

MEETING MINUTES—JUNE 6**MEMBER SESSION****EASTERN BANK**

Attending: Mike St. Clair (on telephone) Meghan Strauchon, Ellen Dickenson, Lydia Peabody, Marc Cutler, Dwayne Desaulniers, Kashif ul-Huda, Hunter Gates, Corie Scibelli (on telephone).

Guests: Wayne and Marlene Clark, Gordon Williams, Sherry Tucker, Brad Baker, Adam Frost.
The meeting began at 6:33 p.m.

Agenda Review

The agenda review was completed at 6:34 p.m. There were no changes.

Member Comment and Introductions

- Gordon recently moved to Roxbury and would like to get involved with Harvest.
- “Hackathon” at Startup Institute. They might accept Harvest as a project. Project presentation takes about an hour. Judging is at 3:30 the following afternoon. Two people would represent Harvest.

ACTION ITEM Lydia to follow up with the Startup Institute in the fall.

- Corie connected with Korinna, who will call Corie back if she has any questions. Korinna felt good about the links Corie sent and is eager to get started on the HR learning tools.
- The survey might need to be sent a couple of times and there could also be a raffle.

Minutes Review

Motion: Approve May minutes. The motion was moved and seconded. Approved 6-0-1.

Meeting postponement

This has been completed and Kashif just needs the codes to send out the announcements.

Lease & Finance Committee

Dwayne debriefed the Board on the meeting. The meeting organizer was very positive about Harvest. There are 3 recommendations:

1. Conditional recommendation: Harvest should proceed with the expansion project.
2. Next item would be a lease that Harvest can exit without penalty.
3. Establish a member loan program.

The consultant with whom Dwayne spoke emphasized that this is a very time-intensive project and it has a 6-week offering period and a 6-month time frame. The lease would potentially be signed at the end of July.

Marc, Corie, Chris and a couple of management staff went to one of the neighborhood meetings. Marc reported that people were definitely interested in Harvest and were excited at the possibility that the store might come there. Several people expressed interest in running for the Board.

The Loan campaign needs Board leadership. The Community Committee is vital. There needs to be a committee specifically for member loans A director asked if the Board hire a project manager.

Dwayne responded on behalf of the Lease & Finance Committee that the Board should first put together a complete plan. At some point the lease & finance committee will probably merge with the member engagement committee.

ACTION ITEM The lease & finance committee will meet with the member engagement committee to decide on a structure.

Motion: The Board accept the recommendation of the lease & finance committee. The motion was moved and seconded. Approved 7-0-0.

Election Committee

Two people are needed to run this committee. Kashif is willing to be head up the committee and the Friendly Board Administrator will put in some extra time to help Kashif.

ACTION ITEM Meghan to follow up with writing up the new bylaw, sending it out on email and sending out the online meeting invitation.

MSCC and Member Engagement

Kashif recommended suspending MSCC and focusing on the Member Engagement committee without the “Bartlett Place” wording. A guest spoke about a “My IRA” program and inquired about the progress on this issue. Ellen explained that the Board does not mandate how the manager does his job but was wondering if the GM was interested in offering this program and if any employees were interested. Marc observed that Harvest already has a 401k plan. Meghan noted that this could fall under the purview of the Global Ends committee. Brad said “My IRA” is a savings tool (Roth IRA) for low-income individuals. He is willing to contact the employees to gauge interest.

ACTION ITEM Kashif to present the Member Engagement charter via email.

Policy Governance

This committee is on hold.

Global Ends

Meghan and Hunter serve on this committee, the cahrter of which is to share information and lead strategic conversations. They are looking at the 5th “End” now, which is about employees.

5. Employees

Create a positive work environment for employees while providing a respectful workplace and a living wage.

The Global Ends committee will look at all the Ends in January. The committee is looking at each end individually in order to determine how to measure progress on it. Mike was asked to write out his interpretation of the Ends and this task has been completed. On the “Employee” end, the committee is now focusing on “positive work environment.” The committee wants to see what is working and what is not working. It must also determine how Mike will get that information and how the Board will measure the data. Measurable data points are what they are now seeking.

A member asked if the data would be gathered from the employees themselves or just from Mike. In response, Hunter said that they are looking to see how other co-ops measure employee satisfaction. Ellen said there might be a need for employee data.

Meghan has Stacey’s report which was about their employee needs and goals and creating a really robust employee environment. Are the employees perceiving the program the way the Board would like them to perceive it? In order to answer this question, the Board has to know the employees priorities.

Member Engagement

The Member Engagement committee members wondered how much sense it made to keep the charter separate and how to measure whether they were being effective. A director pointed out that they will be doing a series of events and could measure the success by member attendance.

A member asked a question about what the Member Engagement committee was working on. He suggested getting people into the store to do things. Ellen said they also want to get people to do things for Harvest outside of the store.

Vice President

Meghan said the role is to support the president or become a “co-leader,” and to think strategically. The vice president attends monthly check-ins with the GM and joins the conference calls with the Board advisor. The VP sits in place of the president during his or her absence. There were no self-nominations for the role but Lydia might possibly be interested.

ACTION ITEM Meghan to chat with Lydia after the meeting about the VP role.

Board Monitoring

The Board monitoring process was explained for the guests in attendance. A member said he was frustrated by the lack of access to information in Harvest; wondered how it could possibly be making money; wanted to publicize of all the staff salaries and make all financial information about the co-op available to everyone. The Board president has to find out exactly what the Board can and cannot do in this regard. It might be possible to have it accessible on the web site with a member password.

Kashif left the meeting at 8 p.m.

Motion: Approve June Board monitoring. The motion was moved and seconded. 6-0-0.

Motion: Close the Member meeting. The motion was moved and seconded. Approved 6-0-0.

The Member meeting closed at 8:15 p.m.

Addendum

Because the Finance Committee chair did not have all of the answers about member equity, she obtained them after the meeting for the minutes. Here are the answers:

When a member buys a share, that \$25 increases the total on our [balance sheet](#) in two places: our Equity as member equity and our Assets as cash. This cash is then used to buy things that Harvest needs in order to run its stores: inventory, equipment, insurance, etc. Then, when someone makes a purchase at Harvest, that sale is recorded as a change in Assets (cash and inventory) and in Equity (retained earnings).

Most businesses of Harvest's size do not have an "equity account" or a special savings account or fund where the cash invested in the business as shareholder equity lives. It's just a number on a spreadsheet that tells us how much of our Assets were generated by the business itself, either through owners' investment or our ability to turn a profit.

While not required to do so by law, Harvest hires an accounting firm at the end of every fiscal year to review its annual financial statements and advise the member-owners whether management has adhered to [Generally Accepted Accounting Principles \(GAAP\)](#) in representing its financial situation and whether from analyzing these financial statements and the process that we use to create them it believes that there has been any business misconduct such as fraud or embezzlement. In all reviews that I have read, going back at least seven years, the reviewers have attested that Harvest's financial situation is represented appropriately and they believe there has been no misconduct. While it's important for the board to be able to understand what those financial statements mean, as well as to be able to ask the reviewers any questions about their findings, this practice of commissioning a review every year (in addition to making sure taxes get filed, etc.) is generally recognized as the board doing its fiduciary responsibility to the Co-op.

Our losses are a third of what they were last year. While Harvest's net loss is \$200,000 this year, our earnings before interest, taxes, depreciation, and amortization are \$70,000-- our first positive EBITDA in several years.