

Open Harvest Cooperative
Board of Directors Meeting Minutes
Wednesday, March 1, 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), Ross Brockley, John Christensen, Barbara DiBernard, Ellen Dubas, Bob Hutkins.
Staff Members: Amy Tabor (General Manager), Paula Shafer (Board Administrative Assistant).
Member-Owners: Tanika Cooper, Skylar Falter, Aaron French, Matt Pirog, Lori Gottula

Uninformed

Absence: BJ Birkel

6:03 PM **Welcome, Introductions, Announcements:** The Chair called the meeting to order and welcomed Directors, staff, and Member-Owners.

6:06 PM **Approval of February Meeting Minutes and March Agenda:** The Chair presented the draft February Board meeting minutes for approval with no requested changes. She then presented the March agenda for approval with the addition of a discussion of conducting an audit or review.

Consensus Items: The Board approved the February meeting minutes and the March agenda with the additional agenda item.

6:08 PM **Reserved Member-Owner Comments:** None.

6:08 PM **General Manager Monthly Report:** The GM monthly report was available electronically to the Board prior to the meeting. The GM reported on additions and updates to her report, including that CDS Consulting completed a HR policy audit and staff survey with above average scores in comparison to similar co-ops. The GM plans to use their recommendations in setting goals for improvements. The GM will conduct a store tour on March 27 for the UNL Organic Farming Class. A shopper survey as part of planning for the next fiscal year will be conducted this spring.

A Director expressed concerns about compliance and not meeting budget goals. The GM explained that compliance with the financial policy goals is different from not meeting budget goals. Budget goals made at the beginning of last fiscal year have proven to be too optimistic. The GM is making constant adjustments to labor and expenses in response to actual sales to realize positive income. Improved Days Cash on Hands in the GM report indicates an improving financial condition.

GM Follow-up Report on Non-Compliant Policy E--Global Ends: The report was made available electronically to the Board prior to the meeting. In that report, the GM reported that she is addressing non-compliance by continued close monitoring of waste, margin, expenses and labor, setting weekly department budgets, working on the goal for 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.

L3 – Asset Protection Policy Monitoring Report: The GM reviewed her L3 monitoring report which was available electronically to the Board prior to the meeting. In response to a Board question, the GM reported that she relies on an agency for comparison shopping to obtain insurance at the best cost.

6:35 PM **Receipt of Reports:** The Chair requested acceptance of the GM monthly report and non-compliance report. The Board acknowledged receipt of the reports.

Consensus Item: The Chair asked the Board for approval of the L3—Asset Protection Policy Monitoring Report as compliant. The Board approved the report as compliant.

6:36 PM **Policy Revision Discussion: L1 – Financial Condition and Activities Policy:** The Chair asked if there were any suggestions for revision of the L1—Financial Conditions and Activities Policy. There were none.

6:37 PM **Audit or Review Discussion:** The Board continued the previous discussion on whether to conduct an audit or review this year. The GM reported that the Co-op’s accountant opined that Board oversight is the most effective control and that the Board should make the decision based on their level of concern. Following a discussion of concerns, the Chair presented a proposal to change Bylaw 5.6 requiring audits from “five years” to “five (5) to seven (7) years.”

Consensus Item: The Chair asked the Board to approve the change of Bylaw 5.6. The Board approved the change with one Director standing aside.

The bylaw change is effective immediately but needs to be approved by Member-Owners at the next annual meeting. If not approved, the current bylaw requirement for an audit every five years would go back in effect. An audit then would be completed as soon as possible.

The Board asked the GM about the financial chain of command. The Finance Committee agreed to meet to discuss the financial chain of command and the system of checks and balances.

6:54 PM **Board Operations Committee Report: GM Review Planning:** The Board Operations Committee will conduct the GM review and the Chair asked if any other Directors wanted to serve on the Review Committee. Two Directors volunteered. The GM Review Committee will meet and bring all information to the board for review and discussion at the April board meeting.

6:57 PM **Finance Committee Report:** The Finance Committee will meet in March to discuss the Co-op’s financial chain of command and system of checks and balances. The Committee will meet in April to review the third quarter financial report.

6:57 PM **Member-Owner Engagement Committee: Board Election Update: Present Nominations for the Board:** The Election Committee Chair presented a slate of eight candidates for nomination to the Board of Directors election in April.

Consensus Item: The Chair asked the Board to approve the slate of candidates. The Board approved the slate of candidates.

The election will take place April 16-30. The Cottonwood Café was selected as the venue for the election Meet and Greet event. The Chair will contact the Cottonwood for availability the first two weekends in April. She will then send out a doodle poll to candidates and Directors to select the date. The Board discussed the election validation process and the possibility of online voting. The GM will investigate the cost and feasibility of online voting for this and future years.

As agreed upon at the retreat, the Member-Owner Engagement Committee Chair asked Directors to sign up for a time to be present in the store for the next Member-Owner Appreciation Day on March 28.

7:15 PM **Liquor License Task Force Report: Update on Progress:** The Chair submitted a revised text amendment to the City Planning Department. The GM and the Chair plan to attend the Mayor’s Roundtable on March 13 to garner support for the revised text amendment. The Chair encouraged as many Directors, Member-Owners, and other interested individuals as possible to write letters or attend the City Planning Commission meeting on March 29 at 1:00 p.m. when the text amendment will be open to public comment. The Co-op is asking for approval of a text amendment to the city code that would decrease the setback required for grocery stores near a residential district. The Chair is writing an article about the text amendment for the next issue of The Dirt newsletter.

7:24 PM **Board Retreat Wrap-up and Review; Plan Annual Board Priorities:** The retreat was held last weekend and a draft retreat report from the CDS Consultant Marilyn Scholl was made available electronically to the Board prior to the meeting. The Board agreed to write a new E—Global Ends Policy prior to the installation of the new Directors in June. Two Directors volunteered to draft a revised policy for discussion in April and approval in May.

The Chair reviewed the Board goals from the retreat and their current status. A plan is in place to revise the E—Global Ends Policy. Directors signed up to be present at the next Member-Owner Appreciation Day. One or more social events will be planned—one for the Annual Meeting and possibly a second in event that the text amendment is approved. In addition, the Meet and Greet for the Board election will take place in April. The bylaw change was approved to increase the time range for financial audits. The Chair will send the Board a survey monkey in April for Board self-assessment. Board financial education will resume following the installation of the newly elected Directors; one Director will be responsible for coordinating these trainings. Individual Directors have taken responsibility for writing articles for The Dirt newsletter. To further their understanding and knowledge of cooperatives, Directors are encouraged to attend the next

Consumer Cooperative Management Association Conference training in Minneapolis on June 8-10. Two Directors expressed an interested in this training. The Member-Owner Engagement Committee will meet to review the final retreat report on member-owner engagement activities and goals and report back to Board. The Board will continue having strategic discussions.

7:33 PM **Board-Management Relationship—M Policies Review Planning:** The Chair asked that two Directors sign up to review each of the four M policies. She asked that each pair of Directors write a short paragraph for presentation and discussion at the April meeting. In addition, all Directors are to read and review the Global M Policy in preparation for the discussion.

7:40 pm **Review Outstanding Action Items:**

Completed Action Items:

8/16—3 The GM consulted with the Co-op’s accountant for advice on conducting an audit versus a review for Board discussion.

2/17—1 The Member-Owner Engagement Committee Chair sent 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 submitted a revised text amendment to the City Planning Department.

New Action Items:

See chart below.

7:41 PM **Guest Member-Owners’ Comments:** A Member-Owner expressed appreciation of the questions and discussion on finances. A Director asked all interested attendees to distribute posters about the March 25 CSA Fair which are available from the store.

7:42 PM **Adjourned**

Action Item	Description	Assigned to	Date Opened	Date Due
3/17 – 1	Meet to discuss the Co-op’s financial chain of command and system of checks and balances.	Finance Committee	3/1/17	4/5/17
3/17—2	Draft a process for the GM review for presentation in executive session at the April Board meeting.	GM Review Committee	3/1/17	4/5/17
3/17—3	Schedule a time for the Vice Chair to chair a Board meeting.	Board Operations	3/1/17	4/5/17
3/17—4	Meet to review the quarterly financial report.	Finance Committee	3/1/17	5/3/17
3/17—5	Call the Cottonwood Café to check availability and then send a doodle poll to Directors and candidates to schedule a date for the election Meet and Greet event.	Chair	3/1/17	3/10/17
3/17—6	Investigate the cost and feasibility of online voting for the Board election.	GM	3/1/17	4/5/17
3/17—7	Be present in store for the Member-Owner Appreciation Day on March 28.	Assigned Directors	3/1/17	3/28/17
3/17—8	Review the Global M Policy and assigned M Policy; write a paragraph for presentation and discussion.	All Directors	3/1/17	4/5/17
3/17—9	Write an article on the text amendment for The Dirt newsletter.	Chair	3/1/17	3/10/17
3/17—10	Write letters and/or attend the City Planning Department meeting on March 29 at 1:00 pm.	Interested Directors	3/1/17	3/29/17
3/17—11	Draft a revised E—Global Ends Policy.	Assigned Directors	3/1/17	4/5/17
3/17—12	Review the final retreat report on Member-Owner Engagement activities and goals; report back to the Board.	MOE Committee	3/1/17	4/5/17