

HARVEST COOP MARKETS
5 SEPTEMBER 2007
PUBLIC MINUTES

Session begins: 7:05 p.m.

Minutes taken by Diane Simpson

7:05-7:10 agenda review and introductions (3 guests)

Added to agenda: Thank Karin for her service on the board

Attending: Mike St. Clair, Diane Simpson, (board administrator) Betsy Adams, Jessie Myszka, Amy Cotter, Steve Clifford, Jessie Grogan.

Late arrival: Karin Emry: 7;29 p.m.

Guests: Matthew Altman, Margaret Lamb, Heidi Bazick

Amy C. moves; Jessie G seconds to approve August 6 public minutes as written.

FOR: Betsy A., Amy C., Jessie M. Jessie G.; AGAINST: <none>; ABSTAINING: <Steve C. > ABSENT: <Karin E. >

GM Report—Mike S.

- Pictures of rehabbed JP store passed around
- \$10,000 from Main Streets, which paid for half the cost of the rehab

Café—LEED-certified construction project (after 6-7 months of documentation)

- Construction on-schedule; “soft opening” in October (not publicized)
- A lot of interest shown in the project by onlookers
- No significant obstacles or obstructions in the construction to date

Sushi

- Working on labeling consistency (labeling scale is “first generation”)
- Sales have gone through the roof

Insurance Review

- Liability insurance has gone down
- \$38,000--->\$30,000-->\$21,000

Outside Wall Mural (Cambridge)—David Fichter to rehab the mural after 15 years

Web site update

Mike & Chris are looking for ways to do more content-maintenance by Harvest staff rather than the outside contractor.

- Comment: web site slow to load sometimes

GM Compensation

Jessie M., Facilitator

- 1) Clarifying Questions
- 2) Opinions and questions
- 3) Vote on whether to use the RFP process for the next fiscal year

Q: Is this all about process?

A: Yes

Q: Did the participants discuss this process vs. a collaborative process?

A: No. Most of the people on the conference call were listening to the GM and Board who are using this method.

Q: What is the relationship between this and the GM expectations?

A: Board could request in the RFP that the GM tie his proposal to the GM expectations

Q: Does this process assume that employment contracts would run less than 2 years? (2 years seems like a long time without checking in on GM Compensation.)

A: This process still assumes annual reviews. The timeline can be part of the RFP.

Q: Why are GM expectations not in the sample?

A: Not everyone is going to have GM expectations as we do. Many are using policy governance.

Deferred pay can be a risk for the GM as well as a motivator.

Q: How is compensation determined now?

A: At the end of the last review period we set up some guidelines to determine how compensation would be set up. First we asked Mike S. for his perspective. The board discussed, revised, and eventually returned a proposal, which was presented to Mike. He responded with some alternatives. Finally an agreement was negotiated.

Q: How long did this process take last time?

Last time it was a compensation AND a performance review process. This started in April of this year and finished in July.

Comments:

“Compensation” requires coming up with a strategy by someone who knows more about the business than I do. I thought Mike’s insights were extremely valuable to our process.

I really like this process; we would come to a common perspective on the criteria for GM compensation under it.

I would not want to lose the collaborative element to this.

There is room for collaboration in this model. Board can delegate a subcommittee to work through different interpretations and perspectives.

The process was more than our regular board meetings but not ridiculously over.

Q: Is it comparable to anything else the board does in terms of time?

A: It was a lot fewer hours than “patronage”

Q: Do we pay CDS to help us with this process?

A: No, we do not pay anything extra. We can use our existing hours (20 per year.)

Motion: Pursue the RFP process to set GM compensation

Jessie M. moves, Steve C. seconds the motion to pursue the RFP process.

FOR: <Unanimous>

Board Orientation

Jessie M., Facilitator

Brainstorming session

Important things to know

What Board work vs. what’s GM work*

GM expectations; how measured, how and when monitored*

FTP site--how to use

What makes a co-op a co-op and not something else?

Where to find the bylaws & incorporation*

BOD expectations of each other*

What did the board neglect to tell you?

Tour of the stores

Patronage rebate*
 Key co-op programs (using the handbook)
 BOD-member relations (linkage/communications)*
 History of the co-op*
 Fiduciary responsibility; legal liability confidentiality, conflict of interest*
 Where to find the bylaws
 3-ring binder with manual*
 BOD work plan for coming year*
 BOD work plan for recurring items*
 GM overview
 cursory understanding of the business

 Other
 Finance (CBLD-101)
 7 principles of cooperation
 Glossary
 Co-op movement in the country (NCBA, NCGA, Co-op grocer magazine)*
 Boston Co-op network
 *already written

ACTION ITEM Jessie G. has volunteered to work with Diane S. on updating the Board Manual and adding as many of these items as we can find. Margaret L. and Steve C. have offered to help. Jessie G. to find these items and put them in a logical position in the manual.

Nominations Committee Update

(Amy C., Jessie G., Steve C.)

Nominations Committee received 5 applications

2 must-have criteria:

- Application must be complete
- Applicant must be a member in good standing

3 desirable criteria

- Would contribute to diversity of the board considering a variety of measures, including that they compliment the skills possessed by people already on the board
- Demonstrate a commitment to Harvest's mission & values
- Show signs that they are a "team player" who would contribute to and respect consensus when serving on the board.

There are presently 5 qualified candidates.

Subsequent to this meeting one petition candidate was received and validated,

The board can also appoint people to itself

Comment: It would be nice if there was a process of evaluating the "soft criteria" so as to set up guidelines for "board-recommended candidates."

There are two potential dates for the ballot counting.

Tabling Schedule

Jessie G. Facilitator

12 Sept. — Amy C. and Emily Cambridge; Jessie G. in JP

10 Oct. — Steve C. Cambridge Jessie M. in JP

14 November — Betsy A. Cambridge; Jessie M. and possibly Amy C. in JP

8:55 public session ends.

Summary of Action Items

Jessie G. has volunteered to work with Diane S. on updating the Board Manual.