

**Open Harvest Board of Directors  
Meeting Minutes  
August 1, 2011, 5:30 – 7:30 p.m.  
Irving Rec Center, 2010 Van Dorn Street  
(Approved Sept 12, 2011)**

- Present**     **Board Members:** Bob Hutkins, Keith Dubas, Sara Moshman, Maggie Pleskac, Vicki Newman, John Christensen, Steven McFadden, Ingrid Kirst, Carla McCullough, David Murphy
- Staff:** Margot Conrad, Colleen Nygren, Danica Zobeck, Kelsi Swanson, B.J. Birkel, Sherri Clark, Mary Rachael
- Member Guests:** John Atkeison, Toby Bartels, Flame Alligator
- Absent:** Miles Bryant, Barbara Di Bernard, Jon Ferguson, Jon Ihrig, Gail Kendall
- 5:32 p.m.**     Chair, Carla McCullough called this meeting to order, welcomed Guests, Staff and Board Members, followed by introductions. Announcements included 1) Irving Rec Center will start charging \$20 for meetings starting in September 2011, 2) Board meeting structure discussed at recent Board Retreat, 3) Board website changes, and 4) Board Contact List will be updated & resent via email.
- 5:40 p.m.**     Consensus Items: The Minutes of the July BOD meeting and the Agenda for the August BOD meeting were introduced for approval. No corrections or changes to the July Minutes and no changes or additions to the August Agenda. Both items approved. No Member comments submitted for this meeting.
- GM Kelsi Swanson presented the GM Report, including actual and budgeted June 2011 monthly and 4<sup>th</sup> Quarter 2011 numbers:  
June Sales: Budgeted \$402,716, Actual \$356,912.  
Accounts Payable as of June 30, 2011 was \$158,973 and the last inventory was \$268,124 for a ratio of .59.  
Wages and Salaries for June 2011 were 21.77% (\$77,699) of sales. Wages and Salaries budgeted for the 4<sup>th</sup> quarter was 19.05% (\$67,992) of sales.  
Total Operating Expense for June was 42.23% (\$150,737) of sales. Total Operating Expense budgeted for the 4<sup>th</sup> quarter was 38.41% (\$137,090) of sales.  
4<sup>th</sup> quarter 2011:  
4<sup>th</sup> Quarter 2011 Sales: Budgeted \$1,208,150, Actual \$1,140,334

Wages and Salaries for the 4<sup>th</sup> Quarter 2011 were 20.33% (\$231,818) of sales. Wages and Salaries budgeted for the 4<sup>th</sup> quarter was 19.05% (\$217,234) of sales. Total Operating Expense for the 4<sup>th</sup> Quarter 2011 was 39.95% (\$455,588) of sales. Total Operating Expense budgeted for the 4<sup>th</sup> Quarter 2011 was 38.41% (\$438,002) of sales. Announcements included the upcoming EPIC Community Project Employee Art Show on 8/5/2011, sample postcard advertisement distributed, and the new Coop Deals, advertisement fliers distributed. Discussion included GM Kelsi Swanson seeking Board approval to remove flyer from store bulletin board regarding 2010 Member action re: non-food items being sold in the store. Article regarding this issue is on Open Harvest website. No concerns. GM Kelsi Swanson will be attending the General Assembly next month and will be gone during the scheduled September BOD meeting. Discussion included changing the meeting date and/or delaying the GM reporting of L4 and L9. The Board decided that the BOD meeting date will not be changed, Margot Conrad will do the general GM Report, and the reporting of L4 and L9 will be done by GM Kelsi Swanson at the scheduled October BOD meeting.

- 5:50 p.m.** Financial Statement 101: Finance Manager Colleen Nygren explained the current monitoring and reporting of finances through the Profit & Loss Statement, Balance Sheet, and Cash Flow Report. Informational flyers were distributed with sample reports and definitions. Also discussed was Open Harvest's Member Loan Maturity Distribution, Repayment Schedules for Member Loans, other Debt Repayment, and current Savings Accounts/CD.
- 6:25 p.m.** Discuss Patronage Rebate: Finance Manager, Colleen Nygren, described the process of patronage rebate distribution for cooperatives, including tax implications when patronage rebates are distributed. Patronage rebates can be considered as an option when there is a net profit at fiscal year end. Given preliminary fiscal year numbers, patronage rebates are not a consideration this year.
- 6:35 p.m.** Board Membership Eligibility: The Board Membership Eligibility Committee was formed as a result of a petition presented to the Board, with the main mission of looking into the potential of having Staff serve on the Board of Directors. The Board spoke about this issue at the Board Retreat and after thorough discussion, was generally not in favor of allowing Staff to serve as directors, because of feeling that the risks outweighed the benefits. Several directors were open to further discussion about how the Staff could have more of a voice in the board's work besides serving as

directors. Discussion included the Board interested in what do the current employees of the Store want and GM Kelsi Swanson will speak with the Staff. Carla McCullough proposed that the Board not change the By-Laws to include Employees serving on the Board. Roundtable discussion on proposal. No concerns. Proposal passed. The Board will continue discussion regarding Staff involvement with BOD at future meetings, ideas including a possible "World Café" forum about board and governance topics where Staff input would be relevant and helpful to the board and possible staff survey associated with GM reporting of L2 (Staff Treatment) and L3 (Compensation and Benefits).

- 6:51 p.m.** Finance Committee Report: Policy and Finance Committees met jointly to discuss policies on labor re: wages, L2, L3, Board Member Eligibility, etc. Numerous options were discussed during the Committee meeting and Carla McCullough will email these options to Board Members for further discussion and a report by the Committee will be submitted at a future BOD meeting.
- 6:57 p.m.** Policy Committee Report: Committee Chair Ingrid Kirst reported on discussion at recent Committee meeting re: Board Member Eligibility, updating ENDS by removing expansion language, and current reporting procedures. Steven McFadden volunteered to serve on the Policy Committee.
- 6:59 p.m.** By-Laws Committee Report: Committee Chair Miles Bryant absent, so Committee member Vicki Newman reported on discussion at recent Committee meeting. The Committee asks the Board for help in going over the By-Laws.
- 7:02 p.m.** Board Election Committee Report: Committee Chair Bob Hutkins reported on discussion at recent Committee meeting. The Committee is recommending that the By-Laws be changed re: revision of Article 4 regarding Election Committee Procedures. Bob Hutkins will be emailing Committee Procedures to the Board Members so a decision can be made at the September BOD Meeting. Discussion included current request for a recount of the last election.
- 7:10 p.m.** Annual Meeting Committee Report: Committee Chair Maggie Pleskac reported that the Annual Meeting will be a potluck on October 23, 2011, from 5:00 to 7:00 p.m. at the Auld Pavillion in Antelope Park. Advertising will be included in the Store Newsletter and postcards will be mailed out to Members.

**7:12 p.m.** Guest Members' Comments: Sherri Clark encouraged Board Members to attend the EPIC Community Project Employee Art Show on 8/5/2011 and expressed the need for food and drink (alcohol permitted) donations.

**7:14 p.m.** The meeting adjourned, with the Board moving to Executive Session.

**Next Meeting:** September 12, 2011 (Note: the BOD Meeting will be on the 2<sup>nd</sup> Monday of September due to the Labor Day Holiday), at the Irving Rec Center. September meeting Agenda items will include: Monthly GM Report, Plan Board Self-Evaluation, and Committee Reports. Board priority for Building Wisdom in September is "Trends and Ends," including review of the Business Plan and examining what the Ends mean to us. Additional Agenda items are requested two weeks prior to BOD Meeting. Guest Members may request time during reserved member Comments for comments relating to a specific Agenda item for that Meeting by contacting Chair Carla McCullough at harvest @openharvest.coop.