

**Open Harvest Cooperative**  
**Board of Directors Meeting Minutes**  
**Wednesday, August 2, 2017, 6:00 – 8:00 p.m.**  
**Two Pillars Church, 1430 South Street, Lincoln, Nebraska**

- Present:** **Board Directors:** Brandé Payne (Board Chair), Megan Jackson (Vice Chair), Mary Hansen (Secretary), BJ Birkel, Ross Brockley, John Christensen, Tanika Cooper, Rosina Paolini, Matt Pirog. **Staff Members:** Amy Tabor (General Manager), Brian Furby, Paula Shafer (Board Administrative Assistant).
- 6:02 pm** **Welcome, Introductions, and Announcements:** The Chair called the meeting to order and welcomed Directors and staff.
- 6:02 pm** **Approval of July Meeting Minutes and August Agenda:** The Chair presented the draft July Board meeting minutes and the draft August meeting agenda for approval.
- Consensus Items:** The Board approved the July meeting minutes and the August meeting agenda.
- 6:03 pm** **Reserved Member-Owner Comments:** None were requested.
- 6:03 pm** **General Manager Monthly Report:** The GM discussed the monthly report which was available electronically to the Board prior to the meeting. Since the report was written, the Food Service Manager resigned. The GM recognized that this position has had high turnover and plans to postpone re-hiring and analyze the situation.
- GM Monitoring Report: L1—Financial Conditions and Activities: Fourth Quarter Financial Report:** The GM discussed the L1 Policy monitoring report which was available electronically to the Board prior to the meeting. The GM reported being non-compliant with L1.1 because net income for the fourth quarter was slightly negative, although the net income for the fiscal year was positive. To address L1.1 non-compliance, the GM plans continued close monitoring of expenses and increased strategies to spur sales. Several Directors offered congratulations to the GM for the positive results for the year and for nearly three consecutive quarters of positive net income.
- GM Follow-up Report on Non-Compliant Policy L6—Staff Treatment and Compensation:** The GM discussed the report that was available electronically to the Board prior to the meeting. The GM reported on progress with the wrap document to the Summary Plan Description and a revised completion date of January, 2018 per advice from the Co-op insurance provider. Progress on the remaining non-compliant policies continue as follows: The GM will create an HR Manual for training managers by September 30, implement an annual HR refresher training for managers and a more comprehensive on-boarding manager training program by December 31, and Include an HR file retention policy in the new HR Manual by September 30.
- 6:21 pm** **Receipt of Reports:** The Chair requested that the Board accept receipt of the GM monthly report, the non-compliant L1 monitoring report, and the L6 non-compliant follow-up report. The Board accepted receipt of the reports. The Board will monitor the non-compliant L1 and L6 Policies through monthly reporting from the GM.

**6:21 pm**      **Policy Revision Discussion L—Global and L2—Planning and Financial Budgeting; Assign Two Directors to Review L1 for Discussion in September:** The Directors who reviewed the Global and L2 policies recommended no revisions of the two policies. Two Directors were assigned to review the L1 Policy for revisions at the September Board meeting.

**6:24 pm**      **Approve Revisions to M4.5 and M4.6 Policies:** The proposed M4.5 and M4.6 revisions were available electronically to the Board prior to the meeting. The Chair asked that the Board approve the proposed revisions.

**Consensus Item:** The Board approved the proposed revisions to the M4.5 and M4.6 Policies.

**6:29 pm**      **Staff Survey Results Discussion:** The staff survey results were made available electronically prior to the meeting. The results indicated that Open Harvest staff are very satisfied with most aspects of their workplace. Staff reported that the Co-op is striving for continuous improvement and that they have opportunities for involvement in making those improvements. They feel supported and treated fairly and respectfully by management. Since receiving the survey results, the GM reported working to improve consistency in staff treatment and accountability across departments per staff feedback.

The GM and Board discussed possible explanations for the dichotomy between the positive staff survey results and staff turnover. Downsizing due to previous overstaffing, increased operational efficiencies, and decreased sales has reduced the number of staff in the past year. It was discussed that staff departure may be due to a variety of factors, which may or may not be related to workplace satisfaction. The GM found the results of the survey valuable and plans to solicit formal staff feedback periodically.

**7:00 pm**      **Discussion of Possibility of Aligning BOD Election with Annual Meeting:** The Chair led a discussion of the possibility of aligning the Board Election with the Annual Meeting. Currently the Board Election is held in April and new Directors are installed at the June Board meeting. The Annual Meeting is held in late October or early November. Board Officers are elected in December for a one-year term.

Advantages identified to moving the Election to October included:

- Most other National Co+op Grocers co-ops align their board election with their annual meeting.
- Alignment would provide Directors with time to gain Board experience prior to participating in important decisions such as the annual strategic plan and budget which occur in July.
- The terms of the Directors would align with the terms of the Officers, eliminating the risk that Officers are not re-elected as Directors in the middle of their terms.
- Moving the election would align it with the annual Member-Owner drive in October.
- Alignment of the Annual Meeting and the Board Election possibly could improve attendance at the Annual Meeting and/or increase the number of votes cast in the Election.

If the election calendar were to be changed, the following actions would result:

- The next Election would be postponed for six months.
- Each current Director would be asked to extend his or her term by six months.
- The Bylaws would need to be amended to accommodate the alignment.
- The Bylaw changes would need to be proposed and approved at the next Annual Meeting.

**Approve Changing the Board Election to Align with the Annual Meeting:** The Chair asked that the Board approve changing the Board Election to align with the Annual Meeting in 2018.

**Consensus Item:** The Board approved changing the Board Election to align with the Annual Meeting in 2018.

**7:22 pm** **Bylaws Review Discussion:** This discussion was tabled until the September meeting.

**7:23 pm** **Board Operations Committee Report: Provide Updated Board Contact Information, Liquor License Process Update, Annual Meeting Planning:** The Chair asked a previously absent Director if he had any conflicts of interest with his duties as a Director; he replied that he knew of none. The Chair provided corrected Board Contact Information. The Chair noted that the quarterly CBLD report was included in the meeting package and that the Committee held their monthly conference call with CBLD Consultant Marilyn Scholl.

The Chair updated the Board regarding the Liquor License Process with the City Council. The text amendment to classify grocery stores with restaurants to grant liquor licenses will be on the Planning Commission's October docket. While support of Open Harvest as a business has been expressed, opposition continues to waivers or exceptions to the current city ordinance that prevents alcohol sales in Lincoln's older neighborhoods.

Discussion of Annual Meeting planning was moved to the Member Owner Engagement Committee report; see below.

**7:40 pm** **Finance Committee Report: Review Plan for Board Financial Education, Annual Audit/Review Planning:** The Finance Committee's report was made available electronically prior to the meeting. The Committee met in July to review the fourth quarter financial report. The Committee plans to meet in August to continue development of a key financial indicator chart for Board use and to plan Board financial education about the chart. The annual financial review by the Co-op's outside accounting firm is scheduled to start in August with a report to the Board in October.

**7:44 pm** **Member-Owner Engagement Committee Report: Annual Meeting Planning, Member Owner Input into Strategic Planning, Board Presence at Grill-Out Days, Articles for The Dirt Newsletter:**

The Committee's report was made available electronically prior to the meeting. The Committee met in July to plan activities for the next year. The GM requested that the Committee assist in gathering input from Member Owners for long-term strategic planning purposes following the customer survey planned for January 2018. The Committee began planning for the Annual Meeting. The Committee Chair asked for Board input about including an activity to begin gathering Member-Owner input at the Annual Meeting. The decision was tabled until the September Board meeting. The Committee invited any Directors to participate in planning for the Annual Meeting by emailing ideas to the Committee Chair or by attending the next Committee meeting on August 10.

The Committee invited Directors to attend upcoming Grill-Out Days as an opportunity to participate in a fun store event, engage with customers, and if available, help with set-up or take-down. A solar eclipse viewing event in the parking lot is planned for August 21.

The Committee Chair asked for a Director to write an article for the next edition of The Dirt newsletter by September 1. Directors agreed to write articles about the proposed Bylaw changes to be presented for approval at the Annual Meeting and an update about the liquor license process.

**8:05 pm Guest Member-Owner Comments:** None.

**8:07 pm Review Action Items:**

**Completed Action Items:**

Action Item	Description	Assigned to
5/17—4	Revision: Discuss staff survey report which will be in the August Board meeting package.	GM and Board
6/17—5	Discuss aligning the Board election with the Annual Meeting.	Board
6/17—7	Poll remaining Directors regarding possible conflicts of interest.	Remaining Directors
6/17—9	Hold a Member-Owner Engagement Committee meeting.	MOE Committee
6/17—11	Revision: Draft and present revised M4.5 and M4.6 Policies.	Assigned Directors
7/17—1	Ask JLF Committee if there is a stepdown option for the deposit return.	GM
7/17—4	Review and report on possible L and L2 Policy revisions.	Assigned Directors
7/17—5	Distribute revised Board contact information.	Chair
7/17—7	Determine procedure for archiving Board meeting minutes.	Board Operations
7/17—8	Read articles on reasonable interpretation and email Chair with comments.	All Directors
7/17—9	Meet to discuss quarterly financial report.	Finance Committee
7/17—10	Meet to review and plan Member-Owner Engagement activities.	MOE Committee
7/17—11	Update Board on liquor license.	Chair

**Continued and New Action Items:**

Action Item	Description	Assigned to	Date Opened	Date Due
4/17--6	Revision: Ask CBLD Consultant Marilyn Scholl for advice and resources on obtaining member-owner input in strategic planning.	MOE Committee	4/5/17	9/6/17
5/17--9	Develop a chart of key financial indicators for the quarterly financial reports.	Finance Committee	5/3/17	9/6/17
6/17--8	Revision: Discuss and plan financial education for the Board.	Finance Committee	6/7/17	9/6/17
6/17--12	Revision: Discuss Board self-evaluation results when reviewing the G Policies.	Board	6/7/17	10/4/17
7/17--2	Provide a presentation on the CCMA conference.	Vice Chair	7/5/17	10/4/17
7/17--3	Revision: Update the Policy Handbook with the approved L7, L8, M4.5 and M4.6 Policy revisions.	Chair	7/5/17	9/6/17
7/17--6	Review and report on needed revisions in the Bylaws.	Assigned Directors	7/5/17	9/6/17
8/17--1	Review and report on possible revisions to the L1 Policy.	Assigned Directors	8/2/17	9/6/17
8/17--2	Draft and present Bylaw changes to align the Board Election with the Annual Meeting.	Assigned Directors	8/2/17	9/6/17
8/17--3	Meet to continue Annual Meeting planning.	MOE Committee	8/2/17	9/6/17
8/17--4	Write articles for September edition of The Dirt newsletter.	Assigned Directors	8/2/17	9/1/17

**8:14 pm Adjourned.**