

**Open Harvest Cooperative**  
**Board of Directors Meeting Minutes**  
**Wednesday, September 6, 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, Tanika Cooper, Rosina Paolini, Matt Pirog. **Staff Members:** Amy Tabor (General Manager), Paula Shafer (Board Administrative Assistant).

**Informed**

**Absence:** BJ Birkel

**6:02 pm** **Welcome, Introductions, Announcements:** The Chair called the meeting to order and welcomed Directors and staff.

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

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

**6:04 pm** **Reserved Member-Owner Comments:** None were requested.

**6:04 pm** **General Manager Monthly Report:** The GM discussed the monthly report which was available electronically to the Board prior to the meeting. Additions made since the report was written:

- The labor costs were higher than budgeted because of the additional training for the food service department. The department is working smoothly without a full-time manager.
- Days Cash on Hand significantly increased as a result of funds from the refinanced bank loan for store improvements and additional equipment per the annual business plan.
- The Co-op was contacted by local news media asking for comment on the newly issued memorandum from the Nebraska Attorney General who stated that the sale of CBD oil is illegal in Nebraska. Open Harvest, as well as other Lincoln stores, recently started selling CBD oil, which contains less than 0.3 percent THC. In response, all CBD oil products were immediately removed from the store shelves.
- The wellness department manager resigned. The department struggles to be profitable due to declining sales in supplements, a common trend in natural food co-ops. Supplements have the highest profit margin, but other products, such as body care, are the growth items.
- The GM requested that Directors volunteer to help with the upcoming membership drive Halloween Costume Ball to be held at Meadowlark Coffee on Friday, October 13. She will send out a Google sign-up doc.
- Open Harvest will host a potluck lunch on September 30 at Stransky Park as the final event in the Eat Local Challenge.

**GM Monitoring Report: L4—Member-Owner Rights and Responsibilities:** The GM reviewed the L4 monitoring report which was available electronically to the Board prior to the meeting. She discussed her operational definitions and accompanying data and documents. She asserted compliance.

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

To address L1.1 non-compliance, the GM plans continued weekly monitoring of sales and labor, monthly monitoring of fresh inventory for margins and expenses, and planning promotions to drive excitement and sales.

Progress on L6 continues as planned: 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, include an HR file retention policy in the new HR Manual by September 30, and include the wrap document to the Summary Plan Description by January 31, 2018.

The Chair requested that the Board accept receipt of the GM monthly report and the L1 and the L6 non-compliant report.

**6:29 pm**      **Receipt of Reports:** The Board accepted receipt of the GM monthly report and the L1 and the L6 non-compliant report. The Board will continue to monitor the non-compliant L1 and L6 Policies through monthly reporting from the GM.

The Chair requested that the Board accept the L4—Member-Owner Rights and Responsibilities as compliant.

**Consensus Item:** The Board accepted the L4—Member-Owner Rights and Responsibilities as compliant.

**6:30 pm**      **Policy Revision Discussion L1—Financial Conditions and Activities; Assign Two Directors to Review L4 Policy for Discussion in October:** The report on the revision of L1 was available electronically to the Board prior to the meeting. No changes were recommended. Two Directors volunteered to review of L4 for the October Board meeting.

**6:40 pm**      **Bylaws Review Discussion:** The proposed revised Bylaws and a summary of the revisions were available electronically to the Board prior to the meeting. The proposed revisions included:

- Addition of an option for Member Owners to designate on their membership application which other joint tenants shall have proxy voting rights.
- Change of the term “annual membership fees” to “annual owner equity payment” with designation that payment is credited to the owner equity account.
- Change in the timeline for membership termination and acquisition of abandoned equity from two years to one year following non-payment of annual owner equity.
- Update wording on Board member size to reflect a previously approved change by Member-Owners from the range of 9 to 15 to the current 9-member sizes.
- Change in the Board elections to align with the Annual Meeting.
- Change in Board terms to three and one-half years on a one-time basis per Director on the Board at the time of the 2017 Annual Meeting.
- Change the audit/review process from five years to five to seven years per that previously approved by the Board.
- Addition of the duties of Secretary.
- Clean-up of terminology and wording for consistency and readability.

The Board discussed the proposed revisions. Board Operations will discuss possible legal considerations to changing the membership termination timeline with the CBLD Consultant. The announcement for the Annual Meeting will inform Member Owners of the vote on the proposed Bylaws revisions and that the proposed revisions will be available in the store and on the website.

The Chair asked that the Board to approve the proposed revisions to the Bylaws with a finalized version to be made available to each Director electronically.

**Consensus Item:** The Board approved the proposed Bylaws revisions.

**7:29 pm**      **Review and Plan for Annual Board Priorities:** The Chair reviewed the priorities agreed upon at the Board retreat. She reported that most priorities have been or are being addressed except for social events with Member Owners and continued training for Directors. It was suggested that all Directors be more conscientious in submitting reports in advance of Board meetings so that others have time to review reports prior to the meeting. This could allow meetings to be more productive as well as leaving time for strategic discussions. The Board agreed to place strategic discussions at the beginning of the agenda. The Chair requested that Directors email her ideas for upcoming strategic conversations.

**7:44 pm**      **Annual Report Planning: Theme for Chair Update:** The Chair asked that Directors email her with suggestions on a theme for the Annual Report to Member Owners. The Vice Chair offered to brainstorm ideas with the Chair.

**7:46 pm**      **Board Self-Evaluation Planning:** The Board self-evaluation is scheduled for the October meeting. The Chair requested that Directors review last year's self-evaluation results to understand what is expected. The Chair will divide Directors into teams of three and assign each team three G policies to review. Chair will email the assignments. Team reports are to be submitted in writing to the Chair by September 27.

**7:50 pm**      **Board Operations Committee Report: Liquor License Text Amendment Update; Officer Elections Update/Information:** Open Harvest has requested that the Text Amendment be placed on the Planning Commission agenda on October 25. The Chair asked Directors to solicit support and make contacts, including letters, emails, and speaking at the Planning Commission meeting.

The Chair reminded the Directors that Board Officers will be elected in November and that she will be stepping down. As planned, the Vice Chair will run for the Chair position. The Chair encouraged Directors to consider running for any of the officer positions.

**8:06 pm**      **Finance Committee Report: Key Financial Indicators Chart:** The Committee report was available electronically to the Board prior to the meeting. The Key Financial Indicators Chart will be used with the quarterly financial report at the November Board meeting. Financial education on the key indicators will begin at the December Board meeting. The committee suggested that the Board create a process for tracking non-compliance. Board Operations Committee agreed to discuss a tracking process.

The accountant will present his annual financial review report at the October Board meeting. The Committee realized an ongoing misinterpretation of the L1 Policy regarding the annual financial report. The accountant's report has been seen as the annual financial report, but the Policy indicates that the GM complete an annual L1 financial report in addition to the quarterly L1 reports. Due the late realization, the Chair requested that the Board accept the accountant annual review statement in lieu of a L1 annual financial report for this year and add an annual L1 financial report to the 2018 calendar.

**Consensus item:** The Board approved accepting the accountant annual review statement in lieu of the L1 annual financial report for this year and adding the L1 annual financial report to the 2018 Board calendar.

**8:25 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 will be held on November 2 at Chez Hey from 6:30 to 8:30 p.m. The first hour will be hors d'oeuvres and drinks with Member Owner activities; the second hour will be the annual business meeting. Child care will be provided only during the business meeting. The Committee plans to meet and continue planning with a focus on the Member Owner activities. All Directors are invited to attend or email their suggestions.

**8:27 pm Presentation: CCMA 2017:** The presentation was tabled until the October meeting.

**8:27 pm Guest Member-Owner Comments:** None.

**8:28 pm Review Action Items:**

**Completed Action Items:**

Action Item	Description	Assigned to
4/17--6	Revision: Ask CBLD Consultant Marilyn Scholl for advice and resources on obtaining member-owner input in strategic planning.	MOE Committee
5/17--9	Develop a chart of key financial indicators for the quarterly financial reports.	Finance Committee
6/17--8	Discuss and plan financial education for the Board.	Finance Committee
7/17--3	Update the Policy Handbook with the approved L7, L8, M4.5 and M4.6 Policy revisions.	Chair
7/17--6	Review and report on needed revisions in the Bylaws.	Assigned Directors
8/17--1	Review and report on possible revisions to the L1 Policy.	Assigned Directors
8/17--2	Draft and present Bylaw changes to align the Board Election with the Annual Meeting.	Assigned Directors
8/17--3	Meet to continue Annual Meeting planning.	MOE Committee

**Continued and New Action Items:**

Action Item	Description	Assigned to	Date Opened	Date Due
6/17--12	Discuss Board self-evaluation results when reviewing the G Policies.	Board	6/7/17	10/4/17
9/17--3	Email and meet to continue Annual Meeting planning.	MOE	9/6/17	11/1/17

		Committee		
7/17—2	Provide a presentation on the CCMA conference.	Vice Chair	7/5/17	10/4/17
8/17--4	Write articles for September edition of The Dirt newsletter.	Assigned Directors	8/2/17	9/20/17
9/17—1	Sign up to help at the Halloween Costume Ball on October 13.	All Directors	9/6/17	10/13/17
9/17—2	Review and report on possible revisions for the L4 Policy.	Assigned Directors	9/6/17	10/4/17
9/17—3	Ask CBLD Consultant Marilyn Scholl about legal considerations of changing membership termination from two years to one years.	Board Operations	9/6/17	9/20/17
9/17—4	Email Directors with final version of the revised Bylaws.	Assigned Directors	9/6/17	9/27/17
9/17—5	Email Chair with suggestion for strategic discussions.	All Directors	9/6/17	10/4/17
9/17—6	Email Chair with ideas for the theme of the Annual Report.	All Directors	9/6/17	10/4/17
9/17—7	Review assigned G Policies and board self-evaluation results; email team reports to the Chair.	All Directors	9/6/17	9/27/17
9/17—8	Make contacts and solicit support for Text Amendment at the Planning Commission meeting.	All Directors	9/6/17	10/27/17
9/17—9	Discuss GM compliance tracking process.	Board Operations	9/6/17	10/4/17
9/17—10	Email MOE Chair with suggestions for questions to ask Member Owners at the Annual Meeting.	All Directors	9/6/17	10/4/17

**8:30 pm      Adjourned.**