

HARVEST COOP MARKETS
BOARD MEETING
26 September 2005

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HARVEST COOP MARKETS

Board of Directors Meeting – October 24, 2005

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

Location: Community Room, Cambridge Store

Marilyn Scholl of CDS will facilitate

Time	Duration	Page	
			PUBLIC SESSION – ALL INVITED
7:00	5 min		Meeting Opening: review agendas
		3	Approve Board Meeting Minutes for September, Public
7:05	20 min	5	Annual Meeting Planning
7:25	5 min	10	GM Report, Public (Garland & Bini)
			EXECUTIVE SESSION: BOARD & GM ONLY
7:30	5 min		Executive Session Opening: review agenda
		14	- Approve Board Meeting Minutes for September, Private
7:35	60 min		Board Retreat Discussion
8:35	10 min		** Break **
8:45	20 min	17	GM Report (Admin), Private, Open Discussion (Garland/Bini)
9:05	20 min	24	GM/Finance– Discussion (IGMT, Betsy)
			EXECUTIVE SESSION: BOARD ONLY
9:25	5 min	33	- Approve Board Meeting Minutes for September, Board Only
9:30	5 min		Meeting evaluation
9:35			ADJOURN

HARVEST COOP MARKETS

Board Meeting Minutes, 26 September 2005 DRAFT

Public Session

Attending: Betsy Adams, Jessie Myszka, Loren Rodgers (by phone), Karin Emry, Amy Cotter, Jeff Rosenblum, Sujatha Byravan, David Hermann, Mike Wiecek; staff Bini Reilly, Chris Durkin

Absent: Elisa Alonso (excused)

Approve Board Meeting Minutes 29-Aug-05 Public

One correction was made to the minutes: Karin Emry should be listed as absent, excused.

Betsy motioned to approve the minutes, seconded by Mike, unanimous approval with Jeff, Karin, and Sujatha abstaining.

Annual Meeting Planning

Chris didn't pressure Board to meet deadline for annual meeting agenda. He has been holding on the mailing until he gets more information; he wrote a general description of the event in the newsletter. A decision about getting a speaker needs to happen soon. If there's a discussion about the 2% discount, it needs to be led by MSCC. The Berkshire board member declined our invitation to speak. In past meetings (13 years' worth), a speaker would start at 5pm. But you need a speaker who complements the agenda. Bini knows some people who could talk about different patronage systems. Other comments:

- Five years ago Harvest wanted to rethink how to use meeting to be big celebration and feel like being part of bigger event – hence inviting other community groups -- and get a chance to connect with other members. Don't let meeting shrink by not offering a good speaker. (Jeff)
- It would be good to have a speaker on a broader subject and capitalize on a larger celebratory meeting. (Amy)
- The venue has also helped increase turnout – e.g. the Middle East is more exciting. We shouldn't make the topic after the speaker really obscure, so that non-members don't feel uninterested. (Chris)
- Many people tend to leave at the start of the member-only sessions. However, having guest speakers like Frances Moore Lappe still got more non-members (and members) to stay.
- Annual meeting shouldn't be the only place for member engagement; we should get a speaker who can engage people generally. (Amy)
- We need a speaker by Thursday. Should we focus on a speaker from the coop world, or go for more general interest? Perhaps this is tied to the question of how to engage members?
- How is the community involved in your coop? How should coop be involved? (Jessie)
- Why are coops different from capitalist companies? (Loren)
- To get the most people, get someone inspiring. Then maybe board member can do connections (to membership). So get a great speaker in next few days, then there'll be an audience to do connections. Maybe breakout sessions can be used to get information from members about stuff. Finances have got to come up in the meeting. How's Harvest doing? What are we doing about it? Maybe they (members) can generate ideas about what they can do, such as getting more customers. (Jeff)
- If we have patronage discussion we really need to be ready. Doesn't think breakout sessions are helpful given time limit. (Chris)
- Get a coop person to talk about why it's important to be a coop. How can we be successful as a coop – that could tie into finance stuff. (Karin)
- Weaver St. Coop is pretty inspiring as a hybrid consumer/worker coop. If we try to get someone from Weaver St., Loren will be happy to talk to people there, but it may be kind of late.

HARVEST COOP MARKETS

Board Meeting Minutes, 26 September 2005 DRAFT

Public Session

The Board agrees to the following:

- The first half of the annual meeting should have a speaker who can talk about the purpose and importance of a cooperative
- The second half will be a discussion about how can Harvest be more successful. David and Loren will work on this part – it's not yet decided whether or not to have small group work in this part.

Updates: Chris has gotten Mark Goering of CDS to come speak at the annual meeting.

PAC Report, Public

Look first at Harvest's mission statement. We also need criteria – the measurable version of mission statement, and a strategic plan – the proposal & projection that create forecast of how Harvest will meet criteria.

The first question: is this mission statement good?

- Don't like it; maybe revisiting mission statement is helpful to rethink where Harvest ought to go. It's also too long; omit bullets. (Amy)
- Harvest needs ground-up rethink so mission statement needs thinking. (Mike)
- Mission statement is general, doesn't need to guide strategic plan per se or even guide an organization. Some organizations have a vague mission statement, but have defined goals. Either way is fine, but we're missing a step – goals.
- Let's flag the mission statement as something to be revisited. (Amy)
- Maybe there's a missing step between mission statement and operationalization, but can we make criteria out of what we have for mission statement? (Loren)
- We need to discuss how the Board needs to be involved in more things that we are – and that probably means that we don't have time to do the strategic planning that we need to do. We may need to focus on financial responsibility first, and return to strategic planning in January. (Amy)
- Strategic planning needs to be continued. This goes back to whether Board should do strategic planning with or without GM present? We can wait on meat of this until we get GM, and we focus on the things in contingency plan we need to focus on now. (Loren, Karin)
- This is a tough situation given not enough board time. Unless we rethink what we do, Harvest has maybe a two-year time horizon. The market has changed so much and so many opportunities are out there that now is the best time to think about direction. It shouldn't be all or nothing proposition. (Jeff)
- Don't wait for GM – we can work on what Harvest can do. That being said, given the stage 3 situation that Harvest is in, maybe it is better to focus on finances, provided that we go back to strategic planning soon. (Jessie)
- Board needs to address strategic plan – why is Harvest in this business, just to be health foods store, or to be involved in larger community? IGMT is very challenged figuring out what to do – should Harvest focus on involving local community or not? (Bini)
- How can we answer this question – what is Harvest's identity? This has to be grounded not just in what we want Harvest to be but what is the financial landscape, the market, etc. – research that we probably won't have time to do in the next few months. Most of Loren's suggestions are data gathering. Agree, we can't focus on how but on what. We have done some of this research and we don't need to reinvent wheel so frequently. (Karin, Loren)
- This is a valuable discussion. Compelled by idea that we've been in crisis mode for 5+ years and if we don't do the work then it won't ever change. So then we should revisit mission statement. (Betsy & Amy)
- We're not that far off from chronology. Mission statement is about what do I as Board member want from Harvest? The first piece comes from us – that's our responsibility as the Board. (Jessie)

HARVEST COOP MARKETS

Board Meeting Minutes, 26 September 2005 DRAFT

Public Session

- To a certain degree the mission needs to be driven by what people around here want – and that's data.
- There are a lot of CB-based missions & initiatives. There are constituents and also a larger community, organizations that Harvest can collaborate with. (Jeff)
- This meeting is an example of the lack of time we have to do this kind of planning. Marilyn's list of suggestions could perhaps be used to focus the Board's discussions on strategic issues. Take really small bites. Saying we can't do a strategic plan until GM comes doesn't mean we can't discuss how Board needs to use its time or define what its vision is. (Karin)
- Let's just keep doing what we can to keep going forward. Harvest has been in crisis since 1996. Because we've been losing a lot of money. That's not because of mission statement. It's because of operational stuff – being stolen from, bad back end, etc. We should focus on that first. (Mike)
- We can do foundation for strategic planning in next meetings. (Karin)
- We NEED to have a separate discussion about topic retreat with Loren, Karin, and executive committee. (Karin)

GM Report, Public

Sujatha and Bini have discussed where to post Harvest openings. We do have information available about how competitive Harvest's salary offerings are; for example Harvest cashier positions are market-rate.

Children At Work Memo

A new staff policy has been issued not bringing children to work, unless another adult can supervise them. It does not apply to board or other people using community room.

Executive Committee Proposal

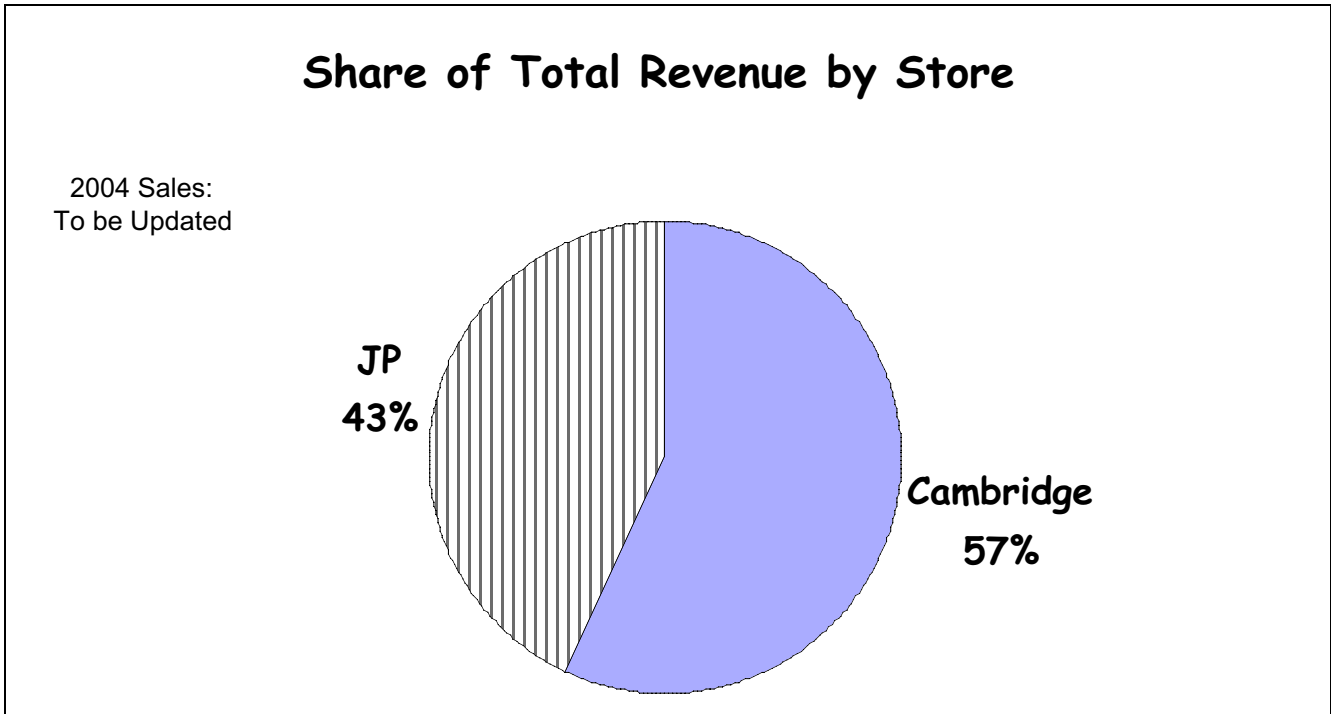
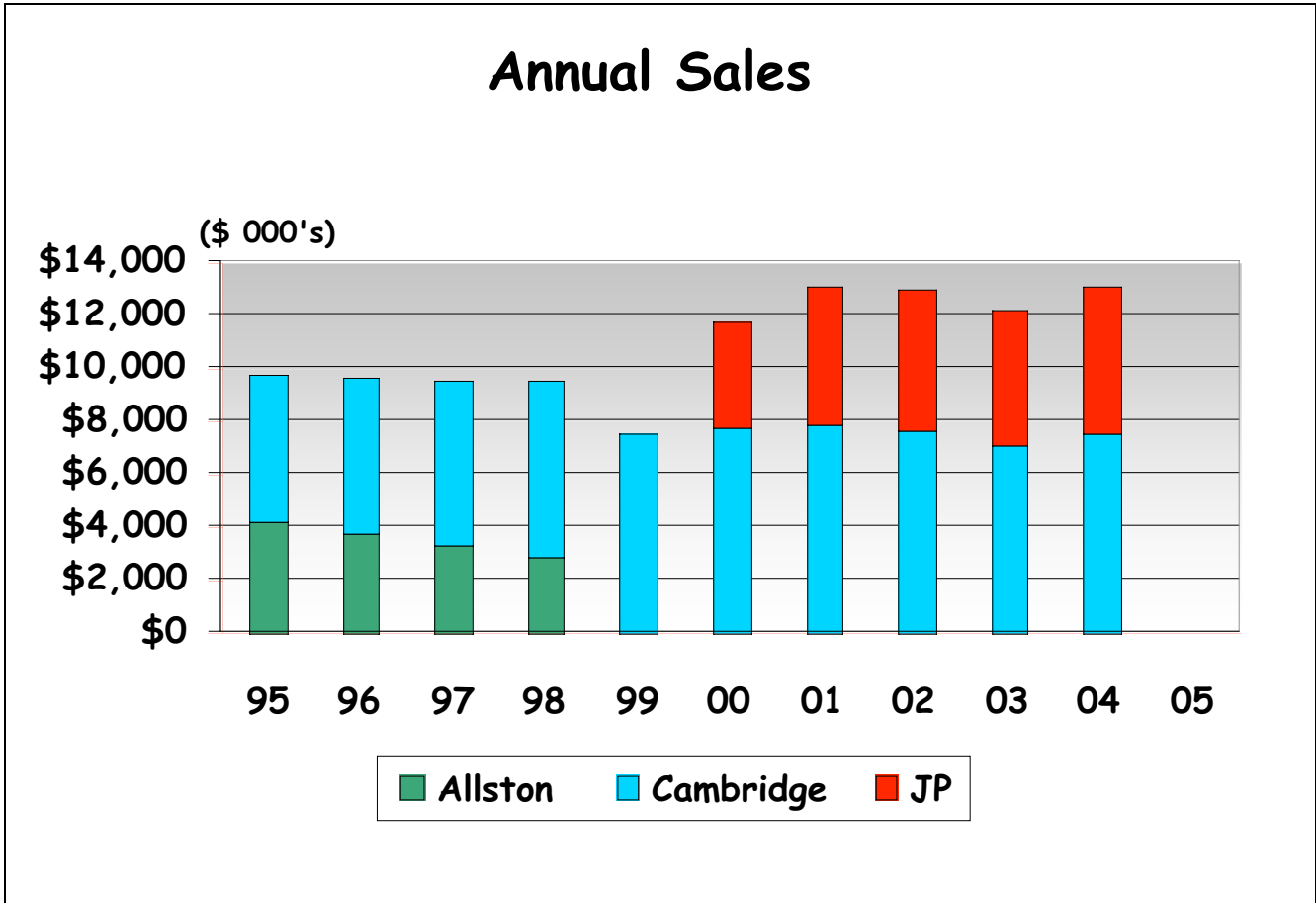
The Executive Committee will work with the IGMT. Betsy will be main contact for Rob. Another Executive Committee member will be main contact for CoCoBEEPP. Mike reiterates that once/month meeting would be very good. Need to revisit schedule for executive committee meetings.

Minutes submitted by Ava Chan, 10 October 2005



Annual Membership Meeting

1. Introduction of each of us: background ,etc.
2. All the physical changes that have happened this past year in both stores
 - a. Grocery & HBA reset
 - b. Produce reset : new case
 - c. Reset of perimeter: cheese, deli, salad bar, meat, seafood.
3. The improvements
 - a. Product selection
 - b. Value: more deals, coupon books
 - c. MAD days
 - d. Customer service
4. How you can help the store
 - a. Let your friends know about the store
 - b. Let us know what you think



Operating Results: Year Ending April, 2004

2004 Results: To be Updated

Revenue	13,102,362
Less:	
Cost of Goods	8,456,671
Member Discounts	95,982
Personnel Expenses	3,067,797
Occupancy	619,887
Operating & Admin. Expenses	873,141
	<hr/>
Net Loss before Taxes	(11,116)

Gross Profit = Net Sales - Cost of Goods Sold

2004 Results: To be Updated

Year	\$	%
2003	4,288,271	35.1%
2002	4,498,178	34.6%
2001	4,251,493	32.5%

Harvest Membership

(Since last annual meeting: Sep-03 to Sep-04)

New Members	Sep-04	Sep-03	Change
Equity	3,978	3,709	269
Annual Plan	1,160	790	370
Annual — Overdue Renewal	470		
Total Members	9,586	4,499	639
Discount Card Holders			
Senior	2,458	2,458	0
Disabled	467	467	0
Staff non-members	57	57	0

2004 Results: To be Updated



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GM REPORT, PUBLIC, OCTOBER 24, 2005

Public Report

- Sales are still holding above last year (8% in Cambridge and 12% in Jamaica Plains)
- YTD labor cost are acceptable (Actual 13.29% vs. 13.40% budget)
- Margins are still an issue, with the produce margin in CB the main concern and Deli/Meat/Seafood margins close behind. Steps have been taken to address these issues.
- Organic Fest and Fair Trade fairs were very successful. Many local producers were at both events
- MAD days are very successful and growing
- In need of good staff for both stores. Have had difficulty in finding dept managers.
- Working on improving customer service in both stores
- Deli is being overhauled at both stores to provide for better selection and fresher product
- We will be doing more demos in the coming months. This will include active as well as passive demos. Members are always important in assisting with this program.

Immediate future

Harvest will continue to build on the sales growth.

This will be accomplished by training our staff to provide great customer service in order to make this a store of choice. We expect the store to offer a great presentation every day which includes clean, well lighted, uncluttered aisles, well stocked shelves with a good product selection that have appropriate signage and a easy checkout process. We want a visit to Harvest to be a pleasant shopping experience.

In the coming months, we expect to see the results of our efforts.

Harvest is also now focused on building more local business relationships. Harvest is emphasizing the importance of supporting and partnering with local and regional businesses. The two recent events at Harvest have highlighted this focus.

A very important issue is getting the word out about all the changes that have occurred at Harvest. Customers that shop at Harvest are buying more per visit. Our customer count needs to increase as well as our membership base. Members are a loyal customer base.

GM REPORT, PUBLIC, OCTOBER 24, 2005

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Jamaica Plain

57 South Street

Jamaica Plain, MA 02130

(617) 521-1667

Cambridge

581 Massachusetts Ave

Cambridge, MA 02139

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MSCC Meeting Minutes

October 5, 2005, 6:00-7:00

Present: Amy Cotter, Chris Durkin, Anna Fleder, David Hermann, Liz Levy

1. Discussion of Annual Member Meeting

- This committee does not propose discussing membership structure changes at the annual meeting
 - Amy will talk to the executive committee regarding breakout sessions and talking to the speaker
 - Liz and Anna will both help out with checking in members from 4:30 until about 6:30

2. Membership Structure

- The group touched on previous conversations regarding membership structure changes.
- We brainstormed about possible incentives to replace the current 2% back at the register. Suggestions included making in-store specials for members only
 - Dave will look into seeing if the stores' software can handle that, and report back at the next meeting about the limitations of the software system

3. Social Concerns

- At the next meeting, the group will begin turning to social concerns. Possible ideas include revising current social policies to more accurately reflect what the store is capable of doing, while still living up to the Co-op's mission statement
 - Chris and Amy will send this the various social policies, and she will distribute them ahead of November's meeting

4. MSCC structure

- Liz volunteered to chair the committee. She will hopefully pick a time for a standing meeting that will allow the board to review our minutes at their monthly meetings. We raised the potential of moving the meetings to Boston.
 - She will send out an e-mail to coordinate schedules for future meetings
- We raised the idea of adding other members to the group. Specifically, we would like members with a social, rather than environmental, bent, who have never worked for Tellus.
 - Anna will brainstorm about potential new members, and she and Liz will see if they can recruit anyone while checking in members at the annual meeting

