

Open Harvest Board of Directors

Approved Meeting Minutes

September 14, 2009, 5:30 – 7:45 p.m. at Irving Rec Center
2010 Van Dorn Street

Present Jackie Barnhardt, Melissa Garcia, Flame Alligator, Cindy Elder, Jon Ferguson, Michael Henry, Bob Hutkins, Alisa, Kushner, John Christensen, Brandon Stevenson, Diane Stevenson, Margot Conrad, Kelsi Swanson, Jim Nelson, Lee Hanson, Keith Dubas, Gail Kendall, Dave Eckmann, Carla McCullough, Colleen Nygren, Mary Jane Gruba, Ingrid Kirst, Sara Moshman, Maggie Pleskac, Mary Rachael

Absent David Murphy, Miles Bryant, Tim Arkebauer

5:37 p.m. Welcome to guests, staff, and Board members, with introductions. Accept consensus items. Addition to Agenda. Approval of June minutes with changes. Approval of July minutes with changes. Approval of August minutes. Changes to July minutes discussion included Jackie Barnhardt's request that the Ls and Ends policies be posted on the Open Harvest website. Keith Dubas announced that the Board is currently working on Meeting Policies and that the Community Fund email discussion will continue and be reported on at a later date. Announcement that Alene Swinehart has officially resigned from the Board. GM Report: accounts payable to inventory (.70), debt to equity (1.35), and current sales of \$163,143, shared and discussed.

6:56 p.m. Auditor's Annual Report: Preliminary Report Draft dated June 30, 2009 shared by auditors, Brandon Stevenson and Diane Stevenson of Stevenson and Associates, LLC. Discussion included Statement of Operations, Balance Sheets; Assets and Liabilities and Members' Equity, Statement of Members' Equity, Comparative Analysis of Sales and Gross Margins, and Cash Flows of Operating, Investing, and Finance Activities for years ending June 30, 2009 and 2008, and Trend Analysis for 2005 through 2009. Inventory was monitored by Diane Stevenson on July 1, 2009. Discussion included the increase in sales; 3.7 million for the year, increase in expenses, specifically personnel expenses and reasons; increase in minimum wage, 3 – 4% raises, and the addition of a grant coordinator and 5 new employees. Jim Nelson explained the need for "staffing up" for the expansion and its affect

on personnel expenses. As per Brandon Stevenson, the labor/inventory ratio average is 30%.

Bob Hutkins questioned how waste figures and credit card fees relate to other businesses and discussion included conventional averages based on comparable food businesses. At the end of the year there was 2% less in credit card sales by asking customers to write checks. Average size sale is \$21.00 and the per-transaction fee is 6.5 cents. . Open Harvest changed credit card processing service vendors in April 2009 to participate in an NCGA-negotiated rate for credit card processing services.

Discussion on using credit cards for store purchasing to defray costs ensued between John Christensen, Colleen Nygren and Jim Nelson.

John Christensen questioned Stevenson and Associates, LLC expertise in the food industry and Brandon Stevenson explained their experience, specifically with co-ops.

Average interest rate questioned by Bob Hutkins to Colleen Nygren re: Member Loan and she will calculate that for future reference.

Diane Stevenson suggested a language usage revision to the By-Laws, Article 2, Section 4, re: Redemption Requests.

Brandon Stevenson suggested that all legal documents use the coop's current legal name of "Open Harvest Cooperative."

For any additional questions over the next month the Board can call Stevenson and Associates directly. Formal approval will take place at the next Board meeting.

- 7:05 p.m.** Addition to the Agenda: Ingrid Kirst distributed a Summary of Open Harvest Policies.
- 7:07 p.m.** 2009-2010 Budget: review of budget by Board encouraged and questions can be sent via email.
- 7:08 p.m.** GM Presentation on Expansion: Jim Nelson reported that \$245,307.55 has been paid out so far for the expansion. Currently \$27,000. under budget and the expansion started a month later than anticipated. Sales are good with both the bakery and the deli having record sales within the last two weeks. October 16th is the date set for the Grand Opening (still seeking confirmation by the mayor on his attendance), with four weeks of mass advertising, leaving one week prior to Thanksgiving. Discussion included monies needed for the 2nd floor, the need for parking spaces, and start up expenses.
- Kelsi Swanson reported on the Pre-Opening Party for managers, working volunteers, Board members, construction workers, vendors, Member Loan contributors, Expansion Committee and the

people who helped with fundraising, set for Thursday, October 15th. Staff party still to be announced.

Kelsi Swanson also announced that Open Harvest has become a member of the Lincoln Chamber of Commerce.

- 7:17 p.m.** Jackie Barnhardt requested time to speak on 1) visitors making suggestions to the agenda to have time to speak – this was referred to the Policy Committee as per Keith Dubas, and 2) Pay it Forward; currently 130 people have signed up for the program, bringing in \$13,000. in memberships. The Program was explained and Jackie Barnhardt announced that renewal notices will be sent out to all members with an explanation of the program included.
- 7:23 p.m.** Annual Owner/Members' Meeting Committee Report: The Potluck meeting will be held on Sunday, October 25th, from 5-7:30 p.m. at the Auld Pavillion in Antelope park. Trigger Town will be the band playing and there will be door prizes given. Discussion included having each Board member provide one door prize.
- 7:35 p.m.** By-Laws Election Committee Report: Language on the election By-Laws will be sent out via email and be posted by September 25th as per Article 4.
- 7:45 p.m.** Adjourn

Respectfully Submitted,
Mary Rachael

Next Meeting: October 5, 2009 from 5:30 to 7:30 p.m. at Irving Rec Center.