

**HARVEST BOARD OF DIRECTORS
PUBLIC MINUTES
4 FEBRUARY 2013**

Attending: Eva Amanda Agudelo, Matt Auerbach, R. Wayne Clark, Stephanie Golas, Arash Kani, Leah Madsen, Diane Simpson (Board administrator), Stephane Souza, Mike St. Clair (general manager, via telephone), Christian West.

Guest (first part of meeting): Stephane Souza
Meeting minutes taken by Diane Simpson
Meeting commenced at 6:45 p.m.

Agenda Review

Talk about community meeting? Suggestion: at the retreat
Goal for March: come with some ideas for the community meeting. No Board meeting in March
No member comments at this meeting.

Minutes Review

Comment: Board well-being and sustainability needs action item
This is on the proposed agenda for the retreat.

Motion: Approve January Public minutes. The motion was moved and seconded.
Approved 7-0-0

Matt request that people put their availability in the online tabling spreadsheet.
Schedule is not made yet. Matt will even out the schedule Matt, Stephanie, and Leah available next week. Wayne is pretty much always available for tabling. It does not have to be two people. There's no set time for tabling.
Action items are done.

Finalizing Board Officers

Motion: Accept the resignations of Andrew Kessel and Wendy Holding. The motion was moved and seconded. Approved 7-0-0.

Wendy recommended Emily Parfit. There is also interest from two other people. Dan Maltzman and Clarissa Brown were invited but did not come. The Board discussed the logistics of appointing a couple of new Board members. They could be invited to the lunch at the retreat and just hang out and chat. Then they could come to the April meeting to get appointed.

ACTION ITEM Stephanie to invite the potential new Board members to have lunch with the Board at the retreat.

Motion: Appoint Stephane Souza to the Board. The motion was moved and seconded.
Approved 7-0-0.

There are now eight members of the Harvest Board.

Finalizing Board directors—need VP and Secretary

The Board reviewed the duties of the VP, below:

1. The president ensures the Board acts consistently with Board policies.
 - a. The president is authorized to use any reasonable interpretation of the provisions in the Board Process and Board-Management Relationship policies.
 - b. The president will chair and set the agenda for Board meetings.
 - c. The president plans for leadership (officer) perpetuation.
 - d. The president may formally represent the Board to outside parties.
 - e. The president is responsible for communicating Board decisions and requests to the GM.
2. The vice-president will perform the duties of the president in her/his absence and perform any duties delegated by the president.

Motion: Wayne Clark for VP. The motion was moved and seconded. Approved 8-0-0.

The Board reviewed the Secretary duties, below:

- Ensure Election committee is formed each year
 - » Secretary has chaired election committee in 2010, 2011, but does not necessarily need to chair that committee
- Sign time sheets for Board Administrator
- Chair the annual meeting
- File annual report with Secretary of State's office, after each annual meeting, detailing who's on the Board that year

Motion: Matt Auerbach for Secretary. The motion was moved and seconded. Approved 8-0-0.

Review Board Responsibilities

Stephanie reviewed the monthly schedule of Board activities, below:

Week 1

Board meeting on first Monday of the month (except July, September, November)

Week 2

Committee work

Think of any agenda items you would like to add for the next month, email them to Stephanie by week 3

Week 3

20th of the month is the deadline for Harvest Times material, email to Chris Durkin

3rd Saturday of the month, any items from committees and individuals for the packet are due
GM report distributed by email with a link to a document to add any questions

Week 4

MSCC meets on the 4th Monday, all board members are welcome
Be ready to read packet and prepare for meeting

On the 2nd Monday at 6 p.m. the Board president does a call with the Board consultant.
Board members can recommend items for the conference call.

Board members can also recommend items for the monthly Board meeting.

Liaison to MSCC: Stephanie Souza

Stephanee: Goal is to have working groups. MSCC might not be on the 4th Monday.

Stephanie went over the Board expectations and also the Board Monitoring duties, below:

Expectations

During meetings:

- Participate, listen and speak
- Respect each other's opinions
- Help the meeting stay on time
- Make the meetings be productive and brief (attend and be on time)
- Take the responsibility seriously and consider issues in depth
- Stay on topic
- It's ok to disagree
- Both/and thinking: two opposing ideas aren't always mutually exclusive

Between meetings:

- Contribute material or topics for the board packet in a timely fashion.
- Prepare for the meeting by reviewing the packet—1 hr per month
- Participate in Committee workteams or projects—5-10 hrs per month
- Timely response to communication among the board—check Harvest email regularly—
at least 1-2 times per week, respond within 1 week - unless communication is specified
as urgent—1-5 hours per month
- E-mail etiquette: Involve other board members only as necessary
- Regular tabling at stores—2 hours every other month.

Board Monitoring Duties:

The Board Administrator will email out the next month's board monitoring survey along with the action items from the current month's meeting after the monthly board meeting. Please complete the monitoring survey as soon as possible.

Each Board member will be responsible for analyzing a Board monitoring report and leading any discussion, this involves:

- retrieving the completed survey from Google Docs or the survey link
- reviewing each answer to see if any average below 3
- if they do average below 3, reviewing suggestions on how to improve the expectation
- doing research (if needed) on additional suggestions for how to improve Board fulfillment of

the expectation

- email the results and summary to the Board Administrator and the Board president for inclusion in the packet
- lead the monitoring discussion at the next Board meeting

There was a question about how the topics are selected for the monitoring reports and Stephanie explained that they come from the Policy Governance manual. It should be that “3 and below” gets a comment. Mike asked a question about the schedule requiring one in March and asked if that would be at the retreat. Wayne said he could do a brief summary at the retreat because we would have to meet anyway to appoint the new members.

ACTION ITEM Wayne to write blurb for Harvest Times about the retreat.

New Code of Conduct

Diane passed around the new Code of Conduct for Board members to sign. All signed the new document and handed it in.

Retreat Planning

The Board is very new now. The longest-term directors all started last year.

Stephanie talked about doing some of the items on the list below and some of the things that Board consultant Rose Marie Klee recommended.

- *5 year plan
- *Solidifying as a board
- *Getting to know and understand Policy Governance better
- *Board Sustainability
- *Updating the Global Ends
- *JP/Community Outreach/Marketing
- *Member/Community meeting planning
- *Strategic discussion planning

Discussion: What does the Board feel it needs to do at the retreat?

One director chose the five-year plan and would like to see Mike present it.

Mike said in the morning they will have him and the 3 store managers. Policy governance doesn't pertain to them but 5-year plans and strategic plans might be more relevant. Mike also said there hadn't been a lot of pre-work or reports that they brought to the retreat in the past and if this has changed he needs to know.

A director wanted to know (regarding Mike):

- *Your strengths
- *What should you improve on?
- *Who do we need to add to do this other thing?

Stephanie asked if the Board liked the schedule so far and there were no complaints.

The second topic--community outreach would fit nicely into a Board discussion and that will dovetail into Board sustainability if we do it right.

Eva has something for Global Ends that she would like to talk about. Thinks it is also a staff concern. Would like a constructive five-minute conversation with Mike and the store managers.

ACTION ITEM Eva to clean up and send the global ends metric to Stephanie so she can send it to the Board consultant, Rose Marie.

Mike wanted to know what was everybody's definition of a 5-year plan.

One director suggested a 5-10 minute discussion on this topic.

One aspect could be: What are sales projections for the next 5 years?

The goal the Board would like to achieve is a talk on management's perspective on where we're going to be in 5 years and how we're going to get there. Mike will ask his management staff to participate in this. Mike thinks Rose Marie would drive that discussion. Mike figures it will be a collaborative discussion on where Harvest will be in 3 yrs 4 yrs 5 yrs 10 yrs.

ACTION ITEM Stephanie to solidify the Board retreat agenda with Rose Marie.

A director suggested that Mike be **bold** in his presentation.

Executive Compensation Committee

The treasurer gave update. His committee had talked about the approach to use.

Best way: use previous template and request proposal from Mike.

Capitalization Committee

Nothing to report. Harvest seems adequately capitalized. There's about 50-50 debt/equity.

Capitalization Committee does not really need to exist right now—it can just be the treasurer.

Wayne will be happy to join this committee if and when it gets reactivated.

Board Budget

The treasurer (Christian) reviewed the budget.

2 people estimated to attend CCMA

He asked Mike what is reasonable. Mike: there's room if we think the subject matter is worth the expense. A maximum of 4 people are interested.

Director gift card had been left out of the budget.

ACTION ITEM Treasurer to fix the Board budget.

Referendum Update

Wayne reached out but they did not respond to his request as of this writing.

They were going to have a phone meeting.

He will make another effort. Wants to meet with all the people in the group.

Marilyn felt we had done enough in regard to putting the Board's response out.

MSCC Report

Decided to focus on 4 issues

- *Newsletter

- *GMO marketing issues

- *Overall member involvement

- *Member assembly

Three people attended the last meeting.

There were a total of five people with Wayne and Stephanie.

- *One wanted a member dinner & speaker.

- *One wanted making it possible for members to communicate with each other

*One wanted to recreate the member worker process
They decided to have a member dinner with speaker
Meeting this coming Thursday to discuss details
MSCC will meet every other month or maybe quarterly
Wayne has proposed the member assembly idea.
It would involve some outreach. Members would have some very clear responsibilities.
Northeast Cooperatives had a member assembly with members elected by region.

Report back from CBLD

The new directors reported back.
One concept that stood out: as Board members we should know how to tell the story of the co-op.
Also be able to talk about our core values.
Another director: This was the orientation that I never got. Felt much more grounded.
Was good to see how we were similar to and different from other co-ops.
Mike: Harvest and other urban stores have traditionally been on the low end on member sales.
Rural co-ops go up to 40-50%
Wayne: got better appreciation of Policy Governance, but also realizes its limitations. Hopes we can adapt our policies to fit a co-op better. Then we could be a pilot program for CDS.
He was very happy to see the enthusiasm. The survey we did said 80% shopped here because it was a co-op but only 10% were willing to do anything.
ACTION ITEM Mike to do a presentation at the retreat on where we've been (financially) for the past 7 years.
Matt and Stephanie debriefed the Board on the leadership session.
Question for Mike: Have you ever attended a CDS training?
Mike mentioned a couple of things he has attended.

8:37 Board Monitoring

The Board discussed the monitoring report summary on policy C.1, Governing Style.
We will govern in a way that emphasizes empowerment and clear accountability. In order to do this, we will:

1. Focus our vision outward and toward the future.

This question received an average of 4, but there were many similar comments stating that we have not had a great opportunity to do this in recent memory due to pressing issues and "emergencies" that have come up. There were multiple comments about working on a 5-year plan and the hope that we could improve on this in the upcoming year.

2. Observe the 10 Policy Governance principles

We did well here with an average of 4, there was one comment:

"We aren't failing here but we've got a lot of work to do to really specify and take ownership of these principles. With such a new Board this will take time..."

We are all still learning about Policy Governance and will improve as time goes on. The board president hopes to do some work on taking ownership of and gaining understanding of policy governance at the upcoming board retreat.

3. Maintain group discipline, authority, respect and responsibility.

The general feeling was that we do well here, but there were comments indicating that we have to do a better job managing directors who are not pulling their weight and distribute the workload evenly among the Board. It was noted that we missed the GM Compensation Review and did not complete our ends review as intended.

4. Clearly distinguish Board and General Manager roles.

This question received all 5's. It shows that we are doing this well.

5. Encourage diverse viewpoints.

This question averaged 4, but there was concern that we don't actively encourage diverse viewpoints and confusion about what "encouraging" looks like. The board seems to do a good job of listening to one another and being respectful of director's differing viewpoints.

6. Obey all relevant laws and bylaws.

There are no concerns here, the question received all 5's with no comments.

7. The Board will speak with one voice.

We do a good job of speaking with one voice as a board. There were no concerns or comments here.

Stephanie explained the Board spent the last year putting out fires.

Motion: Accept the Board monitoring report. The motion was moved and seconded.
Accepted 8-0-0.

GM Report

Mike has a request for the Board members so he is asking them to fill out some paperwork.

He would like the Board to fill them out and leave them with him.

Stephanie asked if she needs to re-file the report with the Secretary of State.

Mike hopes they will review it as filed.

The directors filled out the form and handed it in to the Board Administrator.

Monitoring Report

The Board briefly discussed the monitoring reports, Policy: B5 – Membership Rights and Responsibilities, and Policy: B6 – Treatment of Consumers. They had all had an opportunity to ask questions about the reports prior to the meeting.

Motion: Accept Monitoring Reports Policy: B5 – Membership Rights and Responsibilities, and Policy: B6 – Treatment of Consumers. The motion was moved and seconded.
Accepted 8-0-0.

A question about the “active member” issue came up. A director explained that several people were confused about what constituted an active member. Mike agreed and he said the definition of active member was defined by the Board and can be redefined by the Board at any time.

Close Public Session

Motion: Close Public session. Motion moved & seconded. Approved 8-0-0

Public meeting closed at 8:52 p.m.

Action Item Summary

ACTION ITEM Stephanie to invite the potential new Board members to have lunch with the Board at the retreat.

ACTION ITEM Wayne to write blurb for Harvest Times about the retreat.

ACTION ITEM Eva to clean up and send the global ends metric to Stephanie so she can send it to Rose Marie.

ACTION ITEM Stephanie to solidify the Board retreat agenda with Rose Marie.

ACTION ITEM Treasurer to fix the Board budget.

ACTION ITEM Mike to do a presentation at the retreat on where we’ve been (financially) for the past 7 years.