

**Open Harvest Cooperative
Board of Directors Meeting Minutes
Wednesday, September 3, 2014
6:00 – 8:00PM
Two Pillars Church, 1430 South Street
(Approved Oct. 1, 2014)**

Present **Board Directors:** Carla McCullough (Board Chair), Bob Hutkins (Vice Chair), Sarah Bauman, Sarah Disbrow, Mary Hansen, Megan Jackson, Steven McFadden, Brandé Payne, Janet Squires, Nick Svoboda, Lin Quenzer, Kat Shiffler. Staff Members: Kelsi Swanson (General Manager), Amy Tabor (Outreach Manager).

Absent **Board Directors:** Molly Phemister, John Christensen, Barbara DiBernard.

6:04 pm **Consensus items: Approval of minutes and agenda:** The Chair presented the draft August meeting minutes and the September agenda. **Consensus items:** The board approved the August meeting minutes and the September agenda.

6:05 pm **Reserved Member Comments:** None.

6:06 pm **Member Owner Equity Redemption Request:** Member #8937 requested equity redemption in the amount of \$210. **Consensus item:** The board approved the request.

6:07 pm **GM Monthly Report:** The General Manager (GM) discussed the highlights of her monthly report, which was distributed prior to the meeting.

SALES

July 2014 Sales: \$347,304

Original Budget: \$370,000 (1st qtr. budget of \$1,110,000/3)

July 2013 Sales: \$400,486

AP TO INVENTORY RATIO

Accounts Payable as of July 31st 2014 was \$163,765 and the last inventory was \$222,045. This is a ratio of .74.

Date	7/1	8/1	9/1	10/1	11/1	12/1	1/1	2/1	3/1	4/1	5/1	6/1
	3	3	3	3	3	3	4	4	4	4	4	4
AP to Inv. Ratio	.69	.61	.83	.76	.73	.64	.70	.66	.79	.82	.59	.68

(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 July 2014 were 22.10% of store sales, or \$76,770. Wages and Salaries budgeted for the 1st quarter was 19.5% of store sales, or \$67,724. Wages and Salaries for July 2013 were 19.83% of store sales, or \$79,419.

TOTAL OPERATING EXPENSE

Total Operating Expenses for July 2014 were 42.69% of store sales, or \$148,254. Total Operating Expenses budgeted for the 1st quarter were 39.04%, or \$135,587. Total Operating Expenses for July 2013 were 38.55% of store sales, or \$154,379.

Membership numbers for July 2014

- Renewals - 55
 - New Member Owners - 9
 - Membership Forfeitures - 0
 - Member Owner Equity Redeemed - 0
 - Total Member Owner Count- 2667
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- All Staff Meeting happened on Aug. 12, 2014 and it went well.
 - The commercial shoot on Aug. 12th also went really well. We hope to have the final cut in September and start airing it by the beginning of October.
 - Plans are in place to start opening the store at 7am instead of 8am, starting the first part of October. There will be an official announcement of that once the date has been set.
 - Sales trending into the first quarter of our 2014/2015 fiscal year are down around 14%. Biggest hit in a quarter we have seen since WF's opened in December. July was a slow month, but things are beginning to pick up as schools are back in session and we head into our busy season.
 - Lots of big local promotions, member owner specials and sales events are planned for the next few months. Goal is to drive traffic and sales up at the store.
 - We have seen new and renewal member owner numbers increase since the board approved the equity change at the August 2014 meeting.
 - We have a staff art show planned on Friday Sept. 5th from 6-8pm at Meadowlark Coffee & Espresso. Hope board members can attend!
 - I have been conducting four 10-minute all staff "huddle" meetings throughout the week as a way to improve staff communication, and so far they have been really effective.

Outreach Activities Summary

- Dig Deeper Farm Tour - Saturday, September 6th from noon to 4 PM. We have six farms and three garden projects on the Dig Deeper Farm tour this year – from 4 to 7 PM visit Prairie Pines (Community CROPS).
- Moran's Liquor: Beer & Cheese (Lincoln Beer Week) - Tuesday, September 9th from 5 to 7 PM. This FREE sampling features five Belgian beers with five delicious cheeses – hand selected by Certified Cheese Professional, Izzy Koch.
- Open Harvest: Beer & Wings (Lincoln Beer Week) - Tuesday, September 9th from 5 to 7 PM. This FREE sampling features four local beers from Zipine Brewing Co. and Empyrean Ales paired with two hot wing recipes – one create by Alex Wolfe, the other by JB Fat Boy's
- Open Harvest Local Vendor Week - Saturday, September 20th thru Saturday September 27th, various times. Come in the store and catch live demos from our local vendors! Including: Pacha Soap, Suzi's Lavender, Captain Bullfrog's, If You Dare Salsa, Chisholm Family Farm, Common Good, Branched Oak Farm, Bubba's Baklava, Clean Environment and Prairieland Dairy.
- Streets Alive! - Sunday, September 14th from 1 PM to 5 PM 13 & F Street, VegFest. Streets Alive! is a FREE family friendly afternoon of fun. A 2 mile stretch of Lincoln streets in the Near South and Everett Neighborhoods (south of the State Capitol) will be closed to motorized vehicles and open for all human-powered transportation.
- Urban Homestead Series - Antelope Park Church of the Brethren, 3645 Sumner St., Lincoln
 - Tuesday, September 16th: DIY Kimchi
 - Tuesday, September 23rd: Cheese 101
- Chef Challenge - Sunday, September 28th from 11 AM to 1 PM Old Cheney Road Farmers' Market, 56th & Highway 2. Three of Lincoln's best chefs, including the winner from last year, compete head to head using fresh, local market ingredients.
- Lincoln Arts Council: CSArt Bumper Crop Last month we provided Eat Local Challenge tote bags for the CSArt pickup along with guest membership until the end of September
- Local Foodshed Working Group Meeting Tuesday, September 16th from 4:30 to 5:30 PM Lancaster Manor Chapel, 1001 South Street, Lincoln
- Get to Know Your Co-op Thursday, September 18th from 6:00 to 7:00 PM. Open to all new and renewed members: this is a chance to get an in-depth orientation of the store; the history, layout, samples and more. This is also mandatory, paid training for all staff members.
- Starting a punch card for select deli items including burritos and burrito bowls.

- 6:23 pm** **Monitor L9 (Owner Recruitment and Outreach):** The GM discussed the L9 report that was distributed prior to the meeting. She asserts compliance. **Consensus Item:** The board approved the GM's L9 report.
- 6:25 pm** **Election Committee:** Several members will be up for reelection. Sara D, Nick, and Bob will serve on the election committee. Barbara will be asked if she would serve on this committee again.
- 6:30 pm** **Finance Committee:** No finance report given. L4 will be monitored next month, so the Finance Committee will meet at the end of September. The store's external accountant will come to the October meeting and will present the annual review report.
- 6:35 pm** **Annual Meeting Committee:** Sunday, November 2nd at Ploughshare, 1:30 - 4pm. Opting for a mid-afternoon event to avoid the confusion of providing a full meal. The basic schedule is:
- 1:30 – 2:00 pm Check-in and Appetizers
 2:00 – 3:00 pm Business Meeting
 3:00 - 4:00 pm Party/social time with live music
- There is a back room for childcare. They are providing the space for free as a way to highlight their new space. We will have access to the sound system and projector. The capacity is 180; the committee will have a plan if it seems we'll have a crowd. There will be door prizes, including gift cards from OH and Ploughshare.
- 6:40 pm** **Policy Committee:** The committee chair reported that the committee is making its way through the new policies. Next Policy Committee Meeting is at 2 Pillars, September 10th from 12-1pm.
- 6:44 pm** **Membership Structures Committee: Bylaws and Articles (DRAFTS to be approved for Member Owner review).** The committee chair reviewed the history of the committee work on Bylaws and Articles drafts. The Bylaws changes were initiated to make them more flexible such that we could move into a "Full Share" equity system if we choose to. The current Bylaws require an annual equity payment (i.e. was \$40/year until last board meeting, now \$25/year). Our goal was to remove the "annual" requirement, while still allowing us to maintain our annual payments until the Board should decide to move to the Full Share system. The Membership Structures Committee has presented multiple drafts to the Board in the past year, the latest draft being OK'd to take to our attorney for review in August.

During this process, the Board found other changes we'd like to make to Bylaws such as:

- Filling vacancies on the Board (had been removed in the 2012 version, inadvertently).
- Change the terms of Board officers (i.e. Chair, Vice-Chair), from two years to one.
- Consistent use of Member Owner (not just Member), shares and equity (not membership fees)/

The Bylaws have been amended several times since 2005, the year of our current Articles of Incorporation, while the Articles have not been amended since 2005. The multiple Bylaws amendments and Articles not changing has caused some discrepancies between the two documents. This was pointed out by our attorney at the end of the 2012 Bylaws amendment process, but too late at that time to address the needed Articles updates. This time around, we wanted to make sure the Articles were both in sync with Bylaws and also reviewed for accommodating a possible move toward the Full Share system.

In August, we met with our attorney, having sent him our drafts prior to the meeting along with a letter with our goals and specific questions. He pointed out many articles that needed revision to comply with state law and offered helpful suggestions as to how we could handle forfeitures, etc, to accommodate a possible change to "Full Shares". He returned drafts of both documents for our review.

The timeline for presenting the drafts to Member Owners, leading up to their vote at the Annual Meeting is:

1. Board reviews drafts for the Sept. 3 board meeting and will be asked for consensus to present them to Member Owners for comment during the month of September. Drafts will be posted on the website, at the store and Member Owners will be notified via e-mail.
2. A Member Owner forum will be held at 2PC on September 16th from 6:30-8pm to discuss the drafts.
3. Member Owner comments will be considered and may be incorporated into final drafts by the end of September.
4. Board will be asked for consensus at the Oct. 1 meeting to present final drafts to Member Owners for the month of October.
5. Member Owners have the month of October to review final drafts of Articles and Bylaws.
6. Member Owners will vote on the final drafts at the Annual Meeting on Nov. 2nd.

Committee chair requests board support to send the draft to Member Owners.

Board members have no concerns about sending the draft to Member Owners.

Changes to the articles require a 2/3 vote of the Member Owners present at the Annual Meeting, while the Bylaws need to be passed by more than half. GM mentioned an additional note that the attorney brought up about Article 4.1.

7:05 pm **Plan Board Self-Evaluation (G-policy):** Board Chair proposed members to submit information about their board participation, possibly a survey monkey. Megan will work with Carla next week to put together questions and information for a more constructive board self-evaluation.

7:11 pm **Guest Member Comments:** Sarah commented on member owners she met at the store this past weekend who weren't aware about the new changes. Reaching customers and member owners with information is a challenge.

7:20 pm **Adjourn**