

**HARVEST BOARD OF DIRECTORS  
DRAFT MEETING MINUTES-JULY 10  
MEMBER SESSION**

Attending: Dwayne Desaulniers, Wynston Estis (Interim General Manager), Ellen Dickenson, Eli Feghali, Gordon Williams, Kashif ul-Huda, Lydia Peabody, Meghan Strauchon  
10 guests attended. Names were not collected

Gordon reviewed the meeting purpose and guidelines.

**Vote Key**

Votes are recorded in this order: For, Against, Abstaining  
Minutes taken by Kristen Aldrich  
The meeting commenced at 6:31pm.

**Agenda Review**

Gordon reviewed agenda items. A member asked for clarification on the monitoring report. Gordon explained the purpose and process for the GM and Board monitoring reports.

**Member Comment**

A member, Matthew Andrews, is interested in adding an agenda item. Matt is a Jamaica Plain (JP) resident who worked at the co-op 2007-2009 and has been speaking to the community about the co-op's financial situation. Neighbors and community members have expressed concern. He presented a petition to call a special meeting of the membership, in accordance with article 3 section 5 of the by-laws. He said the required number of signatures needed to petition such a special meeting amounts to the square root of active membership. He has a location, date and time for this meeting: Spontaneous Celebrations 45 Danforth St in JP on July 30th at 6pm. He expressed his opinion that an all hands on deck approach is needed to maximize transparency and participation to protect the co-op.

**ACTION ITEM:** Meghan and the Board will check the petition signatures, verify there are enough signatures from active members, ensure the by-laws are abided, and we'll get back to Matt about the special membership meeting in 5 business days.

A member clarified that Matt wants to add this to the agenda. Meghan confirmed that we will have to review those who have signed the petition to verify they are active members. A member asked how long it will take to complete. Meghan estimated 5 business days. The by-laws dictate we must post the special meeting publicly. Meghan clarified we'll have to consult the by-laws to be sure we are following the proper process. Wynston clarified only 2 Harvest staff members have access to the membership database - 1 is on vacation, so the speed at which the Board gets back to Matt will depend upon the staff member's availability.

Dwayne asked a member with a camera the intended purpose of documenting the meeting. The member desired to document and present a recording to members to inform them. Dwayne and another Board member expressed discomfort with recording and let the member know he needs to have a release signed to get permission to record individuals. A brief poll of the room revealed many present were uncomfortable with the member recording and he was asked to stop. The Board let him know we record proceedings of the meetings via the board meeting minutes, which are taken by the Board Administrator, verified by the Secretary, and posted online. The member with the camera left the meeting.

**Minutes and Action Items Review**

Review action items from June meeting. Remaining action items to be completed:

**ACTION ITEM:** Wynston work with Marc and Kristen to schedule annual meeting.

**ACTION ITEM:** Lydia will (1) update the committee charter, (2) review the election packet (which is currently too long and awkward) ensuring we are getting the information we want from the election packet, and (3) add to the Election Committee charter to run election and orientation of new board members.

**Motion: Approve June minutes with.** The motion was moved and seconded. Approved 7-0-0.

**Review Agenda for Annual Meeting**

Dwayne reported that the agenda is yet to be finalized. We will incorporate successful aspects of the meeting from last year as well as new ideas. The agenda/meeting will include vendor presence, Board candidate presentations and questions, keynote or staff presentations, update from the GM, open Q&A, new GM meet and greet. The annual meeting will be held at CCTV.

**ACTION ITEM:** Dwayne will finalize the annual meeting agenda.

**GM Update**

Lydia reported that the new General Manager, Brian Peat, will start next week. The new GM was announced two weeks ago via email. He is relocating from the West Coast. The Board is excited that he brings a strong co-op background and financial skills, and he values people and collaboration with staff. He brings the qualities the Board was looking for.

A member expressed concern in the hiring decision to hire someone from far away instead of someone local. Lydia reported the Board hoped to find a local candidate but was surprised that they did not receive applications from qualified local candidates. Another member who works for the Cooperative Fund of New England said they have seen the same trend across many co-ops throughout the region - GM candidates tend to come from far away or are essentially poached from a nearby co-op. She suggested Harvest could become involved with a trade association to help with recruitment and/or developing staff internally for leadership roles and advancement. Wynston suggested Rising Stars and support for managers and general managers. Lydia reported there will be Meet & Greet events to meet the new GM.

**Harvest Board Member Gift Cards**

Meghan reported that gift cards for the Board will be re-loaded, as they are annually.

**Summer Vacation**

At the suggestion of the previous Board Administrator, Kristen is interested in creating a shared calendar to ensure all Board are aware of each others' schedules and availability.

**ACTION ITEM:** Kristen will create a Board calendar for everyone to input and update their schedules.

## Committee Reports

Finance - Ellen reported we are communicating regularly with our creditors and we are being forthcoming with our balance sheet to our vendors and lenders. The committee will meet Tuesday 7/18 to review a draft strategic plan. Wynston reported on member equity refund over the past 2 months: 44 requests totaling \$4,678.01; the net owner equity into the co-op presently = \$989,384. Member clarified this is the amount members have paid in, not necessarily presently on hand. The primary reasons for refund requests are relocation, plus outliers such as 1 complaint of produce prices.

**Motion: Approve Wynston to refund member equity.** The motion was moved and seconded. Approved 7-0-0.

Member Engagement - Alex, Wynston, and Eli met to discuss how to build on the second member forum and working groups. Further follow up and coordination are needed. The member engagement committee can serve as a spokes council for the working groups. Leaders of the working groups could report back on activities, but operate semi-autonomously allowing leaders to emerge. A list of working groups is available on Google Groups. The Harvest Announce list communication went out last week regarding working groups. Leaders for each working group have been identified. Member, Alex, said active working groups, like PR/Marketing and Strategy, will continue working with Eli to move things forward. The Member recruitment working group needs further coordination. A member in the Strategy working group invited other members to join the group.

Election Committee - Lydia reported we don't have an updated packet but will in the next 1-2 weeks. Applications are needed by September 25th in order to abide by-laws. Info sessions will be held in the half hour before the next two board meetings - come at 6pm at the upcoming 2 meetings to talk with Board about available opportunities. All are welcome to email Lydia or other Board members with questions. Discussion ensued around online and in-store voting for Directors. The Board is seeking an improved, easier, more efficient and effective process to gather online and in-store votes. Potentially simpler programs - Survey Monkey or Google Forms - were discussed. The Board will finalize this process, ensuring identification information is captured. A member asked if we have to have secret ballots, noting their concern about voter fraud. Lydia clarified it's not a secret ballot process, and we ask for member name and number to avoid a member voting more than once. The member suggested we use paper ballots with a staff person verifying voters are eligible. Another member said many co-ops offer online voting in addition to in-store voting. Kashif indicated last year each member had a unique link that verified their membership number using the program Election Buddy with a paper ballot option through which those without an email address received a physical postcard. It was suggested a laptop in the store would be faster. A member asked how many people voted to which another member responded 289. Kashif said online voting made it easier. Ellen pointed out we are matching the industry standard of 10% voter turnout. A member added that other members should be concerned that such a small percentage voted, and what does that say about the membership. Lydia offered that there are many reasons why members might not vote and we are seeking a process that will allow increased accessibility and ease of use to engage more voters.

**ACTION ITEM:** Lydia and committee will update the packet by 7/24/17.

Matt (member) asked what voting methods we use, and if we considered different methods like ranking. Lydia reported she would have to double check the by-laws but believes if it's uncontested election (not more candidates than there are seats) it must be a yes-no ballot. A member said ranking might not be

necessary depending upon number of candidates. Clarification was provided that a member may vote for only those they most want to vote.

### **GM Monitoring Report**

Copies of the Draft Recovery Plan were distributed. Wynston reported the co-op continues to struggle financially. April / beginning of May saw a little improvement. A year over year sales loss at the Arboretum store amounts to about 3%. External factors contributing to reduction of sales include outside construction in front of the Arboretum location. The Cambridge site anticipated to reduce sales once the students left for the summer, therefore adjustments were made to purchasing and staffing strategies. Sales dropped in May from \$211,000 weekly down to \$190,000 and shortly thereafter down to \$170,000. May losses were \$80K (previously monthly losses were \$30k). Wynston has found margins to be very unpredictable after 6 months of margin monitoring. Wynston met on 7/10 with the CPA and discussed theories and reviewed accounting mistakes. Accounting mistakes regarding InstaCart were contributing to variance in margins. Additionally, Wynston suggested reviewing the consolidated margin of both sites instead of looking at Arboretum and Cambridge separately. Wynston explained margin and planning for applied margin accounting for shrinkage. Wynston reported on continued financial review, efforts toward staff training and cultural shift, and staff turnover/transitions. Margin is going out in many directions and many solutions can be put in place to help correct it. The Recovery Plan is promising but comes at an inopportune time - summer is a tough season for the co-op. The plan is in its first draft - the next iteration will come from the Finance Committee, input will be sought from staff and ownership. Short term fundraising and lending/borrowing are planned for the summer because we cannot be profitable with operations as they stand. Wynston has renegotiated the IT service provider contracts and insurance contracts. The last staff member has been moved out of the central office in Somerville. We will work out a move out with the landlord, aiming to be out within the month of July. There are costs associated with the move but we anticipate a \$7,000 savings.

**ACTION ITEM:** Develop and distribute a list of items at the Somerville office location and look into working with the Boston Tech Collective in Teele Square.

A member asked for a cash flow statement, and asked who currently looks at it. Wynston replied she reviews it. A member who works for the Cooperative Fund of New England, reported that Wynston reached out to them. A \$50k loan of credit has been negotiated, payments for which are interest only for 6 months at which point will be reviewed. Other lending conversations and potential are in the work, including another \$50k loan. Clarification was provided that the loan is from the Cooperative Fund of New England to Harvest Co-op.

Members asked and the Board confirmed that the new GM knows about the financial situation and has seen the financials.

Discussion ensued regarding the abstract nature of the Recovery Plan and the lack of concrete steps. The member requested more specifics and details about the plan, asked clarifying questions, and said they have critiques of Harvest's merchandising. Another member who worked on the plan explained he has a lot of experience working with co-ops and recognizes the plan needs to be fleshed out. Lydia offered we are starting with a high level vision and the Board and staff will fill in the details. This is draft 1 of the high level plan. The goal is for each "constituency" to add to the plan - the Board, membership, staff, perhaps vendors. The member requesting more details will join the Strategy committee.

A member asks to clarify that vendors and members don't have access to the balance sheet but Harvest is requesting money via GoFundMe. Ellen clarifies that beginning this year, we will publish a balance sheet once a year following our annual financial review in order to ensure that this information is as

accurate as possible. . We will be presenting financial statements at annual meetings going forward. David, member, asked for estimates for losses in July and August. Wynston has estimates, not down to the dollar, but we are looking to reduce losses in the Admin panel. Sales have been difficult to predict - they've fallen faster and more aggressively than anticipated. David asked if it's likely we could lose the \$150,000 in capital over that period. Wynston confirms it will be a tight margin of error. We are asking for gap loan of \$150k so we can ask for more money to get on the path of recovery. We have put in place improvements in store and efficiencies in staffing. Wynston has completed a 6 month plan - next up will be a 3-5 year plan.

A member asked how does more money help something that is losing money? Wynston explained we have known fixed costs, low sales, so we must grow our base of sales and increase profitability to maintain costs and recover enough to reinvest. This will take longer than 6 months. A loan is being provided (lines of credit, interest only) but if loans are not made, the co-op will close. The lender is comfortable making the loans, believes in Wynston, and is happy to see things changing on the Board and membership level - such as working committees and member engagement.

**Motion: Approve IGM monitoring report.** The motion was moved and seconded. Approved 7-0-0.

**Board Monitoring Report**

Officer's Roles. Gordon explained each month the Board checks in on internal processes and policies. Ellen further explained the intention is to ensure we are living up to the policy expectations we set for ourselves. Officer roles include President, Vice President, Treasurer and Secretary. A member asked for further clarification on the report. The Board explained each month a survey questionnaire is sent to Directors on a different aspect of our policy. Eli pointed out his comment on 3b regarding agenda development, that it's not necessarily a critique but overall in the process he would like to see meetings more forward thinking - What are agenda items, how to create space for conversations we need to have? The Executive committee will discuss process for putting together the agenda and improve timeliness for sharing out the agenda. Kashif commented on 3c (leadership perpetuation) - we don't have a system in place and the Board should think about this to determine a better process of how one becomes an officer.

**Motion: Approve Board monitoring report.** The motion was moved and seconded. Approved 7-0-0.

Gordon thanked group for time and attention. Encouraged folks to join working groups.

**Motion: Close the member meeting.** The motion was moved and seconded. Approved 6-1-0.

Member session closed at 8:00pm.

JULY MEETING MINUTES ADDENDUM

**Motion: Accept the loans of 5k each from the Co-op Fund of New England and Local Economic Assistance Fund at matching terms of 3 year repayment schedule at 6% interest.** The motion was moved and seconded. Approved 6-0-0.

# MEMBER

**Motion: Accept the loans of 5k each from the Co-op Fund of New England and Local Economic Assistance Fund at matching terms of 3 year repayment schedule at 6% interest .**

| Director           | Motion | Second | For | Against | Abstain |
|--------------------|--------|--------|-----|---------|---------|
| Meghan Strachon    | X      |        | x   |         |         |
| Lydia Peabody      |        |        | x   |         |         |
| Ellen Dickenson    |        |        |     |         |         |
| Dwayne Desaulniers |        |        | x   |         |         |
| Kashif ul-Huda     |        |        | x   |         |         |
| Gordon Williams    |        |        | x   |         |         |
| Eli Feghali        |        |        | x   |         |         |

**Motion: To accept \$50k loan from NCG at 4% with the first two years of interest only payment terms for a seven year note.** The motion was moved and seconded. Approved 6-0-0.

**Motion: To accept \$50k loan from NCG at 4% with the first two years of interest only payments terms for a seven year note.**

|                    | MOTION | SECOND | FOR | AGAINST | ABSTAIN |
|--------------------|--------|--------|-----|---------|---------|
| Meghan Strauchon   |        |        | X   |         |         |
| Ellen Dickenson    |        | Second | X   |         |         |
| Kashif-ul Hu       |        |        | X   |         |         |
| Lydia Peabody      |        |        | X   |         |         |
| Dwayne Desaulneirs | MOTION |        |     |         |         |
| Gordon Williams    |        |        | X   |         |         |
| Eli Feghali        |        |        | X   |         |         |

## JULY MEETING MINUTES APPENDIX

[Petition signatures for special meeting.](#)