

**Open Harvest Cooperative
Annual Meeting Minutes
Thursday, November 2, 2017 6:30 – 8:30 p.m.
Chez Hay, North 210 14th Street, Lincoln, Nebraska**

- Present:** **Member-Owners:** 58 Member-Owners households with 95 attendees.
Board Directors: Brandé Payne (Board Chair), Megan Jackson (Vice Chair), Mary Hansen (Secretary), BJ Birkel, Ross Brockley, Tanika Cooper, Rosina Paolini, Matt Pirog.
Staff: Amy Tabor (General Manager).
- 6:30 pm** **Social Time:** Prior to the business meeting, Member-Owners socialized with each other while enjoying beverages and food prepared using some organic and locally-sourced ingredients.
- 6:55 pm** **Welcome and Introductions:** Board Director Ross Brockley welcomed all attendees to the meeting and introduced Board Chair Brande’ Payne. The Chair called the meeting to order, introduced the other Directors and the GM, and presented the meeting agenda.
- 7:03 pm** **Approval of 2016 Annual Meeting Minutes:** The Chair presented the draft 2016 Annual Meeting Minutes for approval. Copies of the meeting minutes were available for Member-Owners to review. The Chair asked for questions or comments. None were offered. The 2016 Annual Meeting Minutes were approved.
- 7:05 pm** **Annual Report by the Board Chair Brande’ Payne:** The Chair presented the Annual Report on behalf of the Board of Directors. Copies of the written report were available to Member-Owners prior to and during the meeting.

The Chair explained the Co-op uses a system called Policy Governance. This means that the Board does not engage in operational level decisions but instead focuses on reviewing policies, setting goals, and evaluating accomplishments. The Board uses policies to inform the GM of expectations, such as financial conditions, customer needs, or staff treatment. The GM is given the responsibility to accomplish those goals and to report progress at the monthly Board meetings. This is an efficient system that allows the Board to monitor policy and performance issues while placing trust in the GM to handle day-to-day store operations and to engage the Board if necessary.

The Chair reported that in the last year, the Board focused on the well-being of the Co-op and supporting the General Manager as she stabilized finances. Even in the face of strong competition, Open Harvest continues to head in the right financial direction.

The Chair highlighted the important board activities of the past year: building Board wisdom, delving into strategic conversations, refining policies and reporting, and seeking out opportunities to engage with Member-Owners. She reported on Board efforts to be more efficient with fewer resources and to streamline reporting with more relevant information from the GM for Board discussions. In addition, the Board invested in

leadership training, planned for succession, developed new financial literacy training, improved new Director orientation, and revised the ENDS policy statement.

The Chair explained that the ENDS policy is of particular importance as it provides a foundation for maintaining the culture of Open Harvest. While the Co-op is a business and its financial condition is closely monitored, the ENDS policy serves to remind the Board and staff to maintain a focus on being socially responsible, contributing to a strong local food economy, supporting economic justice, and being mindful of cooperative principles. These ENDS truly set Open Harvest apart from being “just another grocery store” and enhance the co-op culture that Member-Owners love and appreciate.

The Chair reported on Board and GM efforts to change the city ordinance to allow grocery stores, such as Open Harvest, to sell liquor. Open Harvest cannot apply for a license because of its proximity to the residential zone directly behind the store. Two weeks prior to the Annual Meeting, the Planning Commission discussed this matter for three hours and then voted in a tie. The Co-op has the opportunity to return to the next Planning Commission meeting on November 15 and again make the case to change the ordinance. The goal is to provide shoppers with a one-stop shopping experience while supporting local beer and wine producers. The Chair invited attendees to sign up to receive email updates or go the Open Harvest website for information on sending an email, writing a letter, or attending Planning Commission and City Council meetings.

The Chair announced that she will be stepping down from her position when the Board holds officer elections at its December meeting. Thanks to succession planning, the incoming chair will have the tools and resources to hit the ground running and do a fantastic job.

The Chair reminded Member-Owners of their responsibility for the well-being of Open Harvest. The Board and the GM strive to do their best to maintain the culture of the Co-op and maintain the viability of the business. Member-Owners can help by shopping faithfully and purposefully at Open Harvest, spreading the word about the Co-op, and remaining engaged and active by attending Board meetings, writing letters of support, voting in elections, and attending Co-op events.

7:20 pm Annual Report by the General Manager, Amy Tabor:

The GM reported that she had just completed her first full-year as GM in April. She thanked attendees for taking the time to attend the Annual Meeting. She reported that the focus of the past year was building a strong foundation. This was accomplished by strengthening operational systems, being the best employer that the Co-op can be, and reinforcing commitment to the community. She pointed out that in addition to the noticeable physical improvements, other less apparent accomplishments included: Upgrading the network and installing a temperature alert system for coolers and freezers, creating a new local vendor packet, revising the wage scale and implementing a livable wage for full-time staff, raising the starting wage, developing a new customer service

training program, conducting a staff survey, HR audit, and employee handbook review, providing professional development for managers and coordinators through NCG conferences and other trainings, completing a successful direct mail campaign, and starting Giving Day shopping events to raise money for local non-profits.

In addition to completing all these special projects and the daily tasks of operating a grocery store, Open Harvest achieved the first positive net income in several years. The GM plans to repeat this important accomplishment in the current year. She then reviewed the financial report, including profit and loss, sales, margin, expenses, income, balance sheet, assets, liabilities and equity. The GM noted that the 2900 Member-Owners accounted for 59 percent of sales, up from previous years. Local goods were 30 percent of sales while organic products were 35 percent of sales.

The GM's strategy for the upcoming year is to continue to develop strong operational systems. Four strategic priorities will guide this effort while helping to achieve the goals of the Ends Policy: fiscal health, focus on people, sustainability, and retail excellence.

The GM pointed out the highly competitive retail environment means that the survival and success of the Co-op depends on the ability to respond quickly to the changing market. A strong foundation will provide agility. As a founding member of the National Cooperative Grocers (NCG) of over 150 food co-ops across the country, Open Harvest has the support and resources available invaluable to managers, staff, and Board that ultimately benefit Member Owners and shoppers.

The GM concluded that the Co-op's accomplishments were possible through the contributions of many people. The GM asked that staff members to stand and be recognized. She thanked them for the hard work that they've put in this past year. She noted that the staff handled the new initiatives and challenges with grace and determination. The GM thanked the Management Team for rising to the challenge and helping make tough decisions to move the Co-op in the right direction. The GM thanked the Board for their hard work, noting that they ask thoughtful questions in meetings and are committed to building Board knowledge. They are getting ready to do some important work this next year that will help build a road map to an even stronger Open Harvest. Specifically, the GM thanked the Board Chair for all her work the past two years. Finally, she thanked Member-Owners for shopping, feedback, and spreading the word about Open Harvest. She looks forward to further serving them.

The Board Chair and GM then answered questions from the attendees.

7:40 pm **Bylaws Voting:** The Chair presented and reviewed the proposed Bylaws revisions. Written copies of the proposed Bylaws revisions were available for Member-Owners to review. The Chair reviewed substantive revisions of changing of the time frame of abandoned ownership equity from two years to one year, extending Board terms on an on-time basis to an additional six months to align Board elections with the Annual Meeting, and changing the requirement for a full financial audit from five years to a range of five to seven years.

Other revisions were made for consistent terminology, more clear wording, and updated protocol. The Chair answered several questions and then proceeded with voting. The vote consisted of 58 verified Member-Owners in favor and none in opposition. The proposed Bylaws revisions were approved.

7:50 pm Member-Owner Engagement Activity: At registration, each Member Owner received a card and was asked to record his/her answer to one of the following questions:

1. What is one thing that the Co-op could do in the future that would make you proud?
2. What do we do better than anyone else?
3. What could we do better for our shoppers?

The Vice Chair introduced and explained the engagement activity. She asked Member-Owners to move about the room and repeatedly exchange cards. She then asked them to pair up and discuss the answer on the card. Next, she asked that they write a comment about the answer or add another one. This process was repeated two more times. Cards were collected at the end of the activity. The answers will be compiled and the information used for upcoming strategic planning.

8:30 pm The meeting was adjourned.