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HARVEST BOARD OF DIRECTORS
MEETING AGENDA SEPTEMBER, 2008, 7:00 PM
JIM O' CONNOR COMMUNITY ROOM, CAMBRIDGE

Public agenda:

Time	Topic	Action	Facilitator	Documents
5	Review agenda		J. Myszka	Agenda
5	Public comment	Listen	J. Myszka	None
10	GM Report	Written	M. St.Clair	GM Report
10	Director Compensation	Discussion	J. Myszka	Packet
10	Elections Cmte. Plan	Accept	J. Grogan	Packet
5	MSCC Recommendation on endorsement	Update	J. Slag	None
5	Meeting minutes approval	Approve	S. Clifford	Minutes in packet
Close public session				
Total minutes: 50 min				

Future agenda items:

- Patronage Rebate discussion following FY results

GM Report

Bike Delivery - We have initiated the first phase of the New Amsterdam bike delivery program. We provided our own associates with gift certificates for groceries to be delivered locally to test the delivery process. This allowed us to work out any unforeseen difficulties before taking it to the membership. In each case, the customers were quite satisfied with the results. We are now ready to begin deliveries to anybody. As the press releases and marketing efforts from New Amsterdam roll out, we will start to see how much of a market exists for this service.

Iron Chef J.P. - We are participating in the "Iron Chef J. P." program put on by "JP Centre South" during the week of 8/18 - 24. It is a fun contest for area chefs to test their favorite recipes against other local talents. Our chef in JP, Segundo Rios, is submitting his Caprese Salad, and is anxious to get your vote! See www.jpcentresouth.org for more details.

Tech Cash - We are please to soon be participating in the Mass. Inst. of Technology's "Tech Cash" program which allows MIT students to use a special debit card for transactions at local businesses. This gives us a chance to tap into the student market there to increase sales and potential catering orders.

Director Compensation

Proposals on Directors' Compensation – for discussion & vote - Sept 2, 2008

Proposal #1	Policy on Discounts
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Current: “5/7/07 Harvest’s discounts (controlled by management) will include need, reflecting member values as expressed in 6/26/06 Board minutes.¹”

(The footnote contains the exact text of the 6/26/06 MSCC recommendation.”)

Proposed:

“The General Manager will control Harvest’s discounts, with the exception of discounts for the general manager or directors. The discount structure will include a need-based discount, thus reflecting member values as expressed in the 6/26/06 Board minutes.²”

Proposal #2	Policy on Compensation of Board Members
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In appreciation of their service, Harvest will award Directors a quarterly stipend of \$100, payable in the form of Harvest store credit. The President of the Board will receive \$150 per quarter. Committee chairs who are not directors will receive \$50 per quarter.

We do not recommend compensation for non-director committee members at this time.

At these rates and an assumption of 9 directors, the total cost to Harvest would be \$ 4,000 (\$400 per director, \$600 for the president, and \$200 per non-director committee chair).

¹ “The sense we got from the outreach is that supporting less fortunate members of the community is a value that is important to the Harvest community, and we hope to be able to continue it.”

² “The sense we got from the outreach is that supporting less fortunate members of the community is a value that is important to the Harvest community, and we hope to be able to continue it.”

Board Compensation Survey

Name and Address	Comp Y/N	Type/ Reason
Willimantic Food Co-Op Willimantic, Connecticut	Y	10% member discount
Berkshire Co-Op Market Great Barrington, Massachusetts	Y	18% member discount
Franklin Community Cooperative Greenfield, Massachusetts (McCusker's Market/ Green Fields Market)	Y	Board members receive a super-worker discount for their service to the Co-op. "Super-worker" jobs are specific jobs that require a greater time commitment. Super-workers receive a 15% discount.
Green Market Farm New Salem, Massachusetts	Y	15% discount + soup before board meetings. john@gfm.coop
River Valley Market Northampton, Massachusetts	N	Just opened for business after 9 years of organizing and development.
Wild Oats Co-op Market Williamstown, Massachusetts	Y	As per our by-laws, directors get the same discount as a weekly worker, which is currently a register discount of 13%. They get no other compensation.
Briar Patch Coop Nevada City, California	Y	15% member discount
Sacramento Natural Foods Co-op Sacramento, California	Y	\$10,000 annually for 7 directors. Board President: \$2,000 Other Exec/ Cmttee: \$1,600 Other directors; \$1,200
Newark Natural Foods Co-op Newark, Delaware	Y	15% member discount
Fort Collins Food Co-op Fort Collins, Colorado	Y	20% member discount
Little River Co-Op ¹ Ruskin, Florida	Y	Working members do not have a mark-up. That in itself is compensation of sorts.
Rainbow Grocery Cooperative San Francisco, CA 94103	Y	We are a worker co-op, not a consumer co-op, so our BOD is paid at their regular per hour rate.
Sevananda Natural Foods Market Atlanta, GA	Y	Directors receive their choice of either a 20% store discount or a \$40 monthly stipend.
Boise Consumer Co-op Boise, Idaho	N	Our board members are community volunteers and do not receive compensation. If they were to take on a special project or for some reason we felt they should be paid for something, the Board Chair would have to approve in advance.
Moscow Food Co-op Moscow, Idaho	Y	Board members receive our standard working member (volunteer) discount. This discount is based on working three hours per week for a 18% discount on purchases.
Common Ground Food Co-op Urbana, Illinois	Y	We use to have a 15% discount for all board members but changed it just last year. We found that some board members purchased a great deal more food at the co-op than others and so the compensation was not only imbalanced between board members but that it also could not be budgeted for, which caused difficulties operationally. The board voted to change their compensation to a \$30 month store credit that is put on their membership account on the first of each month. Keep in mind we are a very small co-op, we were only 1400 square feet until this very week - we move into our new 3200 square

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		foot store this very week!
Neighborhood Co-op Grocery Carbondale, Illinois	Y	We offer our board members a discount of 14% and our respect and affection ;>)
West Central Illinois Food Cooperative Galesburg, Illinois	N	We do not have any one that earns a salary. All of our work is performed by members who work the different jobs as part of their monthly obligation.
Frontier Natural Products Co-op Norway, Iowa	N	We, here at Frontier, have a board of directors. They are voted on by our members. They only receive compensation for the expenses that they may occur. Example: Travel to and from our facility. This has to be approved by 3/4's of the board.
New Pioneer Bakehouse Coralville, Iowa New Pioneer Co-op Iowa City, Iowa	Y	In recognition of their important contribution, Co-op Board members receive a \$250/month honorarium.
Oneota Community Food Co-op Decorah, Iowa	Y	8% discount on store purchases
Good Foods Market & Cafe Lexington, Kentucky	Y	Our board members currently get a 10% shopping discount. This is in effect doubled several weekends a year when all owners get a 10% discount. We also started distributing dinner coupons to board members so they could enjoy a dinner from our café before any board meeting. these are good for up to \$8.00.
Bethesda Co-op Cabin John, Maryland	Y	20% discount fo@bethesdacoop.cabin-john.net
Common Market Frederick, Maryland	Y	Directors receive a discount on purchases.
TPSS Food Cooperative Takoma Park, Maryland	Y	20% discount on all TPSS purchases
Brighton Food Co-Op ² Brighton, Michigan	Y	Each Board officer receives a discount of \$10.00 and a waiver of the BFC surcharge at each distribution. The discount is applied to the officer's total order at that distribution.
East Lansing Food Co-op East Lansing, Michigan	Y	The only compensation is the working member discount that other working members receive.
Grain Train Petosky, Michigan	Y	Our directors receive the same discount as other Participating Owners, which is 10% off their purchases, excluding beer and wine, for the duration of their term. This discount cannot be used on top of other discounts (Member Appreciation Day or case orders).
Green Tree Co-Op Mt. Pleasant, Michigan	Y	Our board of directors receive discounts for their service, 10% for directors and 20% for those with an officer role i.e. Chair, Vice Chair, Secretary, Treasurer. We did consider a store credit rather than discount just to make it easier to budget, but haven't transitioned yet.
Hillsdale Nature Grocery Hillsdale, Michigan	Y	15% member discount
Marquette Food Co-op Marquette, Michigan	Y	We each receive a \$25 in store credit each month which is available for us to use at any time throughout the year. Our POS system keeps track of our balance for us at the registers. We came to this amount after much debate. Some directors felt strongly that we should not take any compensation and be a purely volunteer board. But others of us felt that the work

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		we do is important and that it should be recognized as such. We pay other members who volunteer for various jobs, (participating owners, we call them). So we settled on this system.
Oryana Natural Foods Market Traverse City, Michigan	Y	At Oryana, directors of the Board receive an 18% discount on store purchases. Our bylaws state the following: Board of Director members may receive a working discount for purchases at the Cooperative which discount shall be determined by the Board of Directors. The non-employee Board members shall receive no further compensation for Board activities.
People's Food Coop La Crosse, Wisconsin	Y	Each month, each Board member except the President shall receive \$100 in vouchers good for purchase of merchandise at the Co-op. The President shall receive \$200. Board members may receive no additional compensation or discount for other Co-op activities except for those discounts that all member-owners in good standing receive. (Effective 10/05)
People's Food Co-op Kalamazoo, Michigan	Y	Our board receives a 10% at the register discount. Our member/owners do not receive any percentage discount at the register because we have a patronage/dividend system in place. We have the board discount in our policies and the board just recently considered changing it to a more equitable compensation system (where board members who shopped less or more would not receive less or more benefits). After our discussion we decided to keep it in place.
Ypsilanti Food Cooperative: Ypsilanti, Michigan	Y	If they work 3 hours per month: 9% discount; If they work 6 hours per month: 12% discount. Send survey results to corinne@ypsifoodcoop.org
Cook County Whole Foods Co-op Grand Marais, Minnesota	Y	I think board members used to log volunteer hours. (We still have an active volunteer program). Now we give board members a choice to get a 15% discount each month or a \$25 gift certificate. The Board President gets both.
Crow Wing Food Co-op: Brainerd, Minnesota	N	No, they don't receive any compensation. It's a volunteer position.
Eastside Food Co-op: Minneapolis, Minnesota	Y	Our board members receive a 10% discount on purchases. This runs to about \$450 per month for a nine-person board, or \$50 per member per month. However, our 9-person board doesn't shop the same amount, so some members end up receiving more compensation than others.
Just Food Co-op Northfield, Minnesota	N	The simple answer is no. However, there is a more detailed explanation to your question, if you are interested. In 2007, our GM recommended that the Board go to the members (as specified by our Bylaws) and request a stipend, as he felt we could afford it. He noted that we were one of the few co-ops that did not offer compensation to its board members. There was much discussion and research by the Board on this topic. The main argument in favor of a stipend was that we felt it would help attract a wider range of candidates to the Board. Not everyone was in agreement with accepting a stipend even if it was offered, but we decided to put the question (with 3 options) to the membership at the next general membership meeting. Before that date, circumstances propelled us to go to

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		the membership on another more important financial matter: a C-shares fund-raising campaign. We therefore decided to drop the stipend question as we realized that we couldn't appropriately ask for compensation for the Board at the same time we were asking for more money for the Co-op. Will we revisit the question? One day, but not before we feel the Co-op is more financially secure.
Lakewinds Co-op: Minnetonka, Minnesota	Y	Our directors receive a stipend each quarter. The rate is \$90 per director and \$135 for the president.
Linden Hills Food Co-op Minneapolis, Minnesota	Y	Each board member receives a monthly stipend of \$75 (\$125 for officers), distributed quarterly as a co-op gift card, which can be used to purchase goods or services at both Linden Hills Co-op and Linden Hills Natural Home.
Menomonie Market Menomonie, Minnesota	Y	<p>We reviewed this question and changed our board compensation a few years ago. For us, the main challenge was the size of our co-op (under \$1 million in sales at the time). We couldn't really afford much compensation.</p> <p>At the time the board received a 20% discount in the store. That was difficult to budget for because it was based on how many groceries each board member purchased (and how many board members we had), and was therefore impossible to control as an expense. It was also inequitable; the benefit was much greater for a board member with a large family who did most of its shopping at the co-op than it was for a single board member who didn't cook much. It was also, at that point, more than we thought we should be spending on board compensation. We looked at CoCoFiSt numbers for what percentage of sales other co-ops were spending on governance. We were high. (We still are quite high, incidentally, but it is because we are a fairly small co-op that has chosen to participate in CBLD).</p> <p>We did a bunch of research, like you are now, and found that co-op board members were being compensated from nothing to \$1,000 or more a month. We settled on \$50 per month, and a year or so later decided to double the president's stipend to \$100 per month. We found it pretty common that the president was compensated more than the other board members. We receive this stipend in the form of a declining balance in the store which we are required to use in the month it is given (our balance is brought to zero at the end of each month before the next month's stipend is entered). That way, the co-op is paying us in product, and board members are encouraged to shop in the store. We thought it important to encourage this kind of connection with the store.</p>
Mississippi Market St. Paul, Minnesota	Y	Our board president receives a monthly \$100 gift card for use in our stores and directors are compensated with a monthly \$45 store gift card. The compensation is determined and voted on by the members of Mississippi Market usually at their annual meeting. The last time an increase was approved was two years ago.
River Market Community Co-op	Y	Our board members receive a 15% discount on their purchases

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Stillwater, Minnesota		from our Co-op, this is their only compensation.
St. Peter Food Co-op St. Peter, Minnesota	N	Our board members do not receive compensation outside of the normal benefits of being a member of the co-op.
Valley Natural Foods Cooperative Burnsville, Minnesota	Y	Our board directors receive a 15% discount on each shopping visit (member-owners receive a 5% discount once a month). This is determined by our articles and bylaws set forth by the membership.
Whole Foods Community Co-op Duluth, Minnesota	Y	<p>POLICY D15: GOVERNANCE PROCESS BOARD COMPENSATION (effective 11/08)</p> <p>The purposes of board compensation are:</p> <ul style="list-style-type: none"> ➤ to begin to address the barriers of time, family responsibilities and distance that may deter potential candidates from participating and ➤ to recognize the additional responsibilities of the Board President and Board Treasurer positions. <p>Therefore, subject to the approval of changes to WFC's Bylaws relating to board compensation and effective at the Board meeting in November 2008, the Board shall not fail to direct the General Manager to:</p> <ol style="list-style-type: none"> 1) Compensate each Board member \$50.00 per regular Board meeting attended payable quarterly on January 31, April 30, July 31 and October 31; 2) Compensate the Board Treasurer an additional \$25.00 per month, not contingent upon attending the regular meeting, payable quarterly by January 31, April 30, July 31, and October 31; 3) Compensate the Board President an additional \$50.00 per month, not contingent upon attending the regular meeting, payable quarterly on January 31, April 30, July 31, and October 31; 4) If a Board member is also an employee of this Co-op, board compensation to that Board member will be included with his/her Co-op wages/salary and subject to employment taxes; and 5) Compensation for all Board members not employed at this Co-op will be tendered on WFC gift cards. <p>This policy will be monitored annually by internal report in June.</p> <p>Approved by Board of Directors as of August 27, 2002 Technical edit approved as of June 2, 2003 Amendments approved by the Board of Directors on June 25, 2007 Technical edits requested by the Board on September 24, 2007</p>
Community Food Co-op Bozeman, Montana	Y	Yes, our board receives compensation in the form of a 25% discount on all purchases in the store. This seems to me to be a very conservative compensation for the amount of work our board does, however, I think most co-op directors (ours included) work for other reasons. Our board is required to attend an annual three-day retreat which we hold at a remote mountain location. The retreat, CCMA, and other board training opportunities are all paid for by the co-op. How do we determine what the compensation is...well, we hash it out at a

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		board meeting. The topic has not been discussed in many years with the exception of recently, when we considered reducing the compensation to reduce overall expenses at the co-op. Our board and GM concluded that this 'extreme' reaction to the economic downturn was not necessary because the total expense was minuscule in comparison to overall co-op expenditures. My personal feeling was that a reduction in board compensation would have an overall effect of reducing morale on a high-achieving, enthusiastic group of directors! Not good.
Common Market Frederick, Maryland	Y	<p>Yes, Directors receive a 15% discount on purchases. Currently members receive 3%. At our annual meeting in Oct. members will be voting on changing to a Patronage Rebate System. Somewhat related, at our upcoming August monthly BOD meeting we are having an extended discussion on the Directors compensation. Being proposed is changing to a monthly stipend, somewhere between \$50-100/mo, with additional for officers. This has arisen because of the discrepancy that results from using a discount due to family size, etc., creating inherent inequity. There is some CDS info available on this if you look for it, ask for it.</p> <p>We also did some research and found that there is great variety. I think the discount system harkens back to the days when co-ops were basically volunteer operations and that is how they were staffed. Also, size of the co-op was definitely a determining factor. We just recently joined the ranks of what is considered large co-ops.</p>
Supermarket Cooperative Retail Store Washington, DC 20005	?	
Glut Food Co-op Mt Rainier, Maryland	?	
The Village Baltimore, Maryland	?	Sent letter to Skai Davis
TPSS Co-op Silver Spring, Maryland	Y	<p>Travel to national annual conferences and workshops as a Co-op representative</p> <p>Receive a 20% discount on all TPSS purchases</p>

¹ Organic food-buying club, no storefront or board.

² Organic food-buying club, no storefront.

Elections Cmte. Plan

Recommended process for Board elections 2008:

The Elections committee will receive and review applications from interested members. To provide the maximum choice to our members, all applications will be accepted and all active members who submit a complete application on time will be placed on the ballot.

The Elections committee will review each application in detail, gathering any additional information necessary to recommend a list of candidates for the entire board to endorse. To reduce the potential conflict of interest of any directors who are up for re-election, the full board will have the option to endorse the entire group of candidates or not.

In making endorsements, the Board will consider a candidate's ability to:

- Bring useful skills and/or experiences to their service on the board.
- Contribute to the diversity of the board considering a variety of measures, including that they compliment the skills possessed by people already on the board.
- Demonstrate a commitment to Harvest's mission and values.
- Show signs that they would contribute to and respect consensus when serving on the board.

In elections materials distributed to members, the endorsed candidates will be noted and listed for member consideration along with the information for all candidates.