

**Open Harvest Board of Directors
Meeting Minutes
May 2, 2011, 5:30 – 7:35 p.m.,
Irving Rec Center, 2010 Van Dorn Street
(Approved June 6, 2011)**

Present **Board Members:** Sara Moshman, Carla McCullough, Bob Hutkins, Keith Dubas, John Christensen, Maggie Pleskac, Ingrid Kirst, Hank Van den Berg, Miles Bryant

Staff: Kelsi Swanson, Sherri Clark, Margot Conrad, Melissa Dowty, Danica Zobeck, Mary Rachael

Member Guests: Toby Bartels, Andrew Losh, Rebecca Hasty, Melissa Garcia, Flame Alligator, John Atkeison, David Newman, Vicki Newman, Jason Nord

Absent: Gail Kendall, Jon Ferguson, David Murphy

5:34 p.m. Chair Carla McCullough called this meeting to order, welcomed Guests, Staff, and Board Members, followed by introductions.

5:36 p.m. Consensus Items: The Minutes of the April BOD meeting and the Agenda for the May BOD meeting were introduced for approval. No corrections to the April Minutes or additions to the May Agenda. Both items approved.

GM Kelsi Swanson presented the GM report, noting Accounts Payable as of March 31, 2011 were \$166,685. and the last inventory was \$264,344., for a ratio of .63. Wages and salaries for 3rd Quarter were 19.84% of sales. Total operating expenses for 3rd Quarter were 35.67% of sales.

5:40 p.m. The L4 Report (Financial Conditions) was presented by the GM, as revised in January 2011, highlighting L4.11, L4.9, L4.6. The GM questioned the Board clarifying quarterly reporting vs. annual reporting and compliance, since as currently reported L4.5 and L4.6 are not compliant. Board discussion included the importance of having quarterly reports, what is the meaning and definition of non-compliance re: quarterly reports, the importance of the annual L4 which is performed after the Audit and whether different language should be used when assessing the quarterly reports. Sara Moshman distributed the 3rd Quarter Dashboard with Sales, Total Expenses, and Net Income compared to Original Projections, with suggested modifications as to rating the quarterly numbers and updating the Dashboard to better reflect actionable data. Board

discussion included members liking the changes, seeing them as needed especially for those Board Members who are not on the Finance Committee, (i.e. the more information, the better), the issue of quarterly Cash Flow as a necessity but as a tool for monitoring by the Board not as an issue of compliance, the need for the cash reserves being increased, and the issue of financial information being kept confidential vs. the Board reporting the numbers in a simple but straight forward way in the Newsletter to keep Members informed with accurate information.

It was suggested that the Board Retreat would be an appropriate place to discuss these ideas and proposed that it be put on the Retreat Agenda. Possible revisions to L4 may occur after the BOD retreat scheduled for June 25th.

No concerns expressed for L4.

- 6:24 p.m.** Board Election Committee Report: Bob Hutkins reported that “the election was held from April 15 to April 30. Members could vote in the store or they could print their ballots from the website and either hand-deliver or mail the ballots by regular mail. Each day, the ballots were locked in the safe. On Sunday morning, May 1, the ballots were transferred to the Election Committee for counting. The procedure for counting was as described in the Election Procedures and the Open Harvest By-Laws. Committee Members present for the counting included Keith Dubas, Carla McCullough, B.J. Birkel, and Bob Hutkins. Margot Conrad was also present to check Member numbers. Briefly, each ballot was first validated by matching the number the current Membership data base. Then the votes for each candidate were read out loud and tallied by two independent counters using a tally sheet. This was done for each ballot in groups of 20. At the end of each group, the tallies were added and the score sheets for the two independent tally sheets were compared. If a discrepancy occurred, those votes were re-counted. At the end, the total votes for each candidate were obtained, again by two independent counts.
- A total of 331 validated ballots were cast (for some perspective, there were 91 ballots cast in 2009, and 57 ballots were cast in the 2010 election). Of these 331 ballots, 316 were in-store ballots, 5 were mailed in, and 10 were hand-delivered. There were 21 ballots that were not counted, for the following reasons: 7 ballots had no Member number and therefore could not be validated; 6 ballots were duplicates (i.e. had the same Member number on two ballots) and only the original was counted; 4 ballots were completed contrary to the instructions; 1 ballot had a vender number, not a Member number; and 3 ballots had Member numbers not in the system and thus could not be validated.

There were 13 candidates and 6 open seats. The six candidates receiving the most votes were (in alphabetical order): Miles Bryant, Barbara DiBernard, Jon Ihrig, Steven McFadden, David Murphy, and Vicki Newman.

On behalf of the Election Committee, B.J. Birkel, Jackie Barnhardt, Keith Dubas, Carla McCullough and myself (Bob Hutkins), we congratulate these newly elected Board Members and also express our sincere thanks to all of the candidates for their interest and dedication in considering service on the Open Harvest Board. As stated in the By-Laws, new Board Members will begin their 3-year term starting at the June, 2011 meeting and we look forward to working with these new Board Members.

As noted in the Election Procedures, the Election Committee is expected to conduct a Post-Election Review and to provide the Board with suggestions for improving the election procedures. We hope to initiate this review over the Summer. Also, thanks to Kelsi Swanson, Sherri Clark, Margot Conrad, Jackie Barnhardt, B.J. Birkel, and the other Staff Members of the store for all of their assistance in the 2011 election."

Board discussion included an issue pertaining to Article 5, Section 9, whereas Vicki Newman has a daughter who works in the Bakery that the Election Committee became aware of after the election.

The Committee recommended that the Board accept Vicki Newman as a Board Member. No concerns. Also shared was the storing of the ballots in the Store safe for one year.

Bob Hutkins opened the discussion to Member comments. A guest member asked for clarification regarding ballots that were "completed contrary to stated instructions". Bob Hutkins explained that several ballots had multiple votes for a single candidate, despite the clear instructions that explicitly stated "Each member may cast only one vote per candidate". Bob Hutkins also stated that this very issue had previously been raised at the April Board meeting and that was why the wording on the ballot was made so clear. Other comments from guests and board members confirmed this discussion.

- 6:37 p.m.** Policy Committee Report: Ingrid Kirst reported on Policy Governance training for new Board Members.
- 6:39 p.m.** Board Retreat Committee Report: Retreat is scheduled for June 25, 2011 at Margot Conrad's home.
- 6:40 p.m.** Board Membership Eligibility Committee Report: No report.

Board Budget Committee Report: Scheduled Committee meeting to be held May 28, 2011 at 10:00 a.m.

GM Review Committee Report: Gail Kendall and Carla McCullough met with Kelsi Swanson to discuss the GM review coming up in June.

- 6:41 p.m.** Planning for New Board Orientation: Board discussion included the suggestion that the Orientation be more than learning about Board Policy. Discussion to continue.
- 6:44 p.m.** Meeting Protocol: Chair reported that Ingrid Kirst researched what other Boards do to allow for comments and keeping a structured Meeting. The Chair reported that the Board would allow Staff to comment during the meeting and that if Guest Members wanted time during the meeting they would have 2 weeks prior to the BOD Meeting to contact the Board Chair to be added to the beginning of the Agenda if it was about an Agenda item and as always, there is a designated time at the end of the agenda for member comments even if they did not contact the Chair in advance. Discussion included the option of Members to use the Comment Box in the store and that Committee Members could invite comments about a specific topic if it was relevant to the Agenda.
- 6:48 p.m.** Guest Members' Comments: Comments and discussion included the new structure of the Board's Guest Members' comments and participation, questioning the Board's decision to exclude Guest Member participation during the meeting if it was relevant and with proper decorum &/or prior to the Board making a decision, the Board's decision that Guest Members have to give advance notice when some discussions are spontaneous and a limited 2 minute statement at the end of the meeting may not be enough for Member participation to voice their opinions, code of conduct as to Member's comments, inquiry as to financial confidentiality, explanation of fiduciary responsibility of Board Members, encouraging Guest Members to contact individual Committees, and the Board posting which Committees will be meeting prior to the BOD meeting.
- 7:28 p.m.** GM updated the Board and Guest Members that an "Employee Project Incentive Committee" (EPIC) has been formed. (Mission: *The EPIC Committee is a group of employees who are trying to organize events on behalf of, or for the benefit of, all Open Harvest employees. By the employees, for the employees.*) The committee is currently working on projects like a bike rack for the center, organizing staff yoga, an employee garden plot through Community Crops, staff clothing exchange (extra clothes from the event went to the Friendship home), an employee of the month program, and

additional programs that are on the list for future meetings. The GM also shared that the updates to the existing Employee Handbook have been finalized after the grievance policy was revised and L2 was brought into compliance during April's meeting. Revisions to the store's existing policy manual have also been approved, and the updated policy manual is in use. GM also announced that she is currently working with all department managers on their budgets, as well as the stores annual 2011/2012 budget (making small changes and adjustments to it this year for better tracking and recording purposes), and is writing the 2011/2012 business plan, whereas a part of that will be forming a 5 year Post Expansion Planning Committee and hopes to have that in place by this Fall. The GM also reported on the Secure Recyclers Event that occurred on April 22nd (Earth Day 2011), where the Store partnered with Secure Recyclers and held an electronics recycling event from 12-5pm, collecting 8.76 tons of electronics, and the Spring BULK sale that is happening now at the Store, while supplies last.

7:35 p.m. Adjourn

Respectfully Submitted,
Mary Rachael

Next Meeting: June 6, 2011, from 5:30 to 7:30 p.m. at the Irving Rec Center. June Meeting Agenda items will include: monthly GM Report, monitor L1 (Governing Style), monitor Ends, revise L4 as needed, installation of new Board Members, and Committee Reports. Additional Agenda items are requested two weeks prior to the BOD Meeting.