ratio of .61.

Date	7/14	8/14	9/14	10/14	11/14	12/14	1/15	2/15	3/15	4/15	5/15	6/15
Ratio	.74	.78	.71	.83	.86	.70	.81	.72	.73	.85	.79	.70

(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)

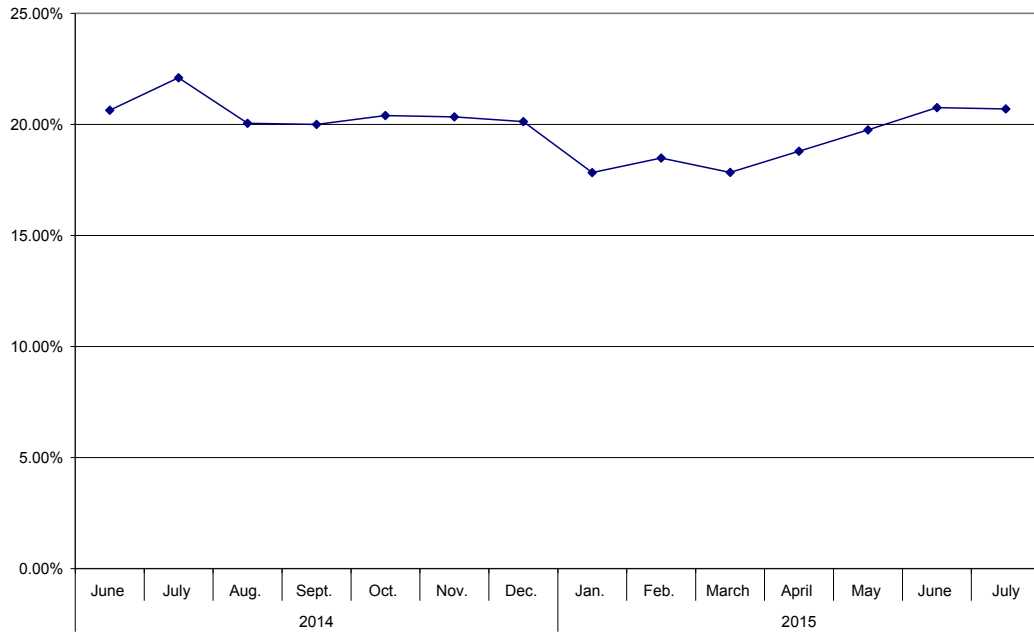
WAGES AND SALARIES

Wages and Salaries for July 2015 were 20.70% of store sales, or \$70,610

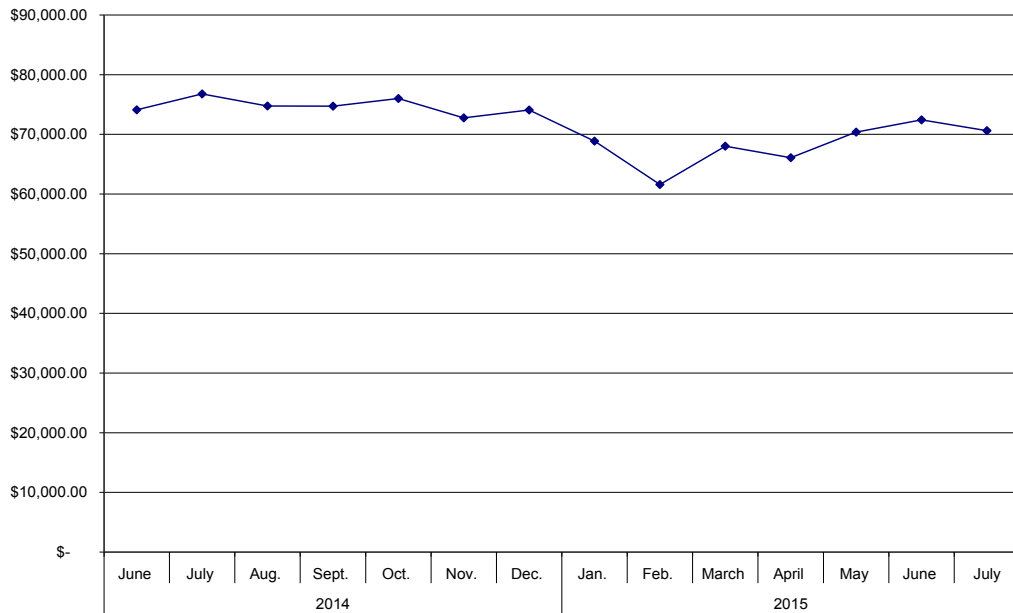
Wages and Salaries budgeted for the 1st quarter was 18.90% of store sales, or \$64,465

Wages and Salaries for July 2014 were 22.10% of store sales, or \$76,770

Labor as % of Sales



Labor Dollars Spent



TOTAL OPERATING EXPENSE

Total Operating Expense for July 2015 were 41.98% of store sales, or \$143,199

Total Operating Expense budgeted for the 1st quarter was 38.6%, or \$131,658

Total Operating Expense for July 2014 were 42.69% of store sales, or \$154,379

6:32 PM **Monitor L8 (Board Logistical Support):** The GM discussed the highlights of her L8 report, which was distributed electronically prior to the meeting. She asserted compliance to the policy.

Consensus item: The board approved the Monitor L8 report.

The policy currently requires that the board logistical support be monitored in July; the chair requested that the language be changed to eliminate a specific month and simply state that the policy be monitored annually. The chair of the policy committee agreed to make that change.

6:40 PM **Appoint 2016 Election Committee:** The chair asked for volunteers to staff the committee for this year. The committee needs to be formed now in order to recruit at Annual Meeting and write a recruitment article for the store newsletter. The board members who volunteered are: Brandé Payne, Barbara DiBernard, and Ellen Dubas.

6:45 PM **Finance Committee (Update):** The committee will meet on September 25th.

6:46 PM **Annual Meeting Committee (approve charter, meeting report):** The committee has decided that the Annual Meeting will be held during the day, include a cash bar, and be a pot luck style event. The committee is still looking for a venue and asked for suggestions from the board. The venue must be finalized by September 4.

The next meeting will decide on entertainment. The GM agreed to review last year's Annual Meeting reports and provide the committee with information about budget and cost for that event.

The chair asked for approval of the committee's charter, which was distributed electronically prior to the meeting.

Consensus item: The board approved the Annual Meeting Committee charter.

6:51 PM **Policy Committee (Meeting Report):** The committee met during the past month and discussed the information that had been gathered for creating a new Ends statement. This information had been gathered from the board and the staff and included ideas to be included in the Ends statement.

The board chair asked for approval to place the policy register on the publicly available Open Harvest website.

Consensus Item: The board approved the committee's placing of the policy register on the website.

The board chair asked the committee chair to write an introduction to the policy register for the website. The committee chair agreed to have the introduction and the policies in the Open Harvest website by the next board meeting.

- 6:56 PM **40th Anniversary Committee (Meeting Report):** The committee met and discussed events to celebrate the store's anniversary during the next few months. These will include:
- A meme contest will be held in October. It will be promoted on social media and in the store. There will be three winners selected and prizes given.
 - An oral history documentary of Open Harvest will be broadcast on KZUM on September 29th on Earth to Lincoln from 6 – 7 PM. There will be a listening party at Meadowlark Café on this evening for the event.
 - A sidewalk sales event will be held in October.
 - A staff/ board/ volunteer picnic will be held in Antelope Park in June of 2016.
- 6:59 PM **Board Operations Committee (Bylaws process update, meeting report):** The committee met last week to discuss how to reduce the board size to nine.
- 7:00 PM **Bylaws Process (plan presentation to Member Owners and alternatives for reduction):** The change in the board size will be presented at the Annual Meeting along with the process that will be followed to reduce the number of board members. The goal is to reduce the board to 9 members, with three year staggered terms. (i.e. Each annual election will have three seats in contention.) The board discussed several ideas:
1. Ask for volunteers to step down from the 6 people whose terms expire at the end of this fiscal year.
 2. Ask for volunteers among the other 9 board members to retire early.
 3. Ask all members of the board to list three board members who are crucial to retain.
 4. Ask all members to run in the next election, with only 9 seats being available.
 5. Poll all board members to see how many wish to stand aside.
- 7:37 PM **Ends Policy Discussion (continue visioning/brainstorming):** The board agreed at the June retreat to rewrite the Ends Statement for Open Harvest. This statement sets the strategic direction for the store; the management team then plans its strategy in concert with the Ends Statement.

A board member started the discussion with the question: "Do we need to change the Ends at this point?" Since the NCG COO recommended that the store focus on sales growth for the next 6 months, is there a need to change the Ends statement at this time? A board member asked whether the current Ends statement is impeding any store activity. The GM indicated that the Ends are sufficient; they would need to change only if the co-op decides that it wants to purchase conventional, mainstream products as a large percent of the store's product mix. The present Ends Statement allows the sale of conventionally produced products if those products are labeled so that the consumer can make an informed decision.

A draft Ends statement was circulated to the board electronically prior to the meeting. The committee chair asked if there was an objection to that statement. One board member raised a concern that the draft Ends locks the store in to a specific approach, and does not allow or promote creativity. Another board member stated that changing the Ends would not be necessary. If a creative idea that is inconsistent with the Ends were to be posed, then the Ends could be changed at that time.

The current state of the store is not sustainable; it has been losing money for several years. Changes are necessary.

7:58 pm

Guest Members' Comments: One guest member lent support to the idea to involve member owners in committees. That could generate additional enthusiasm for the store.

Another guest member applauded the idea of putting the policy register online. She also went on to say that it is hard to understand the board's proceedings without an understanding of the policies.

A board member suggested that the store offer members an option to get the agenda in an email prior to the board meetings each month.

8:00 pm

Adjourn