

# MEMBER

## HARVEST BOARD OF DIRECTORS DRAFT MEETING MINUTES-AUGUST 7 MEMBER SESSION

Attending: Ellen Dickenson, Eli Feghali, Gordon Williams, Lydia Peabody, Meghan Strauchon, Brian Peat, Dwayne Desaulniers (remotely)  
13 members: (those with email addresses listed would like to receive a copy of the minutes)

Matthew Andrews	
Anne Lagasse	<a href="#">_____</a>
Carmel Levy	<a href="#">_____</a>
David Hermann	
Alex Klosterkemper	
Joshua Anderson	<a href="#">_____</a>
Wayne Clark	<a href="#">_____</a>
Marlene Archer	<a href="#">_____</a>
Jennifer Jensen	<a href="#">_____</a>
Nathan Eckstrom	<a href="#">_____</a>
Sarah Koolsbergen	<a href="#">_____</a>
Maggie Cohn	<a href="#">_____</a>
David Barry	<a href="#">_____</a>

*Additional contact requests: Matt Andrews and Jennifer Jensen – member recruitment; Anne Lagasse—annual meeting agenda planning*

### **Vote Key**

Votes are recorded in this order: For, Against, Abstaining

Minutes taken by Ellen Dickenson

The meeting commenced at 6:30pm.

### **Agenda Review**

A member asked if/when we would be discussing the resolutions that a group of members passed at a meeting on July 30. A Director responded that it would be included in the Exec. Committee report. The agenda was confirmed.

### **Member Comment:**

- Thank you for releasing financial information—it is empowering to be able to read and analyze these ourselves.
- It would be nice for board packets to be released/ published online prior to board meetings so that attendees can review it prior to meeting and be prepared for discussion at the meeting
  - o Brian responded that he will discuss this with the appropriate people to make sure it happens and will also publish Harvest's limitations policy.

**ACTION ITEM:** Brian to discuss process for publishing board meeting packets online in advance of meetings with staff

**Review July Meeting minutes and action items:**

- LYDIA: Election packet is published; just need to update it to reflect the 5 seats that are up for election.
- DWAYNE: Finalizing annual meeting agenda—want to include great vendor presence that we had last year, but need to hold off on firm agenda until we have a space set.
- BRIAN: Just discovered that this was an action item. He is planning to move equipment into a storage facility asap and then distribute/donate equipment from there.

**Motion: Approve July minutes.** The motion was moved and seconded. Approved 6-0-0.

**Annual Meeting (Dwayne):**

Main items will include operations update from Brian and Meghan, Q&A with board candidates. The presentations from staff and the vendors' presence went really well last year, so we would like to build on those elements.

Question from a member: how can we advocate for putting an item on the annual agenda?

Dwayne's response: We need to get the space squared away, and then I'm happy to speak with members who have ideas for what to put on the agenda.

Lydia: It would be great in the future to have a committee that includes non-directors

Eli: Would it be possible to make this action item "Dwayne will 'draft' the agenda" as opposed to 'finalize' the agenda

A member: Seeing as how the board is short-staffed right now, wouldn't it be great to get some members involved to help plan? A director also noted that there were staff on the meeting planning committee last year, which was fantastic. We want to expand that.

Several directors agreed that we can send out a communication asking for help in one of our weekly bulletins. That committee needs to be formed and off and running by early September.

**ACTION ITEM:** Dwayne to draft invitation to members to participate in planning annual meeting.

**Committee Reports:**

Finance Committee:

We have become increasingly transparent with finance

We released the last 5 years of reviewed financials and members can gain access by emailing the coordinator - She will verify that you are a member and then send you the financial information

We will continue to post monthly summary packets as part of the board packet

## MEMBER

Brian might need a little time to get his feet under him before everything runs like clockwork

Dwayne said a dozen members have reached out seeking access

Next Finance mtg will occur once auditor's finish their review - Our next work is to develop the narrative around these numbers - What are we seeing and what does it mean --> So that we can share this at the annual meeting

Dave Barry asked when July statements will be released - Brian responds, he is not sure yet - He is hoping to have the most base preliminaries within the next week from which to ask questions and seek further clarification

Brian will take these numbers and take a week to review and question and then will be more comfortable sharing

Brian has a hard time answering what he expects to see when he hasn't been here for very long - He doesn't think July and August will look much better than earlier in the summer. Expenses have dropped some but not at the pace needed to combat the drop in summer sales

Nate asked who is on finance committee - Ellen, Gordon, Dwayne, Josh, David, Reid. Ellen offered that anyone else may join.

Anne asked what the finance committee does - Ellen: Fin Com is NOT responsible for operational budgeting (just board budget). Our larger agenda has been how do we make financial info more accessible to members. Originally we worked on informing the board and developing policy around how we share it. Now that we hit that point, we are thinking about how do we tell the story. It is our first check into the finances to understand what is happening and why, and then report to entire board and membership.

Meetings have been as needed, no regular schedule.

Anne asked if the PG documents to be shared with the membership will detail exactly what Brian should be giving us/showing us

Brian is still learning and developing relationships - as this grows, he hopes the board will be an extra set of eyes and another support for reviewing and understanding finances. It will be a shift towards cooperative financial review.

Ellen: historically, when expansion was discussed, it was members of the finance committee who took the lead on deciding if it was a good move financially

## MEMBER

Lydia: Not every director comes to the board with a background in finances, so part of their job was to educate and to make sure that board understood the numbers and felt comfortable asking questions. This speaks to the bigger job of creating a story through the numbers for our membership, some of whom are not as well versed in finances

David asked for update on loans:

Brian:

NCG gave us the \$50k, money is in the bank

CFNE released the final \$20k from the \$50k

\$50k from Equal Exchange is on hold, until we show them a solid break even plan

Brian: Both loans are in completely separate bank accts, on hold, unless "oh crap" - he is treating it as emergency funds

Maggie: It would be helpful if the co-op/board offers an educational seminar on how to review and understand finances so that our membership is well informed.

### Member Engagement Committee:

Eli gave this report. He will be scheduling a committee meeting in the next week—there are a several items that need to be discussed/decided, including the agenda for the next Member Forum and bringing Brian into the fold with planning a fall member campaign. Several of the subcommittees have been very active, particularly the Marketing subcommittee. Alex K. gave an update on their behalf—they've been meeting biweekly, developing in-store engagement strategies and questionnaires, and have been working to update Harvest's website and social media presence. The new member orientation committee has also been meeting regularly.

A member said that it would be great to see how effective we've been in terms of recruiting new members—seeing month to month how many people are signing up and contributing equity. Additionally, it would be helpful to be equipped with cards and means of collecting equity payments so that we can do this out in the community, outside the confines of the store. Eli responded that the monthly financial report includes the number of active members, so one could monitor that figure. Regarding recruitment outside of stores, the Member Engagement Committee and Harvest staff should coordinate to ensure a smooth recruitment, registration, and onboarding process for new members.

A member, Jennifer, is hosting a movie night at the Boston Suffolk County Family Resource Center where she will be recruiting new members, with plans to host a similar yoga night event in the near future. She will have pamphlets and food samples at the event. A director asked if there is a way to have a volunteer bring membership applications back to the store to be processed and have a staff member follow up to collect payment? Brian responded that he needs to clarify what exactly the process is before he can answer that question.

There was some discussion about what discounts Harvest offers to low-income individuals and seniors. Anyone with an EBT card can access a 10% discount on non-alcohol purchases at HarvesT. It was mentioned that seniors can access the 10%

## MEMBER

discount as well. However, to be a voting member-owner and eligible for a patronage rebate, an individual must make their annual minimum \$25 equity payment.

**ACTION ITEM:** confirm with Brian the 10% senior discount.

### Executive Committee:

Meghan: Regarding the agenda for the special member meeting that has been requested, the agenda that has been proposed by the requesting members will be appropriate for a discussion only. We cannot put a voting motion on the table at this time, as this will be the first time that many members will be hearing about it. A member noted that the four people who volunteered to plan the meeting agenda with the board are present at the meeting, and asked if it would be possible for them to schedule a meeting to do so once we have concluded this board meeting.

**ACTION ITEM:** Meghan to send Directors a Doodle poll link to determine availability for this planning meeting.

A Director asked what the petition was that people signed? Since the signatories indicated only an interest in calling a special meeting focused on “saving Harvest Co-op from imminent bankruptcy” and a few of the people who collected these signatures are now advocating for the agenda to focus on the removal of current directors and holding immediate elections. This is problematic because it is a very narrow course of action of which the signatories might not have been aware when signing this petition. A member noted that it seems like there is a process issue. Yes, 60 people signed the petition that they wanted a meeting, but we’re stuck on trying to decide what the agenda is. Another director raised the concern that there is a small group of members that is acting as elected representatives of the signatories of this petition that is pushing a very specific agenda that has the potential to be incredibly divisive and damaging to the Co-op, and that the language used in the petition may have been misleading to signatories who were not aware of this. A member who is included in this small group said that they are in very close communication with many of the people who signed this petition and insisted that their process was democratic. Another member of this group said that their planned agenda has been evolving through weekly meetings with a group of members whose attendance ranges from 10-30 depending on the week and implored that we push forward. A director said that this is not the issue we should be focusing on. Harvest has an election coming up in 2 months, and that five of the nine board seats—a majority—are contested. Given all of the other work we need to do, it does not make sense to prioritize a discussion of whether to remove Directors who began their terms long after Harvest’s financial position became dangerously weak. Another Director remarked that Directors also have fiduciary responsibility to all members and to the Co-op. Legally, this is our primary responsibility, and it is not prudent for the board to make such drastic changes to our election process in such a short period of time. A member who organized the petition for the special meeting said that they don’t see anything in Harvest’s bylaws that would prevent the board from acting on this agenda. “It doesn’t matter how recently people were elected, or how many people voted for you. We have more information now that we didn’t have then.” A Director said that we should focus this organizing energy on recruiting more members and working to make Harvest a stronger community.

## MEMBER

### Election:

Lydia provided the Election Committee report. The application packet has been released; it just needs a couple minor updates regarding the date of the annual meeting and the number of seats available.

**ACTION ITEM:** Lydia to make these minor update election packets.

### **Co-op Values:**

The following is the list of values that were in the meeting packet:

*2017 07-30 updated motion for draft of core principles for running the Harvest Co-op.doc. Motion approved unanimously in member meeting 7/30/17 at Spontaneous Celebrations*

*We gathered members of the Harvest Co-op move that going forward, all members of the co-op leadership, including the board of directors and any other leadership body of the co-op, will commit themselves and the co-op to the following principles:*

*\*\*\*Employees are full members of the co-op. Board members will encourage employees to play a major role in the leadership*

*\*\*\* The co-op will support the local economy and maintain vital connections to the larger community.*

*\*\*\*Board/leadership members will make it their highest priority to help members get involved in deep and positive ways in the co-op.*

*\*\*\* Board/leadership/members will ensure full, continuous sharing of all financial and operational information with all the members, excluding only confidential personnel information that is protected by law.*

*\*\*\* All meetings are to take place, and all decisions are to be made, in public, excluding only confidential personnel matters that are protected by law. Members will be strongly encouraged to attend co-op board and other co-op meetings, and modern media will be used to make attendance possible for the widest group of members.*

*\*\*\* All board and employees will work hard and continuously to communicate well, honestly, and thoroughly with members, staff, nonmember shoppers, vendors, and our larger community. Board members will maintain clear mechanisms for receiving communications from members.*

*\*\*\* The by-laws of the Co-op may only be changed with the formal approval of the members.*

*\*\*\*Board members will take a respectful, hands-on, and active role in*

## MEMBER

*helping the employees who work at the co-op, The board members will both respect the autonomy and need for independence of all employees, while continuously helping all employees grow and develop.*

Dwayne introduced this list of values, which were presented at a meeting on July 30 that was organized by a small group of members. He believes that they are aligned with Harvest's global ends and thinks that it is a good time to update the co-op's mission, ends, and overall vision with input from all of our members. While we don't want to vote to formally endorse these principles at this time, since Harvest already has a set of global ends and guiding values, we do want to signal that we're largely in alignment and open to updating these documents to reflect the current members' values and interests.

A Director noted that they are excited to see these, and believe that they are largely in the spirit of Harvest—it's just a matter of gathering additional input from members to update our overall vision and ends.

A member who helped author these values asked to draw attention to a couple values that the co-op does not practice right now. One is bylaw changes—that they should only be changed with formal approval of members, and that all meetings be public and no decisions be made in private. A Director remarked that currently, the process for changing bylaws requires at least two months of notice and discussion at open board meetings, which provides opportunity for member comment and promotes greater consensus. Another Director remarked that over time, we have picked up a lot of things as a co-op. Several bylaws and processes have been changed independently of each other, which has led to a confusing web. While it's heartening to see that there is an interest in changing these, we need to do it thoughtfully. We need to start with our vision for the co-op, and then work down to the policy level of guidance of how to get there. We need to bring this all together into a plan for moving forward, with which we probably still won't all agree, but it will be cohesive and reflective of members' values. Another Director remarked that if there are people who are interested in engaging in this planning work, they can join the Strategic Planning subcommittee of the Member Engagement Committee.

A member remarked that the problem is that there is only one annual meeting per year—there need to be more meetings where members are empowered to participate in decision making. A Director said that the board also recognizes that there is a lack of opportunity for member participation in co-op business, which is why we have started organizing quarterly forums in addition to the annual meeting. While these haven't been focused on decisionmaking yet, we could start moving in this direction.

**Motion: Approve July equity refund requests from 10 members totaling \$825.** The motion was moved and seconded. Approved 6-0-0.

### **GM Report:**

Brian Peat provided his first ever GM Report to Harvest. He has not yet met every staff member over the past two weeks, but will accomplish that soon.

## MEMBER

We are missing a lot of key positions—many of them management positions. While we need this staff, we can't afford to hire right now. Tony White from NCG is coming to act as a consultant next week and then for another week at the end of the month. He used to be the Director of Operations at the Hanover Co-op in New Hampshire. Hopefully we can recruit managers from other co-ops in the region to help train our newer staff.

Also listed in this report are some basic initial ideas of what Brian thinks a co-op is and things that we would like to see in the stores. These are just my ideas—they haven't been vetted yet by members and staff to say that these are the best practices or the right direction to go in, they're just my observations.

Given the upcoming election, as well as this organizing effort led by a small group of members to remove all of the Directors, I am very concerned by the lack of certainty around the leadership of the board, which means that I'm in a holding pattern in terms of investing co-op resources in new product selection and implementing the new strategic plan. A member asked if there is anything they could do to help; Brian responded that there is nothing an individual can help with in terms of where his hands are tied (i.e. board stability). Tony White is going to help me develop a priority list, which will then help me to articulate what I need help with. I also want to work with the Finance Committee to map out the annual budgeting and reporting process.

A Director asked, "why do you think the margin jumped up 7 points this month?" Brian responded that he believes it's due to buying patterns—it only factors in COGS and sales. If we spent less on buying product, our margin will have gone up.

A member asked if the POS system tracks inventory and COGS. Brian responded that no, COGS is based on invoices from vendors. Inventory is not tracked through the POS. It's done via quarterly count. While I'm a big fan of perpetual inventory systems, they are not commonly implemented in grocery retail because they're more costly and require more work to maintain.

A Director remarked that even though Brian has only been here a short time, he is encouraged by the areas of focus he has made central to the report: local food, marketing outreach, in-store signage, and resetting the Cambridge store. If we look back a year, these are all the things that we were asking our previous GM for, and we could not get it. Thank you for responding to our community and for a great report.

A Director remarked that staff she has spoken with in the store have wonderful things to say about Brian, and they are all excited to be working with him.

### **Board Monitoring:**

Participation in the monitoring survey was very low this month—only four directors responded. A Director remarked that since we are currently limited to self-evaluation as our means of monitoring our progress, 100% participation is essential.

A Director commented that regarding the items of orientation and professional development of Directors, we have a Net Impact Board Fellow with an HR and training background who is focusing on this challenge over the next year, starting in September. Her first deliverable is to re-create our orientation packet and develop a plan for ongoing development.

### **Adjournment of member session:**

## MEMBER

A member expressed concern about the practice of the board moving into Executive Session. If the board is discussing the GM or a personnel matter, it is understandable that it needs to be a confidential conversation, but otherwise transparency should be the rule. A Director responded that we have asked Wayne Clark for examples of bylaws from other co-ops that clearly specify what is relegated to executive session and we are hoping to incorporate some of this into our own practice. Brian remarked that his personal view is that sometimes executive session can be used to have contentious discussions, but not make the actual decision. It is not a common thing and shouldn't be used often, but it is an important option to have available.

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

Member session closed at 8:44pm.