

Open Harvest Cooperative
Board of Directors Meeting Minutes
Wednesday, February 1, 2017, 6:00 – 8:00 pm
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, Ellen Dubas, Bob Hutkins. **Staff Members:** Amy Tabor (General Manager), Paula Shafer (Board Administrative Assistant), Brian Furby. **Member-Owners:** Matt Pirog, Isaiah Krutak.

Informed

Absence: Barbara DiBernard.

6:02 pm **Welcome, Introductions, Announcements:** The Chair called the meeting to order and welcomed Board members, staff, and Member-Owners. The General Manager (GM) distributed copies of the Winter Edition of the Open Harvest Dirt newsletter.

6:04 pm **Approval of January Meeting Minutes and February Agenda:** The Chair presented the draft January Board meeting minutes and the February agenda for approval. The GM noted that the noncompliant policy report only covered E—Global Ends Policy as the L1 policies are covered in the L1—Financial Condition and Activities Policy monitoring report.

Consensus Items: The Board approved the January meeting minutes. The Board approved the February agenda with the change in the GM’s noncompliant policy report.

6:05 pm **Reserved Member-Owner Comments:** None.

6:05 pm **General Manager Monthly Report:** The GM discussed the monthly report which was available electronically to the Board prior to the meeting. Higher December sales helped the Co-op to achieve the first month of positive growth in over a year. Labor and other expenses were under and at goal. The new Food Service Manager started January 9. A staff survey has been completed, a human resource audit is planned and a revised employee handbook is nearly complete. Temperature sensors that interconnect with a mobile application were installed in the coolers and freezers. These will alert key staff to failures including those that occur when the store is closed. The GM is preparing for a new competitor in the Lincoln market.

GM Follow-up Report on Non-Compliant Policy E--Global Ends: The GM’s report was available electronically to the Board prior to the meeting. She reported that she is addressing the E—Global Ends Policy compliance by continued close monitoring of sales margin, labor and expenses, striving to improve financial conditions to realize the return of the additional liability funds on deposit with National Co+op Grocers, creating a new vendor packet, and revising the Co-op buying guidelines.

L1 – Financial Condition and Activities Policy Monitoring Report: The GM reviewed her L1 monitoring report which was available electronically to the Board prior to the meeting. The GM reported a positive net income quarter. She attributed this success to stringent oversight of

margin, labor and expenses. She plans to continue the same strategies going forth. The GM asserted compliance with the L1 Policy.

6:27 pm **Receipt of Reports:** The Chair requested acceptance of the GM monthly report and the report on non-compliance of the E--Global Ends Policy. The Board acknowledged receipt of the reports.

Consensus Item: The Chair asked the Board for approval of the L1—Financial Condition and Activities Policy Monitoring Report as compliant. The Board approved the report as compliant.

6:27 pm **Policy Revision Discussion: L9 – Emergency General Manager Succession Plan Policy:** The Chair asked if there were any suggestions for revision of the Emergency General Manager Succession Plan Policy. No suggestions were made.

6:28 pm **Board Operations Committee Report: Board Retreat Agenda and Preparation:** The Chair reminded the Board of the upcoming Board retreat on February 25 which she is hosting at her home. She reported that the Committee held their monthly conference call with the CBLD Consultant Marilyn Scholl in which they discussed the retreat agenda and plans. The Chair reviewed the agenda and resource materials for the retreat that were available electronically to the Board prior to the meeting. In preparation for the retreat, the Consultant asked Board members and the GM to read the resource materials and to sign up to shop at a competitor and compare their experience to shopping at Open Harvest. The Chair completed the sign-up process and asked for comments regarding the agenda. No comments were given.

Consensus Item: The Chair asked for approval of the retreat agenda. The Board approved the agenda.

6:35 pm **Finance Committee Report:** The Finance Committee reported meeting on January 31 to review the second quarter financial report. The Committee recognized the GM’s efforts and success in achieving a positive income quarter. The Board discussed changes to the L1 Policy and the need for continued financial improvement.

6:49 pm **Member-Owner Engagement Committee: Board Elections Update:** The Election Committee Chair reported that she has received one application for the Board election. The Board brainstormed a list potential candidates. The GM will verify the membership status of the potential candidates and the Election Committee Chair will contact qualified potential candidates to remind them of the upcoming Board election and ask if they are interested in submitting an application.

7:03 pm **Liquor License Task Force Report: Committee Charter Update and Committee Update:**
Consensus Item: Liquor License Task Force Charter: The Chair reviewed the revised task force charter which was available electronically to Board prior to the meeting. She asked for comments. None were made.

Consensus Item: The Chair asked the Board to approve the revised the Liquor License Task Force charter. The Board approved the revised charter.

The GM and Chair reported attending the City Council meeting on January 9 to advocate for the text amendment to the city ordinance and to present over 1,000 signatures in support of a liquor license for Open Harvest. The text amendment did not pass on a 4-3 vote. The Chair discussed a revised text amendment that was available electronically to the Board prior to meeting and will be submitted to the Planning Department as soon as it is ready.

7:14 pm **Proposal to Amend the Bylaws: Amend Article V, Section 5.6: Audit versus Review:** The Chair presented a proposal to amend the Bylaws' requirement to conduct a financial audit from "at least every five years" to "as the Board deems necessary." This change would allow the Board to conduct an audit as deemed prudent rather than on a set timetable. An audit is significantly more expensive than a review but provides more in-depth financial scrutiny. Concern was raised about the Board's liability if financial misappropriations were missed in the absence of an audit. The Board asked the GM to seek legal counsel to determine any legal requirement for an audit.

7:41 pm **Strategic Discussion: Transparency:** The Board discussed an article on transparency that was available electronically to the Board prior to the meeting. Some points discussed from the article were that the Co-op and Board should promote Member-Owner well-being, communicate their efforts to Member-Owners, educate Member-Owners about the Co-op's sector of the industry, remind Member-Owners why they shop at the Co-op, adapt to changes in the market and with the Member-Owners, be responsive to Member-Owner needs, fully embrace being profitable while adhering to co-op principles, effectively inform Member-Owners of successes in achieving non-monetary goals, and be innovative and adapt quickly to changing shopper needs. The Board will consider these points for the Member-Owner Engagement planning session at the Board retreat.

8:01 pm **Review Outstanding Action Items:**

Completed Action Items:

- 1/17—1 The Board approved the retreat agenda which includes continued discussion of the Global Ends Policy.
- 1/17—2 The Chair presented and the Board approved the revised charter for the Liquor License Task Force.
- 1/17—3 The Chair worked with the CBLD consultant to develop the retreat agenda.
- 1/17—4 The Finance Committee met to review the quarterly financial report.
- 1/17—5 The Board Operations Committee discussed continuing Member-Owner Engagement strategic planning at the Board retreat with the CBLD consultant.

New Action Items:

- 2/17—1 The Member-Owner Engagement Committee Chair will send the list of potential Board candidates to the GM for verification of Member-Ownership and then to the Election Committee Chair.
- 2/17—2 The Chair will submit a revised text amendment to the City Planning Department.

8:03 pm **Guest Member-Owners' Comments:** None.

8:03 pm **Adjourned**

Action Item	Description	Assigned to	Date Opened	Date Due
8/16 – 3	Determine legal requirements regarding audits for Board discussion.	GM	8/3/16	5/17
2/17—1	Send the list of potential Board candidates to the GM for verification of Member-Ownership and then to the Election Committee Chair.	MOE Committee	2/1/17	2/5/17
2/17—2	Submit a revised text amendment to the City Planning Department.	Chair	2/1/17	3/1/17