

Open Harvest Cooperative

Board of Directors Meeting Minutes

Wednesday, June 3, 2015

6:00 – 8:00PM

Two Pillars Church, 1430 South Street

Present **Board Directors:** Carla McCullough (Board Chair), Brandé Payne (Vice Chair), Megan Jackson (Secretary), Sarah Bauman, Ross Brockley, Barbara DiBernard, Sarah Disbrow, Ellen Dubas, Mary Hansen, Bob Hutkins, Steven McFadden, Molly Phemister, Kat Shiffler.
Staff Members: Kelsi Swanson (General Manager), Christophe Bossaert (Food Service Manager), Amy Tabor (Brand Manager). **Member Owners:** Paula Shafer (notetaker).

**Excused
Absence** **Board Directors:** John Christensen, Nick Svoboda

**Unexcused
Absence** **Board Directors:** None.

6:03 pm **Welcome, Introductions, Announcements:** The Board Chair called the meeting to order, welcomed board members, staff, and member owners. The Chair circulated cards for attendees to sign thanking those board members who left the board with this meeting.

6:07 pm **New Directors Seated.** The two newly elected board members were installed: Ross Brockley and Ellen Dubas.

6:07 pm **Consensus items: Approval of minutes and agenda:** The Chair presented the draft May board meeting minutes and the June agenda for approval. The May Executive Session draft minutes will be presented at the next session in July.

Consensus items: The board approved the May meeting minutes and the June agenda with no changes.

6:11 PM **Reserved Member Comments:** One board member announced to the board that the Ross is showing a documentary that might be of interest: Seeds of Time.

Another board member announced that she has adopted a daughter.

Another board member announced that the Starbucks at 33rd and O Street has expanded its facility to include a meeting room that is available for use by the public free of charge.

Another board member announced that the Wyuka Cemetery remodeled its stables into meeting rooms that are available for rent.

6:13 PM

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

SALES

April 2015 Sales: \$352,460

Original Budget: \$386,666 (4th qtr. budget of \$1,160,000/3)

April 2014 Sales: \$395,217

AP TO INVENTORY RATIO

Accounts Payable as of April 30, 2015 was \$183,808 and the last inventory was \$215,578.

This is a ratio of .85.

AP to Inventory Ratio:

Date	4/14	5/14	6/14	7/14	8/14	9/14	10/14	11/14	12/14	1/15	2/15	3/15
	.82	.59	.68	.74	.78	.71	.83	.86	.70	.81	.72	.73

(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 April 2015 were 18.79% of store sales, or \$66,212

Wages and Salaries budgeted for the 4th quarter was 18.75% of store sales, or \$66,086

Wages and Salaries for April 2014 were 18.98% of store sales, or \$75,024

TOTAL OPERATING EXPENSE

Total Operating Expense for April 2015 were 37.89% of store sales, or \$133,556

Total Operating Expense budgeted for the 4th quarter was 36.92%, or \$130,128

Total Operating Expense for April 2014 were 36.6% of store sales, or \$144,640

TOTAL STORE *SALES PER LABOR HOUR (SPLH)

April 2015 Total Store SPLH was \$64.23

April 2014 Total Store SPLH was \$60

	5/14	6/14	7/14	8/14	9/14	10/14	11/14	12/14	1/15	2/15	3/15
	\$57	\$55	\$53	\$56	\$59	\$57	\$57	\$60	\$69	\$68	\$68

**The ratio of how many hours you schedule to generate your sales, expressed as a dollar figure. The higher the number, the more efficient you are using peoples time, or your customers are making higher dollar or more item department purchases.*

The day's cash on hand for April 2015 was 8.37. The recommendation from the NCG is 10. This information will be reported in future GM reports.

MEMBERSHIP NUMBERS FOR APRIL 2015

- Renewals - 89
- New Members - 20
- Membership Forfeitures - 0
- Member Equity Redeemed - 0
- Total Member Count- 2802

A board member asked how the current membership count compares to the past 5 years and whether the reduction in the annual fee had an impact. Past member total count reached an estimated high of 3,300; it has improved since the reduction in annual dues.

A board member suggested that the store consider using some form of automatic renewal payment. E.g. Autopay or automated withdrawal from member owners' checking accounts. The GM agreed to research this.

The store's cash flow declined in April, resulting in an inability to set aside savings to repay the reserve loan. In addition, the store needed to access existing savings in order to pay bills.

A new wellness manager has been hired to replace the prior wellness manager who moved to produce. The produce manager resigned to move out of state.

Outreach Activities Summary

- Open Harvest Storymobile: June 4-7, 10 AM - 6 PM, Open Harvest Parking Lot
- Local Foodshed Working Group Meeting: June 9, 4:30 to 5:30 PM, Ploughshare Brewing Co.
- Bike Tune Up: June 27th 10am-12pm, in front of Open Harvest
- Bike Giveaway: June 17-30, 8am – 9pm, in Open Harvest
- Wine & Cheese in cooperation with Bin 105: June 27th details TBA
- Member owner 10% sale: June 26 – 29
- Open Harvest 40th Birthday Party: July 3rd, Free cake and ice cream, in store
- URBAN HOMESTEAD CLASS SCHEDULE: Antelope Park Church of the Brethren, 3645 Sumner Street
 - Vietnamese Cooking: June 9, 6-8 PM
 - Cheese Making at Home: June 23rd, 6-8 PM
- RECENT DONATIONS: Randolph Elementary

6:26 PM **Monitor L4 (Financial Condition):** The GM discussed the highlights of her third quarter L4 report, which was distributed prior to the meeting. While the store experienced a positive net income for the quarter, the net income from operations (NIFO) was negative. The GM is therefore non-compliant with the policy.

The GM projects that Open Harvest will retire its expansion debt in 2016 as scheduled.

6:32 PM **Monitor L5 (Budgeting and Financial Planning):** The GM L5 report, which documents the store's budget and strategy for next year, is still in progress. With the April cash flow issues, the GM sought and received permission to revise her plan and present the final at the July meeting. Her priority for next year will be sales improvement through a commercial, which replaces the print advertising used in the past year. She plans to continue looking for cost reductions as well, although these will most likely be small.

6:43 PM **Finance Committee:** The committee did not meet this month.

6:43 pm **Policy Committee (new calendar, new manual):** The committee completed the policy revisions, which were distributed to the board at the meeting. The items that were new included the board calendar, the contact information, the policy register, and all appendices.

The committee chair encouraged all members of the board to read the manual.

6:48 PM **Election (final report – update procedures for 2016):** The final deliverable from the committee is a revised procedure for the next year. The only procedure revisions will be to the dates for 2016.

6:48 PM **40th Anniversary:** The committee met to discuss activities for the celebration.

The store birthday party, previously noted, will be on July 3, which is the date that the original Articles of Incorporation were signed.

A meme contest will be held through social media. Three winners will be chosen: one will be chosen through social media, one by the board, and one by the staff.

A parking lot event is being planned for October 3rd.

Other possibilities are still under discussion.

The committee will meet again on June 17th.

6:55 PM **Board Operations (retreat, orientation, and video):** The committee met to compile the new board manuals and plan the June 20th board retreat logistics. The board will also hold a potluck with the NCG consultant, who facilitates the retreat, on June 19th. The GM will provide food for the retreat from the store deli.

In addition to the video on co-ops that was viewed at the meeting, the board members were asked to view three other videos prior to the retreat. The videos are all available electronically and the chair will forward links for the videos to the board members.

The committee also held an orientation for new directors on June 1st, prior to their first official board meeting.

7:00 pm **Guest Members' Comments:** none.

8:00 pm **Adjourn**