

Open Harvest Cooperative
Board of Directors Meeting Minutes
Wednesday, October 4, 2017, 6:00 – 8:30 pm
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, Rosina Paolini **Staff Members:** Amy Tabor (General Manager), Paula Shafer (Board Administrative Assistant) **Other:** Dave Thomsen (CPA, Gardiner Thomsen Certified Public Accountants), Co Nygren (Accountant)

Informed

Absences: Tanika Cooper, Matt Pirog

6:02 pm **Welcome, Introductions, Announcements:** The Chair called the meeting to order and welcomed Directors and staff. The GM announced that the post card invitations to the Annual Meeting, including the notification of the Bylaws vote, had been mailed to the Member Owners the previous week.

6:03 pm **Approval of September Meeting Minutes and October Agenda:** The Chair presented the draft September Board meeting minutes and the draft October meeting agenda for approval.

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

6:04 pm **Presentation: CCMA 2017:** The Vice Chair discussed her report on the 2017 CCMA Conference which was available electronically to Board prior to meeting. She advised that Directors who attend future conferences to ask the CBLD Consultant for recommendations in selecting the most valuable and relevant workshops to attend.

The Vice Chair highlighted the following takeaways from the Conference:

- Her primary takeaway was the concept of “building Insight in order to have foresight.” Co-op boards need to know and understand their co-ops so that they can react quickly to situations that arise.
- The main change for retailers is the impact of the internet, from shopping to social media. Superior customer service is more crucial than ever. Any comment by a customer, positive or negative, can go viral. Personal interaction with customers must be informed, pleasant, helpful, and convenient.
- Boards can strengthen member participation through board communication. When changes or decisions are made that affect members, Boards need to foresee members’ response through effective communication strategies.
- Boards need to think of member engagement as a tool, not an outcome. They need to identify a clear sense of purpose and desired outcomes for any planned activity.
- An example of one co-op’s successful member loan campaign highlighted the importance of understanding and knowing the co-op’s store, members, community, competition, and assets. Their understanding allowed them to quickly and successfully take advantage of an opportunity.

- One co-op hosts a robust education program including a free community space and kitchen space for innovative activities.
- Another co-op shared a story of failure and near bankruptcy, which was the result of poor planning, no foresight of member response, poor management, and lack of board oversight. This was a reminder of the importance of fostering a strong, informed, engaged and responsive board.
- One co-op described a creative board retreat planned closely with their CBLD consultant. Various scenarios were given for them to identify potential futures and develop flexible plans to allocate resources to manage potential threats and capitalize on opportunities.

6:30 pm **Reserved Member-Owner Comments:** None requested.

6:30 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 report included:

- The GM is hiring for six positions: two full-time and four part-time. Food service hiring is in preparation for the upcoming holidays and for adequate coverage during staff absences.
- The GM reported that she has developed a new succession plan. The newly designated staff person will assist next month in the preparation of the L1 Policy Monitoring Report.
- The GM consulted an attorney concerning the CBD oil who recommended that Open Harvest not sell the product, which will be returned to the distributor.
- The Co-op raised \$667 for Houston Food Bank.
- The GM is exploring an online purchasing app that will allow customers to order burritos for in-store pick-up.

GM Monitoring Report: L5—Engagement of Member-Owners and Customers: The GM discussed the L5 monitoring report which was available electronically to the Board prior to the meeting. L5 states that the GM must not be unresponsive to customer needs. The GM reported that customer count is down from last year and is likely due to increased competition. Since this may be the result of not being responsive to customer needs, the GM asserted non-compliance. She plans to conduct a customer survey in early 2018 to identify customer needs.

The GM reported that the Customer Service Training has been completed. The two-hour training will begin in November. All current staff will be trained initially; new employees will be trained within 90 days of hire.

L5.2 Policy states that the GM must not allow an unsafe or unwelcoming shopping experience for customers. The GM only addressed safety issues in the monitoring report. She agreed to address both aspects in future reports.

GM Follow-up Report on Non-Compliant Policies L6—Staff Treatment and Compensation and L1—Financial Conditions and Activities: The GM discussed the report that was available electronically to the Board prior to the meeting.

Since completion of Customer Service Training, the GM will now focus on the remaining L6 non-compliant sub-policies.

- The GM extended the deadlines for creating an HR Manual for training managers (L6.2 compliance plan, point 2) and including an HR file retention policy in the new HR Manual (L6.3 compliance plan, point 5) from September 30 to December 31.
- The deadline remains December 31 for implementing an annual HR refresher training for managers and a more comprehensive on-boarding manager training program.
- Including a wrap document to the Summary Plan Description will be completed by January 31, 2018.

To improve L1.1 financial conditions, the GM reported that she plans to

- complete first quarter inventory on October 1,
- to continue weekly monitoring of sales and labor,
- to continue monthly monitoring of fresh inventory for margins and expenses, and
- to plan promotions to drive sales.

6:48 pm **Receipt of Reports:** The Chair requested that the Board accept receipt of the GM monthly report, the L1 and L6 non-compliant report, and the L5—Engagement of Member-Owners and Customers report as non-compliant. The Board accepted the receipt of the reports.

6:49 pm **Policy Revision Discussion L4—Member-Owner Rights and Responsibilities; Assign Two Directors to Review L5 for Discussion in November:** The report on the review of L4 was available electronically to the Board prior to the meeting. The assigned Directors presented three options to discuss and select for revision of L4. The Board chose the option of adding the wording “or the Bylaws” to L Global Policy. The Chair requested that the Board approve the revised wording.

Consensus Item: The Board approved the following revised L—Global Executive Policy: The General Manager must not cause or allow any practice, activity, decision, or organizational circumstance that is unlawful, imprudent, or in violation of commonly accepted business and professional ethics and practices, or in violation of the Cooperative Principles or the Bylaws.

Two Directors volunteered to review and report on L5 for discussion in November.

7:00 pm **Annual Financial Review Presentation by the CPA:** The CPA and the Accountant for Open Harvest arrived at the Board meeting. The CPA discussed and answered questions regarding the draft Annual Financial Review which was available electronically to Board prior to the meeting. The CPA reported a net income of \$9,586 for the 2016-2017 fiscal year. Errors in the term expiration dates for two Directors were noted. The Chair requested that the Board approve the Annual Financial Review with corrections to those dates.

Consensus Item: The Board approved the Annual Financial Review with the corrections.

7:28 pm **Board Self-Evaluation: G—Board Process Policies:** The Board reviewed the self-evaluation results completed last spring by the previous Board and discussed the G Policies self-monitoring reports completed by the three Board teams. These reports were available electronically to the Board prior to the meeting.

The Board discussed the input and suggestions of the three Board teams regarding the G Policies. The GM noted that the Board monitoring reports asserted compliance while lacking operational definitions and supporting data. Numerous questions emerged regarding the self-monitoring expectations and process. The Board Operations Committee will consult with CBLD Consultant Marilyn Scholl and report back to the Board.

The Chair agreed to briefly discuss the role of the Board regarding the GM and store operations in her presentation at the Annual Meeting. The Secretary offered to send the list of Action Items to Directors separately from the meeting minutes.

Receipt of Reports: The Chair requested that the Board accept receipt of the G Policies self-monitoring reports. The Board accepted receipt of the reports. Further discussion of the suggested G Policy revisions will continue at the next Board meeting.

8:29 pm Board Operations Committee Report: Liquor License Text Amendment Update: On October 25, the Chair and the GM will speak and deliver a request for the Text Amendment to the City Planning Commission. The Chair requested that all Directors write a letter or email the City Planning Committee in support of the Text Amendment. Each Director was asked to solicit support from any of their contacts as well. The Chair reminded Directors that any requests for interviews from the press should be referred to the Chair or the GM.

8:35 pm Finance Committee Report: The Committee will meet next month.

8:35 pm Member-Owner Engagement Committee Report: Annual Meeting Planning: The Committee Chair reminded the Board that the Annual Meeting is scheduled for November 2 from 6:30 to 8:30 p.m. The GM will email Member-Owners with the article on the proposed Bylaws changes since the fall edition of the Dirt newsletter will not be printed. She distributed a list of Member Owners for each Director to call and invite personally. Each Director was asked to tally all responses and inform the GM of the number of confirmed attendees by October 18 as a head count is due to Chez Hay the following day. The Committee Chair passed around a sheet for Directors to sign up for various tasks at the Annual Meeting.

8:45 pm Guest Member-Owner Comments: None.

8:45 pm Review Action Items: The Secretary agreed to update the Action Items.

8:45 pm Adjourned.