

**HARVEST CO-OP MARKETS ANNUAL MEETING
THURSDAY OCTOBER 27, 2016
ST PAUL AME AUDITORIUM, 85 BISHOP ALLEN DRIVE**

Minutes taken by Dwayne Desaulniers (Secretary) and Diane Simpson (Board Administrator). **Board members attending:** Meghan Strauchon, Lydia Peabody, Dwayne Desaulniers, Ellen Dickenson, Kashif Ul-Hoda. **Board candidates attending:** Dwayne Desaulniers, R. Wayne Clark, Marlene Archer, Gordon Williams.

Staff attending: Marc Cutler, Chris Durkin, Karina Arias, Miguel Romero, Karla Andino, Thea Mulligan, Karla Andino, Victor Correa, Mark Fidler, Michael Figueroa, Sean McDonnell, Diane Simpson, Shoshana Stanger, Norma Tabora.

Other attendees: 54 Members of Harvest Food Co-op

Chris opened the Annual Meeting at 7:04 and introduced Meghan Strauchon, Board President.

Meghan provided introductory remarks and delivered her report as president. Meghan restated the Harvest mission and spoke about our Global Ends focus and committees and encouraged members to become more active and volunteer to serve. Meghan informed the members that after a great Harvest career, Mike St Clair has decided to retire. Meghan spoke about how well Mike served Harvest and all of the important changes and operational success he led. Meghan wished Mike well in all of his future endeavors and then welcomed Marc as the person now in charge of Harvest operations. Meghan indicated how fortunate we are to have Marc in this role.

Meghan introduced Marc to deliver the GM report. Marc outlined the extreme competition Harvest is facing. He spoke about our Co-Op Basics house brand and encouraged members to search for these products in store. Marc outlined the looming threat from Target but also how nimble Harvest can be in terms of introducing new products to our shelves. Marc indicated local product sales are up 20%.

Marc spoke extensively about the passion and commitment of Harvest staff. He told members our employees are our greatest resource. He spoke about the excellence of Harvest's benefit programs. Marc then introduced Karina who reviewed the benefits program and how well it serves staff members. Total value of benefits to staff members exceeds \$500,000 annually. Karina also spoke about our ability to reimburse team members for ESL courses. She spoke extensively about our partnership with the Cambridge Housing Authority youth at risk employment program and how successful this partnership is. Karina noted that Miguel was recognized as Mentor of the Year. The partnership coordinator, Kimberly Grace, was also recognized.

Chris Durkin then briefed members on the wide range of events Harvest participates in and shared a number of images from the events of the past few months. Harvest sponsors Wake up the Earth, Boston Local Food Festival, the Boston Vegetarian Food Festival, and participates in many other community events that were mentioned as well as fundraising events for the Boomerang stores. Other notable mentions were Pie Fest, efforts to improve GMO labelling, the Small Gift fundraiser, Cambridge's non-plastic bag regulations and Harvest's certification as a sustainable business at both stores. Chris told members that recruiting is challenging and encouraged members to refer individuals to Harvest. Chris

also informed members of Harvest media mentions on WBZ and the NYT.

Marc returned to introduce Miguel but also shared that Harvest has paid out over \$100,000 in member and staff discounts. Marc also stated our membership level is at 3,700 and reviewed slides depicting sales and membership levels. Marc also spoke briefly about the Bartlett Place opportunity and introduced this to the membership. Marc then recognized the vendors participating in the evening and introduced Harvest staff members in attendance. In response to a question Mark said there are 86 total staff in both stores.

Miguel then spoke about his time at Harvest and his passion for the coop and his work. Miguel shared his story that he came for a visit, fell in love with Boston, the coop and has been here ever since.

Meghan then introduced the board candidate session of the evening by inviting the candidates to come up & give their two-minute statements

Meghan explained the voting process and said that five candidates are running for an equal number of seats. She asked people to write down their questions.

Gordon Williams: He lives in Roxbury & shops in JP. He is a musician, educator, arts administrator and he works at the Boston Ballet. He does payroll budgets--skills he could apply at Harvest. He also does events to try to build community at the ballet-- this is also important at Harvest. Prior to this he was a middle school music teacher. He said we have an opportunity to educate people about the food we eat and the effects it has on our bodies and on our communities.

R. Wayne Clark: This is the third time he has run for the Board--he was removed from the Board in April of last year and he said it was because he doesn't want to lie to the members about how well we're doing--he claims Harvest is in real trouble--insists we need to involve the members--he hopes to turn things around by emphasizing member involvement.

Marlene Archer: Wants to see much more member involvement and fun and get people into the stores; wants to go back to the patronage rebate within the next 2 years.

Elias Feghali was not present even though it is a requirement in the bylaws for all candidates to be at the Annual Meeting.

Dwayne Desaulniers: He works as a journalist for AP; although exhausted with elections he had a great time on the Board this year; spent a couple months attending Board meetings & events and trying to figure out what it will take to move forward. He is passionate about Harvest. He said we have a strong natural advantage due to our members. Here are a couple of important areas in which he wants to contribute:

- 1) Financial mgmt of the co-op
- 2) Marketing--need to ramp up the number of members

Questions for Candidates

Q: Do you ever do anything with the housing authorities regarding getting tenants involved in eating healthier foods and coming up with memberships to get the tenants to shop at the stores?

A: Marlene--I have learned that transportation is a very difficult thing--now that we have delivery that might help.

Q: What would you do to boost Harvest sales?

A: Dwayne: Better financial reporting. The amazing staff could be engaged with customers even more and ask questions to customers about what they want to see in the store. Also we need a marketing plan.

A: Gordon: I echo what Dwayne said regarding staff. We need to focus on growing the membership.

A: Marlene: Some of us have been meeting and planning about how we could resurrect things from the past such as Sunday brunch.

A: Wayne: We need to energize the membership so they want to come to the store. We need to dig deep and develop programs and get the members connected.

Q: What are the biggest things you would introduce at Harvest to help differentiate it from its competitors?

A: Wayne: A general study done about how to market the co-op movement--found we had a competitive advantage--member assembly--member labor program--member committees to do all kinds of things at the co-op and I'm going to push member involvement as much as I can. We have to reverse what we've been doing in order to survive.

A: Marlene: Nobody hugged anybody when they came in. I belonged to a co-op and everybody hugged one another. Next year let's see hugs!

A: Gordon: I suggest education. People don't want to eat food contaminated with GMO's pesticides, etc. The more we can educate people and get them involved the more committed membership we'll have

A: Dwayne: I agree. Food is a right. Education is very important and Harvest can have an impact doing educational program.

Q: How do you see the co-op staff being involved in growing the co-op?

A: Dwayne: Staff training. Career development.

A: Gordon: I spoke to a staff member who has a background in marketing--what a great resource to have! Let's tap their deep perspective & knowledge

A: Marlene--if people had badges we would know their name and get to know them better and also let people know how long the staff has worked there. A low turnover rate is very important.

Q: What about the proposed store in Roxbury and how can we afford to build that at this point given our current financial situation?

A: Gordon: Roxbury is a special community and is facing a lot of change in the next few years. The community is trying to come together and be heard--we've seen the power there is in Roxbury. Harvest is about community and Roxbury is a strong community and it needs to be served by Harvest.

A: Dwayne--Harvest is a natural fit for Boston and we should be way bigger--great need for quality food, local food and education. I will not allow it to bankrupt the co-op--we have to keep a sharp eye on finances--we have to preserve what we have before trying to pursue new things.

A: Wayne: I am sceptical that this will be a help for us. I've heard there is resistance in the neighborhood to Harvest. Let's make the existing stores work better before we move on.

Lydia then announced, "If you have a question for staff come up and talk to us and we'll point you to the right person."

Q&A with the Board and Management

Q: What could be done to help lower prices? This is an issue for many who think prices are too expensive. Also, has the Board explored the possibility of developing a worker co-op or alternative something model that might attract staff and member to support an alternative something model?

A: Marc: We're trying to renegotiate prices and we're coming up with a new sales flyer that will advertise specials in all of our departments. Our co-op basics program is a real winner--quality organic products in all departments--we're also working on NCG co-op grocers we're doing resets in both stores which will tighten up the inventory which will put money in the bank. You look at "move reports" and get rid of slow movers and bring in high-selling items. Bring your ideas to us and bring your friends!

Q: Why no member rebate this year and has there been any discussion of reviewing member benefits and coming up with new ones?

A: Marc--we offer MAD days once a month 10% discount. We'll look into more membership opportunities. You have a great staff and you support local vendors when you shop at Harvest.

Q: Can we get the slides from today posted on the Harvest website?

Q: Do we have specific numbers around how each store is doing as well as the overall numbers?

A: Marc: we can put up the slides and we have financial handouts. We're working on a way to talk about financials not in a public way but with the membership.

A: Marc: Sales are down 6% across the board--5% in JP and 7% in JP (from last year.) But we are in a growth stage.

Q: What about member work? The co-op was much stronger when we had working members. I heard it was stopped because of OSHA and the workers were not properly insured and the co-op didn't want to pay for the extra insurance.

A: Chris Worker's compensation was another part of it.

A: New Mexico labor department looked into it and asked about income and payroll taxes. There's a lot of legal issues involved. Some co-ops were getting in trouble because of this.

New York state has unique laws for co-ops and that's why Park Slope can have member workers.

A: Wayne--that's not true! Lot's of co-ops have member workers. Don't talk unless you know!

A: Marc: We signed up 100 members in October. We also gave out student member cards and many of them became members.

Q: I shop in Cambridge even though I live near Whole Foods in Boston. I have two questions:
1) Membership is great but how do you continue to engage members? Could you do a survey asking them why they joined?

2) How did 10% off every week work this summer?

A: Chris: When members join up they get a bag and coupon sheet but you're right--we should also do a

survey and find out more about them and what they need.

A: Chris: We did 10% off every week because it was really slow but it's probably not financially feasible.

Q: Did it help the business?

A: Chris: Yes, it helped sales, it didn't help finances.

Q: What about turnover and where are we on the wage scale and how do you see that wage scale moving forward?

A: Marc: Next month the minimum entry level wage for Harvest goes up to \$11.50 and we continue to offer opportunities for advancement to managerial positions. Karina is an example and she also wants to do more staff trainings. The fifteen-dollar-an-hour thing doesn't include benefits. I don't have the turnover figures but I can get them for you. There is a a lot of turnover in the cashiers. Marc mentioned many people who have been at the store many years.

Q: What about the Board member who made allegations against the Board--can you give us a statement on why that happened?

A: Yes, Wayne was removed because he was unable to work co-operatively with the Board. Thank you for asking.

Q: Can we have a Board statement about the GM's resignation?

A: Yes, Mike resigned and he decided that he was going to pursue other opportunities. He commuted 2 ½ hours every day for 11 years and the commute was very challenging. He thought someone else might be ready to take Harvest to the next level.

Chris drew numbers for the raffle and gave away several prizes, then the meeting ended at 8:40 p.m.