

**Open Harvest Cooperative
Board of Directors Meeting Minutes
Wednesday, March 04, 2015
6:00 – 8:00PM
Two Pillars Church, 1430 South Street
(Approved April 1, 2015)**

Present **Board Directors:** Carla McCullough (Board Chair), Brandé Payne (Vice Chair), Megan Jackson (Secretary), Sarah Bauman, John Christensen, Barbara DiBernard, Mary Hansen, Bob Hutkins, Kat Shiffler, Janet Squires, Nick Svoboda. **Staff Members:** Kelsi Swanson (General Manager). **Member Owners:** Ross Brockley, Dylan Lanowski, Pye McCue, Matt Pirog, Tanika Cooper, Paula Shafer (notetaker).

Absent **Board Directors:** Sarah Disbrow, Steven McFadden, Molly Phemister, Lin Quenzer

6:06 PM **Welcome, Introductions, Announcements:** The Board Chair called the meeting to order, welcomed board members, staff, and member owners.

A board member announced that she had prepared a letter of gratitude from the board to the store staff for its hard work during the difficulties of the past year. She asked for board approval. The board member was asked to use board procedures for submitting documents prior to the meeting for Board review.

6:14 PM **Consensus items: Approval of minutes and agenda:** The Board Chair presented the draft February board meeting minutes and the March agenda for approval. One board member indicated that a few typing errors needed to be corrected in the February minutes. One board member stated that the addition of “formation of GM review committee” needed to be added to the March Agenda.

Consensus items: The board approved the February meeting minutes with the corrections and the March agenda with one agenda item added.

6:15 PM **Reserved Member Comments:** None.

6:15 PM **GM Monthly Report:** The GM discussed the highlights of her monthly report, which was distributed prior to the meeting.

SALES

January 2015 Sales: \$386,391

Original Budget: \$377,527 (3rd quarter budget of \$1,132,582/3)

January 2014 Sales: \$366,467

AP TO INVENTORY RATIO

Accounts Payable as of January 31st 2015 was \$176,533 and the last inventory was \$217,920. This is a ratio of .81.

Date	1/14	2/14	3/14	4/14	5/14	6/14	7/14	8/14	9/14	10/14	11/14	12/14
AP to Inv. Ratio	.70	.66	.79	.82	.59	.68	.74	.78	.71	.83	.86	.70

(You want a maximum of .75 or .80 for an AP to Inventory Ratio. More than one means you owe more than the wholesale value of the inventory on your floor.)

WAGES AND SALARIES

Wages and Salaries for January 2015 were 17.83% of store sales, or \$68,886.

Wages and Salaries budgeted for the 3rd quarter was 19.5% of store sales, or \$75,346.

Wages and Salaries for January 2014 were 21.42% of store sales, or \$78,481.

TOTAL OPERATING EXPENSE

Total Operating Expenses for January 2015 were 37.21% of store sales, or \$143,787.

Total Operating Expenses budgeted for the 3rd quarter was 37.58%, or \$145,206.

Total Operating Expenses for January 2014 were 39.71% of store sales, or \$145,530.

TOTAL STORE SALES PER LABOR HOUR (SPLH)

January 2015 Total Store SPLH was \$68.60.

January 2014 Total Store SPLH was \$52.

MONTHLY SPLH

2/14	3/14	4/14	5/14	6/14	7/14	8/14	9/14	10/14	11/14	12/14
\$58	\$59	\$60	\$57	\$55	\$53	\$56	\$59	\$57	\$57	\$60

MEMBERSHIP NUMBERS FOR JANUARY 2015

- o Renewals - 75
- o New Members - 49
- o Membership Forfeitures - 90
- o Member Equity Redeemed - 0
- o Total Member Count- 2825

SUMMARY

- The store has continued meeting the goals for labor hours worked and weekly sales volume, which are calculated with profitability in mind.
- The store did experience a slow period during the extreme cold in February, but the trend has turned up with better weather. Store sales are trending toward meeting its quarterly goals.
- The store has been able to reserve \$1,000 per week to repay the cash reserve. Recent equipment outages impacted store revenue for February, some of which was offset by the insurance reimbursement.

Outreach Activities Summary

- TEDxManhattan: Changing the Way We Eat (Viewing Party), Saturday March 7th, 9:30 AM - 5:00 PM, Firespring & Cornerstone Printing. The brand manager will emcee the event.
- Local Foodshed Working Group Meeting, March 10th, 4:30 - 5:30 PM, Ploughshare Brewing Co.
- CSA Fair, March 21st, 1 - 4 PM, Open Harvest Parking Lot, Rain Location: 2 Pillars Church, 1430 South St. Fifteen CSA farmers are participating this year, as compared to ten participants last year.
- MEMBER-OWNER WEEKEND SALE is scheduled to coincide with the CSA Fair. Member owners will receive a 10% discount March 20 – 23.
- URBAN HOMESTEAD CLASS SERIES:
 - o Fruit Tree Pruning, March 14th 1 – 4 PM, Antelope Park Church of the Brethren
 - o Seed Starting, March 17th 6 - 8 PM, Antelope Park Church of the Brethren
 - o City Chickens, March 31st 6 - 8 PM, Antelope Park Church of the Brethren
- MARCH DONATIONS:
 - o UNL Outdoor Adventures – Flatland Climbing Competition
 - o TEDxLincoln – TEDxManhattan Viewing Party
 - o UNL Residence Hall Association – Happy Healthy Huskers
 - o Friends of Wilderness Park – Run for the Bridges
 - o American Heart Association - Lincoln Heart Walk
- NEXT MONTH:
 - o Open Harvest Board Elections will be held. The store is planning a drawing to encourage voting in the election. The winner will receive free membership for one year.
 - o The store will participate in Lincoln Earth Day.

The GM presented her plan for coverage of her duties during one month maternity leave, which will start in mid-May. This included:

- Her normal duties will be shared by various staff members, with the Food Service Manager assuming the primary role. A documented list of those roles and responsibilities will be posted in the store for all employees to access as needed.
- Changes to the banking signature authority have been made so that vendors and suppliers can be paid efficiently. This was required due to staffing changes at the store and will remain permanent.
- Any official documents can be signed by the Board Chair, which is a part of policy and therefore no changes are necessary.
- The board calendar for the year was planned so that no required reports, other than the monthly report, will be made at the one board meeting that the GM will miss.

6:35 PM **Monitor L2 (Staff Treatment):** The GM reviewed her report that was distributed to the board prior to the meeting. The policy covers many situations ranging from maintaining a discrimination free workplace to providing job descriptions for all positions. The GM asserted compliance.

Consensus item: The board approved the L2 Report.

6:37 PM **Monitor L3 (Compensation and Benefits):** The GM reviewed her report that was distributed to the board prior to the meeting. The GM asserted compliance.

Consensus item: The board approved the L3 Report.

6:39 PM **Monitor L9 (Owner Recruitment and Outreach):** The GM reviewed her report that was distributed to the board prior to the meeting.

The only planned change relating to this policy for this year is the membership drive. L9 requires such a drive at least annually and the store has had membership drives semi-annually. Going forward the store will have one drive planned for October 2015.

A board member suggested a survey of the membership to identify easy to increase sales in the store. The last such survey was conducted prior to the 2009 expansion and updated information could be helpful. The University of Nebraska – Lincoln (UNL) has grant funding that might be available for such activities.

The GM asserted compliance.

Consensus item: The board approved the L9 Report.

6:54 PM **Election – 2015 Slate of Board Candidates:** The committee received and reviewed applications from seven people, all of whom qualify as candidates. The slate of candidates who are running for six open seats are: Ross Brockley, John Christensen, Ellen Dubas, Mary Hansen, Megan Jackson, Brandé Payne, and Lin Quenzer.

An informational meeting with candidates who are new (i.e. not currently on the board) was held as required. A Meet and Greet meeting for member owners to become familiar with the candidates prior to the election will be scheduled during the coming month.

Consensus item: The board approved the slate of candidates for the 2015 election.

A board member questioned board attendance by some directors. The chair reported that the policy committee is working on incorporating an attendance policy in the new manual. The policy is planned to be approved prior to the installation of the newly elected board members.

Various venues for the Meet and Greet were discussed, but no decisions were made.

7:04 PM

Membership Structures Committee: The committee met on February 19th and discussed holding additional member owner meetings. The member owner meetings would have two general purposes: social (build community) and business (obtain feedback from member owners). The committee agreed that all member owners would be invited to attend. A possible date for a member owner meeting is April 29th.

A board member suggested informal social activities with member owners, such as walking or bicycling, which would start and end at the store. The store no longer requires that member owners volunteer, and the last few Annual Meetings have been catered as opposed to the pot luck events that the co-op once had. These changes have decreased the opportunities to build community among the member owners. The board is considering reverting to a potluck event for the Annual Meeting.

A board member suggested that volunteers could potentially collect data for the survey. The GM agreed to discuss a survey with the staff and report to the board at the April Meeting.

The GM related that a UNL student member owner volunteer performed an observation in 2013 of the impact of social interactions within the store for one of her courses, which was subsequently published in the *Journal of Management and Sustainability*. That volunteer is now interested in performing a follow-up survey for the store over the coming months as part of her studies. Such a study could be a cost effective method of acquiring information needed by the store.

A board member suggested that a volunteer be recruited to coordinate the volunteers, thereby off-loading work performed by the GM. Since this would require a greater level of effort than most volunteers provide, an additional incentive such as a higher discount could be offered.

7:24 PM

Finance Committee: The committee met on February 27th and discussed various issues concerning the store's profitability. The discussion included, but was not limited to, sales, expenses, departmental profitability, staff morale, and volunteerism. It was observed that minimal further cost cutting can be attained at the store; further improvement will occur through increased sales. The committee produced a draft dashboard of charts depicting various aspects of the store financial position. This dashboard will be included henceforth with the quarterly L4 report.

One board member emphasized that visuals summarize several years of history versus a snapshot of one quarter as reported in L4 currently. Another board member emphasized that in order to truly understand the complex financials of the store, one must study the reports in detail. Another stated that the dashboard is a vital tool for those who are visual learners.

7:32 PM **Draft Board Operations Committee Charter:** The board chair overviewed a draft charter for the board operations committee which consists of the board officers. Many members of the board had not been able to review the charter prior to the meeting, so the approval of the charter was postponed until the April meeting.

The next election of board officers will be held at the November meeting. While any board director may be seated as board chair, the vice-chair is being trained for the board chair role as per the stated board priority this year to develop board leadership. Various activities are planned to help the vice-chair efficiently assume those duties. For example, the vice-chair will facilitate at least one meeting annually; therefore, the current vice-chair will chair the April meeting.

In addition, to facilitate a smooth transition in board leadership, the operations committee plans to produce a set of working documents. These will specifically describe the processes that officers and the board operations committee will follow in performing its duties. A board member asked why the election of the chair does not coincide with the general board election. The Bylaws only dictate that the board officer election be conducted at the next board meeting following the annual meeting. General board elections could be moved to be done around the time of the annual meeting. One perceived advantage to the current tradition of Spring general elections and Fall officer elections is that the board can become familiar with other directors before electing someone to an officer position. It was noted that some other co-ops elect the board officers right after general board elections.

7:40 PM **40th Anniversary:** The committee did not meet in February, but will meet again in two weeks. Members of the committee will be filming a video to be used in a Kickstarter campaign to raise money for a documentary about Open Harvest. As part of the 40th Anniversary celebration, this documentary will record conversations about the co-op and its importance to the community. The local restaurant, Pepe's Bistro, has agreed to allow the team to use of its trailer, which will be towed to the store parking lot as a recording booth.

A Kickstarter campaign usually runs for 2-6 weeks. The board will be informed of the specific dates of the campaign and will be asked to encourage people to participate by donating to the campaign.

7:44 PM **Policy Committee:** A new policy manual has been drafted for board review. Discussion and approval were postponed until the April meeting. The discussion will be placed on the April agenda at an earlier time to ensure sufficient discussion for approval.

7:50 PM **GM Review Committee formation.** The chair requested volunteers for the committee to review the GM performance and develop the employment contract for Fiscal Year 2015-2016. The committee will include: Carla McCullough, John Christiansen, Barbara DiBernard, Megan Jackson, and Brandé Payne. It will be chaired by Carla McCullough.

7:55 PM

Guest Members' Comments: A guest member asked what the requirements are to run for election to the board. A candidate must be current in their membership and may not be on staff at the store. Candidates who are not currently on the board are encouraged to attend a board meeting, but are not required to do so.

The same guest member suggested that the election Meet and Greet be held at Stransky Park at 17th and Harrison, if the weather permits.

The guest member also asked whether anyone is working on the grant that is available from UNL. The GM responded that no one is working on that yet, because timing is an issue. The grant is due at a time when the store is very busy with other activities.

The guest member also asked who will work with city council concerning the store's effort to gain a liquor license. The GM responded that no activities with the city council are scheduled while she is on maternity leave. But if there is a need, the brand manager will do that.

A store staff member asked whether the promotion of the merchandising coordinator complied with the L2 policies. The discussion of that issue was deemed to be appropriate for a store staff meeting and not a board meeting.

7:58 pm

Adjourn