

Open Harvest Cooperative
Board of Directors Meeting Minutes
Wednesday, May 3, 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: Rosina Paolini

Informed

Absence: BJ Birkel

6:04 PM **Welcome, Introductions, Announcements:** The Vice Chair called the meeting to order and welcomed Directors, staff, and Member-Owners. She informed attendees who were not Directors that a confidential Board executive session would be held at the end of meeting for which they would be asked to leave. She also thanked the three Directors who were attending their last Board meeting for their work: Barbara DiBernard, Ellen Dubas, and Bob Hutkins.

6:06 PM **Approval of April Meeting Minutes and May Agenda:** The Vice Chair presented the draft April Board meeting minutes, draft April executive session minutes and the draft May agenda for approval.

Consensus Items: The Board approved the April meeting minutes, April executive session minutes and the May agenda.

6:07 PM **Reserved Member-Owner Comments:** None.

6:07 PM **General Manager (GM) Monthly Report:** The GM discussed the monthly report which was available electronically to the Board prior to the meeting. Additions since the report were: A food service manager with retail and co-op experience has been hired. The management team currently is doing the annual strategic planning. A Green Team has been established to identify sustainability initiatives for the Co-op; the Vice Chair volunteered to serve as the Board representative on the Team. The GM attended the NCG annual meeting and will be participating in the NCG audit of another co-op. The GM succession plan will be revised and put in place by June 1.

GM Monitoring Report: L1—Financial Condition and Activities: The GM discussed the highlights of the L1 monitoring report which was available electronically to the Board prior to the meeting. The Co-op had a net income of over \$9,000 for the third quarter and is trending over \$12,000 for the fiscal year. While sales were down from the previous year, the decline slowed to only two percent in the last quarter. Although cash on hand continues to be low, the Co-op managed to save in the last quarter. Member-Ownership grew by three percent from third quarter of last year. The GM attributed the strong numbers to expense control and empowering the management team with margin goals per department that are reviewed monthly.

GM Follow-up Report on Non-Compliant Policy L6—Staff treatment and Compensation: The L6 non-compliant policy report was available electronically to the Board prior to the meeting. The GM created a “note to personnel file” form to ensure consistency in recordkeeping. COBRA notice is now given upon enrollment. The GM reported that the new contract with the Finance Manager will be signed and in place by 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.

GM Staff Survey Summary: The GM discussed the staff survey which was completed in January 2017. A presentation will follow next month, but highlights are: The GM wrote an article about the survey for The Dirt. The results are being used in the staff strategic planning currently in progress. Results noted by the HR consultant were: The Co-op is improving. Staff supports management. There is a culture of acceptance. The Co-op is meeting its mission. There is compensation equity. Staff are proud to work at the Co-op. There are accountability and responsiveness inconsistencies. The Co-op needs better staff training.

6:42 PM Receipt of Reports: The Vice Chair requested the Board accept receipt of the GM monthly report, the L6 Non-Compliant Report and Staff Survey Report. The Board accepted receipt of the reports.

Consensus Item: The Vice Chair asked that the Board approve the L1 monitoring report as compliant. The Board approved the L1 monitoring report as compliant.

6:42 PM Policy Revision Discussion: L6—Staff Treatment and Compensation Policy: The Vice Chair asked if there were any suggestions for revisions of L6. None were given.

With the elimination of the Policy Committee, the Vice Chair asked whether the Policies should continue to be reviewed by the Board as a whole or assigned to specific Directors for review. The discussion was tabled for the next meeting.

6:46 PM New Board Orientation: Discussion and Planning: A plan for a new approach to Board orientation was discussed. Ideas included simulation exercises of situations that the Board may encounter and a tour of the store. The Board Operations Committee will continue with planning for orientation.

6:52 PM Establish Board Calendar: Review: The draft calendar was made available electronically to the Board prior to the meeting. Directors were asked to review the calendar and provide feedback. Approval of the calendar will be sought at the June Board meeting. Directors were asked to consider whether to change the policy review process.

6:56 PM Board Operations Committee Report: Board Budget: The Committee Chair discussed a template for committee reports that the Committee developed and was made available electronically prior to meeting. The template addresses what each committee is expected to report to the Board each month. The Committee Chair reminded Directors that the electronic board self-evaluation is open through May 5. Those who have not completed the evaluation were asked to do so.

The draft Board budget for fiscal year 2017- 2018 was discussed. The current year's budget is trending under budget. The GM will research the cost and options for Board liability insurance. The Board received one scholarship for the CCMA conference. The Vice Chair agreed to estimate travel costs for the GM to evaluate whether the Board's remaining current year funds could be used to assist with travel costs. The Board discussed the cost and value of the NCG consulting fees. Further discussion will take place prior to contract renewal in October. The cost and alternate plans to the Annual Meeting were discussed. The Member-Owner Engagement Committee will review options suggested in next year's planning.

7:28 PM Finance Committee Report: Third Quarter Financial Report: The Committee met and reviewed third quarter financial reports. The Committee is considering a template presented by the GM that includes key financial indicators for Directors to reference that align with the quarterly financial report. This template had been used with positive results by other NCG co-ops. The Committee and GM will work to adapt this template for use in August with the fourth quarter financial report.

7:36 PM Member-Owner Engagement Committee Report: Board Election Update, MOE Activities and Goals: A report on the Election results was made available to the Board prior to the meeting. The Election was completed with the receipt of 210 ballots; 26 were invalid leaving 186 valid votes. Rosina Paolini, Tanika Cooper and Matt Pirog will join the Board in June. An extensive report on current year and future Member-Owner Engagement Activities and Goals was written and made available electronically to the Board prior to the meeting. The Committee Chair asked Directors to read the report and comment by next month. She also noted that two of the three Committee members are leaving the Board and new Committee members will be needed.

7:41 PM GM Review Committee Report: Review of Contract Criteria: The Committee met and reviewed the GM compensation proposal per the review of the following contract criteria:

1. The plan should run from July 1, 2017 through June 30, 2019.
2. The plan should be specific to fiscal years 2017/2018 and 2018/2019.
3. The plan should be affordable and sustainable for the Co-op.
4. The plan should be in scale to the compensation plans of the other managers employed by the Co-op.
5. The plan should be easily and objectively measurable/calculable.
6. The plan should consider the complete compensation package and may include base salary, bonus structure, benefits, deferred compensation, vacation, etc.
7. The plan should take into account the salaries of other comparable co-ops in our corridor.

7:43 PM **Updated E—Global Ends Policy:** A revised draft of a new Global Ends Policy was made available to the Board prior to meeting. Following a discussion and some minor changes, the Vice Chair asked the Board to approve the proposed Global Ends policy.

Consensus Item: The Board approved the proposed revised E—Global Ends Policy.

7:55 PM **Review of M Policies—Board-Management Relationship:** Since not all Directors submitted a report for review of their assigned M Policy, a review of compliance to the M Policies was tabled until the June Board meeting.

8:05 PM **Guest Member-Owners’ Comments:** None.

8:05 PM **Review Outstanding Action Items:**

Completed Action Items:

3/17—4 The Finance Committee met to review the quarterly financial report.

4/17—1 The assigned Directors presented a revised draft E—Global Ends Policy for Board approval.

4/17—2 The Member-Owner Engagement Committee presented a report on activities and goals to the Board.

4/17—3 The Chair scheduled the GM Review Committee to form in February on the Board Calendar.

4/17—4 Directors completed the online Board self-evaluation.

4/17—5 Six Directors attended the Meet and Greet for Board candidates.

4/17—7 The GM Review Committee met to review the GM compensation proposal.

Continued and New Action Items: See table below.

8:12 PM **Regular Board Meeting Adjourned to Executive Session**

Action Item	Description	Assigned to	Date Opened	Date Due
3/17—8	Review the Global M Policy and assigned M Policy; write a paragraph for presentation and discussion.	All Directors	3/1/17	6/7/17
4/17—6	Schedule a strategic conversation about the CBLD article on member-owner engagement.	All Directors	4/5/17	7/5/17
4/17—8	Discuss budgeting for Board attendance at CCMA Conferences.	GM & Chair	4/5/17	6/7/17
5/17—1	Discuss CCMA funding ideas with CDS Consultant.	Board Operations	5/3/17	6/7/17
5/17—2	Discuss revision of M4 Policy.	Board	5/3/17	6/7/17
5/17—3	Present revised succession plan.	GM	5/3/17	6/7/17
5/17—4	Give presentation of staff survey.	GM	5/3/17	6/7/17
5/17—5	Discuss policy review process.	Board	5/3/17	6/7/17
5/17—6	Plan and conduct new Board orientation.	Board Operations	5/3/17	6/7/17
5/17—7	Move annual Board budget to July on Board calendar.	Chair	5/3/17	6/7/17
5/17—8	Review Board liability insurance costs and options.	GM	5/3/17	7/5/17
5/17—9	Develop template of key financial indicators for quarterly financial reports.	Finance Committee	5/3/17	8/2/17
5/17—10	Discuss the Member-Owner Engagement activities report.	Board	5/3/17	6/7/17