

**HARVEST COOP MARKETS ANNUAL MEETING
WEDNESDAY, OCTOBER 24, 2007
ST PAUL AME AUDITORIUM, 85 BISHOP ALLEN DRIVE**

Meeting commenced at 7:00 p.m.
Steve Clifford, facilitator
Minutes taken by Diane Simpson (Board Administrator)

Board members attending: Jessie Myszka, Betsy Adams, Steve Clifford, Amy Cotter.
Excused: Jessie Grogan.
Staff attending: Mike St. Clair (GM), Marc Cutler, Chris Durkin, Don Pierce, David Hermann
Board candidates attending: Betsy Adams, Matthew Altman, Matthew Andrews, Margaret Lamb,
Salis Simon Payapilly, Joe Slag
MSCC members presenting: Liz Levy
Other attendees: Members of Harvest Food Co-op

President's Report, including MSCC

In order for you members to evaluate us as a Board, you need to know our job description:

- Guide and monitor the cooperative in the best interest of member owners as a whole
 - Understand the needs and values of members
 - Communicate with and be accountable to members
 - Articulate mission, vision and expected outcomes
 - Preserve member control, protect member assets and ensure sustainability of the cooperative
 - Ensure avoidance of illegal, unethical and imprudent activities and conditions
- Delegate company operations to management and ensure accountability.
- Perpetuate an effective board.

Examples of fulfilling our responsibilities:

More members attending Board meetings;
Tabling monthly in the stores (MSCC);
Hosting volunteer days off-site (MSCC);
Implemented patronage rebate;
Set clear expectations for General Manager; one result: sales & profitability are up.

Active members must be up-to-date on their equity payment or annual fee, and must have spent \$1 in the past year.

You hold the Board accountable through annual elections.

Treasurer's Report

Members can contact badams@harvest.coop to request a financial summary.

Questions and Answers

General Manager Questions

Q: I would like a complete financial report on member sales as a percentage of total sales.

A: [Mike S.] A rough estimate is that 75% of sales are to nonmembers; 25% are to members.

Q: Are cashiers trained on sanitation or sent home when they're sneezing or sick?

A: [Mike S.] The whole store is trained on sanitation; sometimes it's hard to get people to go home when they're not feeling well. It's very important for us to follow sanitation process.

Q: What is mean by the term "strongest products @ best prices"?

A: [Mike S.] Some of the best selling items and seasonal items that come into a particular department (e.g. native corn in produce). Also any good selling holiday items of the season we would be strong items [discounted items used as a member benefit].

Q: I understand that deli ingredients are difficult to list but can we list them for members who have food concerns and can deli items be made available with less packaging and/or less non-recyclable packaging?

A: [Mike S.] We are working on new scale program that allows us to list ingredients. We're not where we need to be yet. Regarding packaging, we learned a few things from the new cafe--they were able to source items [recyclables] that we had not.

Q: Will the community bulletin board come back to the JP store?

Q: Would it be possible to replace the shabby bulletin board that was removed from the JP store with an enclosed one for members only?

A: [Mike S.] We're trying to do one in a different spot and under cover. The patio spot would be a good spot--the community board would go on that site.

The community board in Cambridge site came down as well--we are thinking of an enclosed site outside the Cambridge store.

Q: Will it be accessible all day and night?

A: [Mike S.] Yes, it will be on the fence that will be installed on the patio.

Q: Item pricing is still inconsistent in JP--it's a great nuisance to have the cashier do a price check--is there a process in place to deal with this issue?

A: [Mike S.] We spend thousands of dollars in man-hours trying to assure accurate pricing in JP--goal is 100% pricing accuracy--we appreciate it if you bring errors to our attention. One example of when this happens is when items are on sale.

Q: Do you try to price competitively with Trader Joes? Is Trader Joes opening in JP?

[Mike S.] Regarding competition--our biggest threat is Whole Foods--flanking both sides of the Cambridge store and in nearly every market--they carry full variety. Trader Joes does not carry full variety. We would certainly have to respond if they come into JP. Trying to maintain competitive pricing with Trader Joes is difficult at the margins we maintain.

Q: What about restrooms in the Cambridge store?

A: [Mike S.] This is a very tough problem, and we were losing the battle. It had become a dangerous situation with unspeakable things being done to and in the bathroom. It will be a cafe customer bathroom and a Harvest Associate bathroom--it protects them and us.

Q: How much money has been budgeted for membership development?

A: [Mike S.] We are in the midst of a membership drive right now--our goal is to hit 200 members by the end of this month. In terms of our long-term membership goals I have to defer to the board.

A: [Jessie M] The board hasn't set any explicit suggestions right now but this has come up for discussion at one of our recent meetings.

Q: Is there a problem with pilfering? How is it accounted for?

A: [Mike S.] Yes, we think there is a problem but we are not sure how much. There is a certain amount of shrink that is expected in the store. Shrinkage involves many things...food that goes bad or out of code, pricing errors, product markdowns, etc.

Treasurer Questions

Q: Regarding the 2% profit--was most of this the result of stopping discount to members?

A: [Betsy] It was the result of better management.

Q: Are financial statements (profit & loss, balance sheet) available to members?

A: [Betsy] A summary is available to members--I will e-mail one out after we finish review by the accountants. Steve C. asks us to respect confidentiality.

Q: What are the profit margins for JP vs. Cambridge?

A: [Betsy] Cambridge is not as profitable because it has larger overhead.

MSCC Questions

Q: How about a community-building-once-a-month potluck?

A: [Liz Levy] Potluck is a great idea--can't promise to do it because of lack of space.

Q: What night are you in JP? What night in Cambridge?

A: [Liz Levy] We are in both stores on Member Appreciation Day--starting about 5:30.

Q: Do we have any ideas on getting younger members to join?

A: [Liz Levy] The MSCC has not gotten involved in getting new members--we are there to talk to current members.

[Jessie M] The last time we did an extensive survey was around 2001...[Jessie--more to add here?]

Q: Question--any specific members you are targeting?

A: [Jessie M] No specific members--we are targeting everyone.

Q: Does MSCC Act like a consumer advisory board?

[Jessie M] No--if there were a consumer advisory board that would be more likely a committee of management.

General Questions

Q: Who is liaison to the board?

A: [Jessie M] Board is a liaison to ALL the members--we have a board liaison to the MSCC.

Q: How much money has been budgeted for member social events?

A: [Mike S.] The membership budget: \$12,000 includes all of our marketing materials and meetings such as this one.

Q: Can the members submit proposals to the board?

A: [Jessie M] I don't think there is a specific ways for members to submit proposals but there is a board e-mail address which is on the back of the letter you all got where you can submit ideas to the board.

Q: Can the board e-mail the agenda to interested members?

A: [Jessie M] The agenda goes on the web site a week before the meeting--as long as its technologically feasible I don't know why we couldn't do that.

Q: What are the wages and benefits for workers? Is it true that all Harvest workers are all non-union? If so, does Harvest encourage its employees to unionize? If not, why not?

A: [Mike S.] Harvest is non-union. We don't have any specific policy on union or non-union and we don't have any specific policy on encouraging one or the other. We have competitive benefits such as health care and vacation/sick time and we are a very good place to work, but are lacking in some of the plush surroundings of some of the big chain stores. We care very much about our workers and we treat them with respect and dignity.

Candidate Statements

Betsy Adams

Have been on the board for three years

Like to stay on and solidify the gains in operations and sales

Very good at number-crunching and can use this ability to help Harvest

Matt Altman

Been a member for 4 years

Have been out of the country for a year

Personal and vocational interest in food sustainable agriculture and nutrition

Medical student

Would like to bring more information to the members about what we eat

Matt Andrews

From the Boston area--currently an employee in the JP store

4 years at Brandeis--majoring in politics and labor studies

Working on masters in labor studies

"Best part of the store is the employees"

Harvest can do a lot to take care of its employees and that should be part of our mission--more cooperative relationship with employees

Margaret Lamb

Have been in co-ops over 30 years

Former Executive Director of NASCO (North American Students of Cooperation)

“Co-ops made biggest difference in my life”

Was an employee at Cambridge Food co-op and was in charge of membership development

Salil Payappilly

Architect and civil engineer

Does project management in the Cambridge area

Does not have co-op experience

Bringing in my experience working with city agencies and construction contracts could be very useful

Joe Slag

Member 4 years now

On membership committee for the last year

Enjoys tabling and hearing from people

Would like to work in membership area

Interested in local food systems

Q: What can board do to endure the item prices are visible to shoppers?

A: [Betsy A] All we can do is direct Mike to solve that problem. It's important to clearly delineate roles and responsibilities.

Q: Which store are you most connected to, and why shop at Harvest when we have Trader Joes and Whole Foods?

Betsy: Cambridge/in addition to local ownership; local decision-making

Salil: Cambridge/no idea

Matt Andrews: JP Store/responsibility to be more involved

Margaret Lamb: both stores/special bond

Matt Altman: Both stores/getting to know the people--understand where food comes from

Joe S: JP store/local ownership

Q: Betsy: Why do you want to continue to be a board member?

A: [Betsy] To see through some of the changes; because there's value in having history; having experience in the financial aspects and to do number crunching for the co-op.

Q: Matt Altman: Why do you want to be a board member?

A: [Matt Altman] I'm interested in bringing sustainable and nutritional food to a wider audience. Have a bit of knowledge about the food industry.

Q: Do you have time to serve on the board while in medical school?

A: {Matt Altman} Yes, the worst of it will be over in December.

Q: Joe S: What is your profession?

A: [Joe S} I am a freelance web developer.

Q: Salil: Where are you originally from?

A: [Salil] Bombay, India.

Q: Matt Andrews: The justice values that you mention in your agenda sound great--can you give real life examples of co-ops carrying out your agenda?

A: [Matt Andrews] Yes, I was involved in a co-op and I think we can learn a lot from interacting with other co-ops (listed several examples).

Q: Why isn't "member sales" in the annual report?

A: [Betsy] It was not in the annual presentation because it was overlooked and because we prefer to think of the co-op as a whole and not specific constituencies.

Q: Margaret Lamb: What is your goal?

A: [Margaret] My biggest goal is to grow the membership.

Q: Salil: What are your political philosophies and how will your wonderful remarkable skill be applied to Harvest?

A: [Salil] I saw a few operational issues that I could address.

Meeting adjourned: 8:30 p.m.