

**HARVEST COOP MARKETS  
BOARD MEETING  
MAY 1, 2006**

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**HARVEST COOP MARKETS**

**Board of Directors Meeting – MAY 1, 2006**

**Time: 7:00-9:30 PM (pre-meeting buffet at 6:30)**

**Location: Community Room, Cambridge Store**

**PUBLIC SESSION – ALL INVITED**

<b>Time</b>	<b>Duration</b>	<b>Action</b>	<b>Topic</b>
7:00	3 min		Review agenda
	5 min		Listen to public comments
	5 min		Vote to approve Public Board Meeting Minutes, 6 MARCH 2006
	5 min		Vote to appoint Steve Clifford to Board of Directors

**EXECUTIVE SESSION: BOARD & GM ONLY**

7:20	15 min		Q&A FY06 3 <sup>rd</sup> Quarter results
	30 min		Vote: FY07 Budget

**\*\*break\*\*** 10 min

8:15	60 min		Discuss & vote on GM expectations
	4 min		Go-round – Evaluate meeting

**EXECUTIVE SESSION: BOARD ONLY**

	5 min		Approve Board Meeting Minutes for 6 MARCH 2006, Board only
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## **HARVEST COOP MARKETS**

### **Board Meeting Minutes, 06 March 2006 DRAFT**

#### **Public Session**

Attending: Jessie Myszka, Karin Emry, Sujatha Byravan, Amy Cotter, Betsy Adams (all Board); Mike St. Clair (GM)

Absent: John Mascia (excused)

Guests: Elisa Alonso, Minka van Beuzekom, Mary Grinnell, Steve Clifford (MSCC member), Chris DeAngelis, moderator

Public session begins at 7:05. Introductions are made. The board agenda is modified to accommodate late-arriving members (Betsy, Amy) for voting needs.

#### **GM Report, Public**

Sales continue to trend upwards. Final numbers for the last week at the Cambridge store are not yet in, but it was a pretty strong week. Cambridge store sales were up 7.5% compared to the same period last year; up 3.7% year to date after 10 months – indicative of a good base figure. The Jamaica Plain store had a 15% increase over the same week last year, 11% up for the month of February, or 6.1% year to date after 10 months. Combining data for both stores, the week-to-date increase is 10.9%, for the month of February up 5.6%, up 4.8% year to date based on 10 months data. The total sales increase, 4.8% is based on sales of \$11,316,000 vs. \$10,802,00 at the same time last year.

Harvest staff have initiated a safety committee that will focus on worker safety and food-handling safety. It will include staff from both stores, both management and sales associates. Mike will help bring in people for training sessions. He noticed signs here and there that such a committee is needed, and gives the staff a lot of credit for taking the initiative to form this committee. He'll keep the Board posted on its progress.

Harvest has responded to numerous requests for an ATM machine in the store. US Alliance Federal Credit Union (Rye, NY) – a small company with a similar type of ownership and mission to Harvest, was chosen to supply the ATM. It will be located in hallway near café in the Cambridge store in a week or two (mid-March). The space in the JP store is really tight, and we're considering a spot in an alcove just outside the store. Presumably the ATMs will have a surcharge. This is a service purely for customers; Harvest isn't getting any kind of payment from US Alliance; a larger bank might have offered, but Harvest chose not to take that route.

Changes to CAP schedule & flier. Product specials used to be changed on the last Wednesday of the month because of logistics. That confused many people and so now changes will occur at the end of the month. This has been communicated in the newsletter. The April CAP flier will highlight Harvest. The newsletter will let members know that a) Harvest is part of a national cooperative association, which publishes the CAP flier; b) since this is a national program we'll get national publicity.

A clarification has been made on the pre-order discounts of purchase. Pre-ordered bulk items – such as full cases, full bulk bags, or full bulk liquids – get a 10% discount for members and a 5% discount for non-members. This discount cannot be combined with other discounts, such as MAD Tuesdays. Pre-ordered items require customers to fill out a contact sheet; they get a phone call when the item arrives and have a couple of days to pick up the item. This process is the same for both items that Harvest normally carries, and special orders, items that Harvest doesn't normally carry. However, if the customer does not pick up special orders, Harvest has the additional step of figuring out what price to sell the items for.

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**Public Session**

The tiles in the Cambridge building have been problematic for a long time because the flooring is not in good condition. The most recent repair has been to the tiles at the front of store, costing \$10,000. Indoor/outdoor carpeting will be added there, and then a regular cleaning program will be instituted. Rubber tiles are not a practical option because they can rip if the floor shifts. Unfortunately, none of this buildout is the landlord's responsibility.

The question was asked why is JP store so much stronger in sales? Because the JP spot has very little competition. There's a lot of neighborhood growth. We don't offer parking there and the JP store receives a lot of walk-in traffic.

The Cambridge store's café has lots of competition and has space issues. It's not costing us a lot of money, nor is it making us a lot of money there. It is one of the few neighborhood places that offers fresh-squeezed juice.

Amy Cotter and Steve Clifford arrive at 7:15PM

**Approving Board Meeting Minutes, Public Session, from 30 January 2006**

The following corrections should be made:

- Karin should be listed as absent (excused).
- Mike's last name is St. Clair
- Minka's last name is van Beuzekom

Jessie moves to approve the minutes as amended, Sujatha seconds the motion; the vote is 2-0-2 (2 yes, 0 no, 2 abstentions) and so the minutes are approved. Minka leaves.

**Discussion About Upcoming Board of Directors Retreat**

The date for the retreat needs to be confirmed. It will be either April 1 or June 17. Karin suggests that it could be more useful in June for the following reasons:

1. On April 8 there will be a workshop on Board-GM offered at the National Cooperative Grocers' Association (NCGA) conference in Burlington VT; Mike, Karin, John, and Jessie are attending. This is a training for new board members who don't have much coop experience; it would be good to have this experience to inform the board retreat
2. The proposed retreat date of June 17 would be six months into Mike's tenure as GM. It would be a good point to review where we're at --what trends are telling us, etc.
3. For the first six months of Mike's tenure, we need to stay out of his hair. He doesn't need another meeting if he's going to the conference workshop
4. If we want to make progress on issue of work responsibility, we can make some progress on it at the next board meetings from now to June 17. We could devote 20 minutes' discussion per board meeting, start on small pieces to get interim guidelines that would allow board to progress on this issue at the June meeting. This is a topic that will have to be revisited again.

Betsy arrives at 7:45PM

## HARVEST COOP MARKETS

### Board Meeting Minutes, 06 March 2006 DRAFT

#### Public Session

##### Discussion comments

- In general, the content for the board retreat is agreed on. The rationale for holding the retreat earlier is that it's key to everything else we do for board members to be crystal clear on what the board is and what it isn't. This is a conversation that needs a facilitator. The concern is that the board would spin its wheels until that conversation.
- The board still need facilitators for April and May meetings.
- One reason to postpone retreat to June is that there are a lot of events in April: the membership forums; probably extra meetings of the Membership & Social Concerns Committee, since they are sponsoring these forums; Mike's six-month review to schedule; holidays (Easter, Passover), school vacation. One reason to hold retreat sooner: historically all the retreats were in winter, and good weather makes it difficult to focus on an all-day indoor retreat.
- Sooner is better because it would be important for the Board to speak with one voice at MSCC forums and tabling events during April.
- Could there be a discussion about talking points that board could have for the forums, and then discuss more accountability/responsibility later?
- Given the proposed retreat agenda and the questions that the retreat will focus on, do board members think it is possible to answer these questions in regular board meetings?
- If retreat goal is to discuss board responsibilities AND have a total response ready for April, we can't do that. But if we focus only on the responses for the forums, if we make them modular, what might we focus on sooner?
- Could we accomplish enough in a board meeting in preparation for April? We could address the details needed to respond to the MSCC forums. It would be more effective to have an offline discussion about what the needs are, and develop a proposal to bring to the April board meeting.
- The current board is small – six members. Will we focus on getting additional board members by a fixed date? Does that affect date of retreat? Not necessarily; we can invite other people to come to the retreat.
- As an MSCC member, it's important to me that board knows what its responsibility is to each other, to the Harvest membership, etc.

Amy moves to hold the Board retreat on April 1; Jessie seconds the motion. Vote is 4 yes- 1 no – 1 abstention. **The decision is made to hold the retreat on April 1.**

The proposed agenda for the retreat is discussed. Comments:

- The retreat agenda should be modified to focus on the April forums. The forums are well thought-out and their agenda is clear. It will be important for board to participate in forums in a way that provides confidence. Given the agenda for the forums, what does board need to speak to and agree on as one voice?
- The MSCC didn't imagine an overt opportunity for board to discuss its role, but felt that board members should be active in forums and does need to speak with one voice.
- The forums focus on hearing from the members, so the board's "speaking time" in these forums is very limited. The board needs to speak with consistent voice on the decision to give up the 2% register discount, and needs to present credibility and stability.
- There isn't a particular moment in the forums where board is going to speak to members. But would there be a lot of questions coming up?

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## **HARVEST COOP MARKETS**

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#### **Public Session**

In summary, some want to focus explicitly on board response at MSCC forums in April; others feel that the agenda, as is, will implicitly inform the “one voice” that the board needs to have at the forums. It is decided that any further comments about the retreat agenda should be forwarded via email to Marilyn Scholl, the technical assistance provider from Cooperative Development Services (CDS) who is helping the board to develop the retreat agenda and who will be facilitating that retreat.

Break

#### **Public Comments**

Mary Grinnell raised concerns about the way the worker member program was ended – not the inevitability of the decision but how the decision was transmitted. It’s important that the board and administrators need to involve members – if there was a discussion about this in November, there should have been a note sent to member workers immediately after that conversation to let them know that this was a concern. That seemed to really disrespect member workers and fails to acknowledge the origins of the coop.

#### **Affirmation of Membership and Social Concerns Committee (MSCC)’s Program of Member/Owner Involvement**

The board reviewed MSCC’s materials for the April member forums. Comments:

- It’s important for the board’s reputation and for its relationship & communication with members that it speaks with one voice. The forum structure can be great precedent for strategic planning. A subcommittee needs to address talking points on issues anticipated to come from these forums. What does the board need to be cohesive about, given that there’s a lot of anger at the board right now about its decision to end member work?
- There are a lot of activities to gather the information that will help to shape final format/agenda for forum. The forums are designed to get as much information as possible; MSCC did not design them to become a board presentation.
- Is this being “stress-tested?” We know there are members who are angry about the decision we made and how it was made....
- The March questionnaires, plus the first forum, which is set for an early morning, are designed to get a sense of what members are thinking – it will allow us to modify the later sessions to accommodate those concerns.
- We should identify other opportunities for members to express their displeasure, if they wish.
- We will look for a short description of legal definition of a patronage rebate system to add to the upcoming letter to members, to make clear what can be modified.
- MSCC met with the Harvest staff to discuss the forums and the end of the 2% rebate– it was a good meeting. MSCC now understands that it needs to be more intentional and careful in communicating to staff, because they ARE the coop to a lot of member/owners.

#### **Meeting Evaluation**

- Very nice having a third-party facilitator. The Board accomplished a lot.
- We need to respect people’s time; think about what you’re going to say before you say it. Don’t need to repeat points that have been made
- From here on, include a really clear section for comments in the public session.

Minutes submitted by Ava Chan

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