

**Open Harvest Cooperative
Board of Directors Meeting Minutes
Wednesday, June 7, 2017, 6:00 – 8:15 p.m.
Two Pillars Church, 1430 South Street, Lincoln, Nebraska**

Present: **Board Directors:** Brandé Payne (Board Chair), Mary Hansen (Secretary), BJ Birkel, Ross Brockley, Tanika Cooper, Rosina Paolini, Matt Pirog. **Staff Members:** Amy Tabor (General Manager), Paula Shafer (Board Administrative Assistant), Lori Allison.

Informed

Absences: John Christensen, Megan Jackson

6:00 pm **Welcome, Introductions, Announcements:** The Chair called the meeting to order and welcomed Directors, staff, and Member-Owners.

6:01 pm **Install New Board Directors:** The new Directors were installed.

6:02 pm **Approval of May Meeting Minutes and June Agenda:** The Chair presented the draft May Board meeting minutes, May executive session minutes, and the draft June agenda for approval. The GM requested that the staff survey presentation be delayed to a future Board meeting.

Consensus Items: The Board approved the May meeting minutes, the executive session minutes, and the June agenda with the above-noted change.

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

6:05 pm **General Manager (GM) Monthly Report:** The GM discussed the monthly report which was available electronically to the Board prior to the meeting. Additions to the written report included: The Co-op received a patronage dividend from Frontier Co-op which was added to savings. The financial review is scheduled for August. A cooler failed earlier in the week. The repair by the refrigeration company was not successful and went unnoticed for several hours causing partial inventory loss. The company agreed to pay for the loss of product plus labor. Directors will be contacted regarding Board presence in the store for the upcoming Owner Appreciation Days.

GM Monitoring Report: L7—Communications to the Board and L8—Board Logistical Support: The GM discussed the L7 and L8 monitoring reports which were available electronically to the Board prior to the meeting. The GM asserted compliance with L7 and L8 Policies.

The GM also requested a streamlined method of identifying policy changes. The Chair stated that she would be more mindful of documenting policy changes and updating the Policy Handbook following Board approval of changes and would include the modification date. Regarding a question about the recommended length of time to archive Board meeting minutes, the Board Operations Committee agreed to discuss the topic with the CDS Consultant.

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 that the new contract with the Finance Manager has been signed and became effective June 1. 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. The Board will continue monitoring the non-compliant policy through monthly reporting from the GM.

6:47 pm Receipt of Reports: The Chair requested that the Board accept receipt of the GM monthly report and the L6 non-compliant report. The Board accepted receipt of the GM monthly report and the L6 non-compliant report.

Consensus Item: The Chair asked that the Board approve the L7 and L8 Policy monitoring reports as compliant. The Board approved the reports as compliant.

6:48 pm Discussion of the Possibility of Aligning the Board of Directors Election with the Annual Meeting: The GM suggested that the Board consider aligning the election with the annual meeting. The majority of National Co+op Grocers co-ops are aligned: some open their election at the annual meeting, some close their election at the annual meeting, and some hold the annual meeting during the election cycle and allow candidates to stump at the meeting. Currently Open Harvest holds its annual meeting in late October or November and its election in April. Newly elected directors are installed in June, only one month before the GM presents the yearly strategic plan. New directors have little Board experience to assess this important plan. If the election were to be in October, the new directors would be installed in December allowing six months for new Directors to understand the Co-op prior to strategic planning. In addition, the Board officers are now elected in December. An officer potentially could be elected by the Board and then not be re-elected in April by the Member-Owners. Moving the election also would align it with the annual Member-Owner drive in October. One challenge with the change would be the workload. Both events involve significant staff and Board work; combining the events could exacerbate the problem. If the change is made, the Board would need to decide on the timing of the next election. The cycle could be shorter or longer to make the adjustment. A decision was tabled to a future Board meeting when all Directors are in attendance.

7:04 pm Policy Revision Discussion: L1—Financial Condition and Activities, Assign Two Directors to Review L7 and L8 for Discussion in July: L1 Policy was revised recently and therefore no further revisions were made. The Chair assigned two Directors the task of reviewing and reporting on the L7 and L8 Policies at next month's Board meeting.

7:09 pm Approve Board Budget: The Chair discussed the Board budget which was available electronically prior to the meeting. The GM asked that the annual meeting budget be increased to include catering of the annual meeting. Last year, the staff prepared most of the food for the meeting, which was significant extra work for the staff. The Co-op is not set up to cater such an event. The budget was increased to accommodate a caterer.

Consensus Item: The Chair requested approval of the Board budget. The Board approved the budget.

7:22 pm Approve 2017-2018 Board Calendar: The Chair discussed the Board calendar which was available electronically prior to the meeting and requested approval.

Consensus Item: The Board approved the 2017-2018 Board calendar.

7:25 pm Board Operations Committee Report: Update Board Contact Information, Review Annual Board Priorities: The Chair requested that all Directors provide their contact information; she will compile and make it available to the entire Board and the GM.

The Chair requested that each Director identify any potential conflicts of interest that might affect his or her ability to practice co-op governance ethically. One Director stated that he sells product to the Co-op. He agreed to recuse himself on any Board decisions affecting his business relationship with the Open Harvest. Absentee Directors will be polled next month.

The Chair reviewed the status of the annual Board priorities that was made available electronically prior to the meeting. All priorities are complete or have a process in place for completion.

7:36 pm Finance Committee Report: The Committee did not meet last month. The Committee plans to use the new template of key financial indicators for discussion of the quarterly financial report at the July Committee meeting and at the August Board meeting. A Committee member agreed to provide financial education for the August Board meeting.

7:40 pm Member-Owner Engagement (MOE) Committee Report: MOE Activities and Goals: The Committee Chair discussed and asked for feedback on the Committee report on Member-Owner engagement activities and goals that was available electronically prior to the meeting. Directors commented that the list of activities was extensive and approved the immediate Committee goals to review past year activities and to plan activities for the coming year. The Chair also asked for Directors to join the Committee; two Directors volunteered to do so. The next Committee meeting will be in July. The Committee Chair volunteered to compile the past year's meeting reports for the Committee to review.

7:49 pm Review M Policy—Board-Management Relationship: The Chair discussed and asked for feedback on the M Policy review reports that were available electronically prior to meeting. No changes were recommended for the global M, M1, and M2 Policies. Regarding the M3.2 Policy, a Director suggested the Board look into defining the phrase "reasonable interpretation" as it is used often in the policies. The Board Operations Committee agreed to discuss the term with the CDS Consultant and ask if other co-ops define this term or if she has suggestions for discussing it in a more clarifying way so all Directors are comfortable using this as a measure when reviewing policies. In addition, it was suggested that M4.5 and M4.6 be modified to reflect the changes to the scope and timing of the GM employment contract and review. Two Directors agreed to draft updates to the M Policies that will be presented at the July Board meeting.

7:50 pm Discussion of Board Self-Evaluation Results: This item was tabled for the July meeting.

8:00 pm **Guest Member-Owner Comments:** The staff/Member-Owner commented that the Board is awesome in its thoughtful approach to governance, welcomed the new Directors, and indicated that she is looking forward to working with them.

8:08 pm **Review Outstanding Action Items:**

Completed Action Items:

Action Item	Description	Assigned to
3/17—8	Review the Global M Policy and assigned M Policy; write a paragraph for presentation and discussion.	All Directors
4/17—8	Discuss budgeting for Board attendance at CCMA Conferences.	GM & Chair
5/17—1	Discuss CCMA funding ideas with CDS Consultant.	Board Operations
5/17—2	Discuss revision of M4 Policy.	Board
5/17—3	Present revised succession plan.	GM
5/17—5	Discuss policy review process.	Board
5/17—6	Plan and conduct new Board orientation.	Board Operations
5/17—7	The annual Board budget will remain in June on the Board calendar.	Chair
5/17—8	Review Board liability insurance costs and options.	GM
5/17—10	Discuss the Member-Owner Engagement activities report.	Board

Continued and New Action Items: See table below.

8:15 pm **Adjourned**

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.	Chair	4/5/17	10/4/17
5/17--4	Give a presentation of the staff survey.	GM	5/3/17	9/6/17
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--1	Participate in Owner Appreciation Days as determined by the GM.	All Directors	6/7/17	7/5/17
6/17--2	Update the Policy Handbook and Bylaws in the Board meeting package.	Chair	6/7/17	7/5/17
6/17--3	Distribute paper copies of the Board contact information and Board calendar.	Chair	6/7/17	7/5/17
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	6/7/17	7/5/17
6/17--5	Discuss aligning the Board election with the Annual Meeting.	Board	6/7/17	8/2/17
6/17--6	Review and report on possible revisions of the L7 and L8 Policies.	Assigned Directors	6/7/17	8/2/17
6/17--7	Poll remaining Directors regarding possible conflicts of interest.	Remaining Directors	6/7/17	7/5/17
6/17--8	Plan and present financial education for the Board.	Assigned Director	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--10	Compile last year's MOE Committee meeting reports.	MOEC Chair	6/7/17	7/17/17
6/17--11	Draft and present revised M3.2, M4.5 and M4.6 Policies.	Assigned Directors	6/7/17	7/5/17
6/17--12	Discuss Board self-evaluation results.	Board	6/7/17	7/5/17
6/17--13	Write an article for the Dirt about the new Board Directors.	Chair	6/7/17	6/14/17