

Open Harvest Cooperative
Board of Directors Meeting Minutes
Wednesday, July 7, 2017, 6:00 – 8:30 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, Tanika Cooper, Rosina Paolini, Matt Pirog
Staff Members: Amy Tabor (General Manager)

Informed

Absences: **Board Directors:** Ross Brockley, John Christensen

6:00 pm **Welcome, Introductions, Announcements:** The Chair called the meeting to order and welcomed Directors and the GM. The Chair reminded the Board of the recent email from the CDS Consultant Marilyn Scholl encouraging Directors to attend the workshop, Cooperative Board Leadership 101: Foundations for Board Leadership, on July 8 in Chicago.

6:05 pm **Approval of June Meeting Minutes and July Agenda:** The Chair presented the draft June Board meeting minutes and the draft July meeting agenda for approval.

Consensus Items: The Board approved the June meeting minutes and the July meeting agenda.

6:07 pm **Reserved Member-Owner Comments:** None were requested.

6:08 pm **General Manager Monthly Report:** The GM discussed the monthly report which was available electronically to the Board prior to the meeting. Additions made since the report was written: The GM noted that she added daily customer count and basket size to the graph in her monthly report. The Joint Liability Fund Committee of National Co+op Grocers informed her that while they are pleased with Open Harvest’s improved financial condition, they would like to see additional improvements, including continued positive income, better cash flow, and a four percent EBITDAP (Earnings Before Interest, Taxes, Depreciation, Amortization and Pension Income), prior to the return of the additional liability deposit. The GM will ask the if a stepdown process would be possible to return to the standard deposit amount. The GM reported that three managers attended the recent meeting regarding a possible food hub at the Pershing Center. The GM reported on recent challenges and improvements in the Food Service department.

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. She reported that she is considering options for the wrap document to the Summary Plan Description. 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.

GM Monitoring Reports: L—Global Executive Constraint and L2—Planning and Financial Budgeting: The GM reviewed the L and L2 monitoring reports which were available electronically to the Board prior to the meeting. She asserted compliance.

6:38 pm GM’s Review of the 2017-2018 Annual Budget and Business Plan: The GM presented the annual budget and business plan which were available electronically to the Board prior to the meeting. The GM summarized and discussed the accomplishments of the past year, trends in the market, competition, budget assumptions, the Ends Policy, strategic priorities, marketing assumptions, and a three-year business plan. The GM proposed expanding and extending the Co-op’s current bank loan into a five-year loan to refresh the store and purchase needed equipment. The Board and GM had an extensive discussion of the business plan, budget and refinanced loan.

7:42 pm Receipt of Reports: The Chair requested the Board accept receipt of the GM monthly report and the L6 Policy non-compliant report. The Board accepted receipt of the reports. The Board will continue monitoring the non-compliant L6 Policy through monthly reporting from the GM.

Approval of Proposed Loan: The Chair requested the Board approve the proposed loan. Three Directors stepped aside. Further discussion continued to address their concerns.

8:08 pm Consensus Item: The Chair again asked the Board to approve the proposed loan. The Board approved the proposed loan.

Receipt of Annual Business Plan and Budget: The Chair asked the Board to accept receipt of the annual business plan and budget. The Board accepted the plan and budget.

Consensus Item: The Chair asked that the Board approve the L and L2 Policy monitoring reports as compliant. The Board approved the reports as compliant.

8:10 pm Policy Revision Discussion L7—Communication to the Board and L8—Board Logistical Support; Assign Two Directors to Review L Global and L2 in August: The Directors assigned to review the L7 Policy proposed that the wording be changed from “monitored by direct inspection both annually and periodically” to “monitored annually by internal report.” The L7 monitoring report is submitted annually by the GM and all policies that are reviewed annually use this language. In addition, they proposed changing the L8 Policy from “monitored annually by internal report at July 1 of each year” to “monitored annually by internal report.” Again, all policies that are reviewed annually use this language and the Board calendar may change slightly from year to year so L8 monitoring may not always happen in July.

Consensus Item: The Chair asked for discussion and approval of the L7 and L8 Policy changes. There was no discussion. The Board approved the Policy changes.

Two Directors were assigned to review and report on possible L and L2 Policy revisions for the August Board meeting.

8:12 pm Discussion of Possibility of Aligning BOD Election with Annual Meeting: Due to lack of time, this agenda item was tabled until the August Board meeting.

8:12 pm CCMA Presentation: Due to lack of time, this agenda item was tabled to a future meeting.

8:13 pm Board Operations Committee Report: Poll Directors for Conflicts of Interest, Provide Updated Board Contact Information and 2017-2018 Board Calendar, Bylaws Revision, Minutes Recordkeeping, Reasonable Interpretation: The Chair polled a Director who was absent last month regarding any conflicts of interests. The Director noted that the organization for whom she works provides services to Open Harvest. The Chair distributed the updated Board contact information. A recent change and an error were noted. The Chair will revise the contact information and distribute again at next month’s meeting. The Chair distributed the finalized 2017-2018 Board Calendar. Two Directors volunteered to review the Bylaws for revisions and report back at next month’s Board meeting. The Chair reported that the CDS Consultant advised keeping Board meeting minutes permanently. The Consultant advised against defining the term “reasonable interpretation” and sent an article that was included in this month’s Board package. The Chair asked that Directors read the article and email her with questions and comments.

8:18 pm Finance Committee Report: The Committee did not meet last month but will meet this month to review the fourth quarter financial report. The Committee will review the use of the template of key financial indicators for the next month’s Board meeting. In addition, they will discuss and plan for Board financial education for the next fiscal year.

8:21 pm Member-Owner Engagement Committee Report: The Committee did not meet last month. The Committee Chair reported that she had compiled the prior year’s Committee reports to the Board. The Committee plans to meet this month to evaluate the activities of the last year and plan activities for the coming year.

8:23 pm Discussion of Board Self-Evaluation Survey Results: This agenda item was tabled until the October Board meeting when the Board evaluates the G Policies.

8:24 pm Guest Member-Owner Comments: No guest Member-Owners were in attendance.

8:25 pm Review Action Items:

Completed Action Items:

Action Item	Description	Assigned to
6/17—1	Participate in Owner Appreciation Days as determined by the GM (No participation requested by the GM).	All Directors
6/17—2	Update the Policy Handbook and Bylaws in the Board meeting package.	Chair
6/17—3	Distribute paper copies of the Board contact information and Board	Chair

	calendar (Revised contact information will be distributed next meeting).	
6/17—4	Discuss the length of time to archive Board meeting minutes and the definition of “reasonable interpretation” with the CDS Consultant.	Board Operations
6/17—6	Review and report on possible revisions of the L7 and L8 Policies.	Assigned Directors
6/17—10	Compile last year’s MOE Committee meeting reports.	MOEC Chair
6/17—13	Write an article for the Dirt about the new Board Directors.	Chair

Continued and New Action Items:

Action Item	Description	Assigned to	Date Opened	Date Due
4/17--6	Schedule a strategic conversation about the CBLD article on member-owner engagement.	MOE Committee	4/5/17	10/4/17
5/17—4	Revision: Discuss staff survey report which will be in the August Board meeting package.	GM and Board	5/3/17	8/2/17
5/17—9	Develop a template of key financial indicators for the quarterly financial reports.	Finance Committee	5/3/17	8/2/17
6/17—5	Discuss aligning the Board election with the Annual Meeting.	Board	6/7/17	8/2/17
6/17—7	Poll remaining Directors regarding possible conflicts of interest.	Remaining Directors	6/7/17	8/2/17
6/17—8	Revision: Discuss and plan financial education for the Board.	Finance Committee	6/7/17	8/2/17
6/17—9	Hold a Member-Owner Engagement Committee meeting.	MOE Committee	6/7/17	8/2/17
6/17—11	Draft and present revised M3.2, M4.5 and M4.6 Policies.	Assigned Directors	6/7/17	8/2/17
6/17—12	Revision: Discuss Board self-evaluation results when reviewing the G Policies.	Board	6/7/17	10/4/17
7/17—1	Ask JLF Committee if there is a stepdown option for the deposit return.	GM	7/5/17	8/2/17
7/17—2	Provide a presentation on the CCMA conference.	Vice Chair	7/5/17	10/4/17
7/17—3	Update the Policy Handbook with the approved L7 and L8 Policy revisions.	Chair	7/5/17	8/2/17
7/17—4	Review and report on possible L and L2 Policy revisions.	Assigned Directors	7/5/17	8/2/17
7/17—5	Distribute revised Board contact information.	Chair	7/5/17	8/2/17
7/17—6	Review and report on needed revisions in the Bylaws.	Assigned Directors	7/5/17	8/2/17
7/17—7	Determine procedure for archiving Board meeting minutes.	Board Operations	7/5/17	8/2/17

7/17—8	Read articles on reasonable interpretation and email Chair with comments.	All Directors	7/5/17	8/2/17
7/17—9	Meet to discuss quarterly financial report.	Finance Committee	7/5/17	8/2/17
7/17—10	Meet to review and plan Member-Owner Engagement activities.	MOE Committee	7/5/17	8/2/17
7/17—11	Update Board on liquor license.	Chair	7/5/17	8/2/17

8:35 pm Adjourned.