

Open Harvest Cooperative
Board of Directors Meeting Minutes
Wednesday, November 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), BJ Birkel, Ross Brockley, John Christensen, Tanika Cooper, Rosina Paolini, Matt Pirog.
Staff Members: Amy Tabor (General Manager), Paula Shafer (Board Administrative Assistant).
Member-Owners: None.

6:04 pm **Welcome, Introductions, Announcements:** The Chair called the meeting to order and welcomed Directors and staff.

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

Consensus Items: The Board approved the October meeting minutes and the November meeting agenda.

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

6:06 pm **General Manager Monthly Report:** The GM discussed the monthly report which was available electronically to the Board prior to the meeting. Some changes in the monthly financial report may be made based on the new Key Financial Indicators Chart being developed by the Finance Committee. The October member drive was very successful with 235 new and renewing Member-Owners. The number and status of lifetime Member-Owners was discussed briefly. The GM will review and provide data on lifetime Member-Owners at the December meeting.

GM Monitoring Report: L1—Financial Condition and Activities: The GM discussed the L1 monitoring report which was available electronically to the Board prior to the meeting. Due to negative net income, the GM asserted non-compliance for L1.1. She attributed the negative income to not meeting sales goals in Food Service due to low production, higher than budgeted labor expenses, and low margins in some fresh departments. In addition, the allocation of the store reset expenses to capital versus operating expenses was an unpredicted expense factor.

To improve L1.1 financial conditions, the GM plans to:

- implement online scheduling software for real-time labor tracking
- closely monitor the Food Service labor budget
- hire more full-time staff in Food Service to stabilize production issues
- include Food Service items in the weekly Fresh Deals flyer
- fill the Food Service Manager position
- explore online ordering for deli counter items
- continue to monitor the Meat and Seafood margin
- continue to monitor fresh margins and inventory

GM Follow-up Report on Non-Compliant Policies L6—Staff Treatment and Compensation, L1—Financial Conditions and Activities, and L5—Engagement of Member-Owners and Customers:

The GM discussed the report that was available electronically to the Board prior to the meeting. Discussion included:

The GM’s plan for L6 compliance is as follows:

- Create an HR Manual for training managers by December 31. Progress this month: Standard Operating Procedure (SOP) was written for onboarding employee benefits.
- Implement an annual HR refresher training for managers and a more comprehensive on-Boarding manager training program by December 31. Progress this month: Managers were assigned to complete two Supervisor training videos by November 7.
- Include an HR file retention policy in the new HR Manual by December 31. Progress this month: GM requested file retention best practices from the Accountant.
- Include a wrap document to the Summary Plan Description by January 2018. Progress this month: GM is working with the benefits insurance provider to include the document with the 2018 renewal.

See prior section for the GM’s L1 compliance plan.

For L5 compliance, the GM plans to use information collected from the 2018 customer survey to fine tune efforts to meet customer needs. In addition, she will continue to focus on promotions, pricing strategy, and improving customer service. Progress this month: The GM has scheduled a “Above and Beyond Customer Service” training for December.

6:33 pm Receipt of Reports: The Chair requested that the Board accept receipt of the GM monthly report, the quarterly L1 report as non-compliant, and the monthly non-compliance report on Policies L6 and L5. The Board accepted receipt of the GM reports.

6:34 pm Policy Revision Discussion of L5—Engagement of Member-Owners and Customers; Assign Two Directors to Review L1 for Discussion in December: The report on the review of L5 was available electronically to the Board prior to the meeting. No changes were recommended. Two Directors volunteered to review revisions to L1 Policy for discussion at the December Board meeting.

6:35 pm G1-G8 Policy Revision Discussion: Suggested draft revisions to the G Policies were made available to the Board electronically prior to the meeting. The Board discussed the revisions. The Chair requested approval of the draft revisions.

Consensus Item: The Board approved the suggested revisions to the G1-G8 Policies.

Two Directors agreed to review and present the revised G Policies at the December Board meeting.

6:47 pm Board Operations Committee Report: CBLD Contract Renewal Discussion, Officer Elections

Reminder: The Committee report was available electronically to the Board prior to the meeting. The Board and GM discussed the annual renewal of the CBLD contract. The Board Operations Committee opined that the consultant is a valuable resource, always responsive to requests, and improves both Committee and Board performance. In addition, the contract includes access to an extensive library of information about co-ops that both the Board and GM have utilized. The cost the 2018 contract is similar to the current year contract. The Chair requested approval of the contract.

Consensus Item: The Board approved the CBLD 2018 contract with one Director stepping aside.

Text Amendment Update: The GM and Vice Chair reported that they spoke in support of the Text Amendment at the October 25 meeting of the City Planning Commission. Others in support and opposition also spoke. In a split 4/4 vote with one member absent, the motion was to deny recommendation of the Text Amendment to the City Council. They will vote again at their November 15 meeting. The Board and GM discussed various strategies to garner support for the Text Amendment.

Directors' Conflicts of Interest: Per the recommendations of the CBLD Consultant, the Chair asked each Director to state for the record any potential conflicts of interest:

- Brandé Payne (Board Chair) has no known conflicts of interest.
- Megan Jackson (Vice Chair) works for an organization of which Open Harvest is a paid member.
- Mary Hansen (Secretary) has no known conflicts of interest.
- BJ Birkel has no known conflicts of interest.
- Ross Brockley is an Open Harvest vendor.
- John Christensen has no known conflicts of interest.
- Tanika Cooper has no known conflicts of interest.
- Rosina Paolini has no known conflicts of interest.
- Matt Pirog is an Open Harvest vendor and part of an organization that is a vendor.

The Board training on Policy Governance will be at the December Board meeting.

7:29 pm **Finance Committee Report:** The Committee report was available electronically to the Board prior to the meeting. The Committee met last month to review L1 Policy and the first quarter financial report and continue work on the Key Financial Indicators Chart. The Chair reported that the Committee will meet again this month to complete work on the Chart for presentation and discussion at the December Board meeting.

7:32 pm **Member-Owner Engagement Committee Report: Annual Meeting Planning:** The Committee report was available electronically to the Board prior to the meeting. The Annual Meeting is scheduled for the following evening on November 2 at Chez Hey. The Chair updated Directors on the meeting preparation and reminded them of their tasks for the meeting. The Committee explained the Bylaws voting process. Final meeting details were discussed.

7:40 pm **Board Retreat Planning: Date Options:** The Chair discussed date options for the Board Retreat. The retreat was tentatively scheduled for March 3, 2018.

- 7:45 pm** **Guest Member-Owner Comments:** A Director commented on products available at other outlets.
- 7:46 pm** **Review Action Items:** The Board reviewed and identified the list of completed, continued and new Action Items. The Secretary will email Directors the revised list.
- 7:52 pm** **Adjourned.**