

Fiddleheads Food Coop  
Board of Directors Meeting Minutes  
February 20, 2007  
Isaac School

In Attendance: Annie Chambers, Kristin DeMuzzio, Richard Huhn, Janelle Leroux, Allen Longendyke, Sioux Mackey, Jody Noe, Amy Sarcia, John Sargent, Liz Aldred, Colleen O'Reilly and Richard Krasner

- Meeting called to order at 7:12PM, Sioux facilitating.
- Allen calls for a closed session to finalize the details of Richard Krasner's hire as the GM. His official full time start date will be March 1, 2007. We need to reimburse him \$44.50 for his cell phone and mileage and any other reasonable expenses. Allen will have information on benefits by March 1. Board members should be ready to vote via email. Annie will check with the Chamber of Commerce on insurance.
- The February 6, 2007, Board Meeting Minutes are approved.
- Financial Report- The February 14 Balance Sheet is available upon request and Annie will update the Balance Sheet shortly.

Prepaid expenses are \$1100 for insurance.

Restricted member equity/member loans are used for "other things."

Pledges receivable: \$10,000

Accounts payable: \$2,000 + rent (\$8,166.67)

Equity: \$15,000

Annie will try for grants but we have lots of fundraising to do. The Finance Committee will look at Peachtree and Quick books to start bookkeeping. According to Rebecca at CFNE, we have received \$25,000 in loans and donations from John's family and the Calvert Fund. CFNE is using this as collateral but they will release 90%. Amy discusses the need for a bookkeeper. Annie will soon look to other area people and social services, perhaps a timeshare with United Way/CCi/Xocolatl? Maybe we should make an announcement in the newsletter? Rebecca has the USDA Guarantee paper work and it was sent last Monday to the USDA.

- General Manager Report: (Will usually be sent prior to the meeting).
  1. Relationship between the BOD and the GM: The adopted policies for running a coop define the boundaries. We need to keep the communication open and the BOD will monitor the GM.

According to Policy Governance, committees report to the BOD for expert advice. Operational work should report to the GM and the advisory committees should report to the BOD.

2. Process of Adjustment: Richard has no ego issues. The GM should hire the bookkeeper and should slowly take control of the project, with regular communication with the BOD. Willi has invited us to their BOD meeting on Thursday (2/22/07).
3. Process and Committees: Richard will push to move us forward and will hold us back if necessary to advise the Board. Good GM's always manage their Boards, give expert advice and manage expectations. Richard will not manage out of fear or in crisis mode. He expects to be treated as a professional. Some meetings are quiet vs. involved (operational). **Please include Richard in the loop of everything- to get caught up.**  
[Rkrasner@fiddleheadsfood.coop](mailto:Rkrasner@fiddleheadsfood.coop)
4. Recommendations: BOD openings: We need people who can help fundraising. Richard would like to hire the Bookkeeper. Our goal is to have something we can all be proud of, make money and serve our community. Members want one stop shopping and our shop is slightly too small. Richard would be happy to take the Board on audits of other coops. He would like us to see if we can get the bottom spaces in the building or possibly purchase the building. PJ expects \$4 million in our first year. (60% retail/40% operational space). The Business Plan and Market Analysis have issues and are not specific to New London.
5. PJ: He is very excited about our space and recommends another Market Analysis. Richard would like to be the designated design coordinator. He would like to spend time with each Board member, one on one to develop a plan and work on the preliminary floor plan. (He will present a couple of plans). He recommends we start with the store we want and then compromise. A final floor plan should be done in 3-6 months with 3-4 months of implementation and 1 month to set up. This totals 7-11 months, but possibly could be completed in 5 months. Richard is certain we can find the money to support the following budget of approximately \$1.7 million:
  - \$600,000 in equipment cost- possibly lower?
  - \$400,000 in construction at \$40 per square foot
  - \$200,000 in inventory
  - \$200,000 in fees, licenses, payroll and labor

- POS Recommendations: Please see Kristin's report. Richard will become the project manager and the Committee will take on an advisory role. From the purchase of the system to the first sale should take 90-120 days. A top of line system should cost about \$53,000.
- Website Update: New website is up. An intranet for BOD, GM and Committees is in the works. Richard is the new point person for the website and he wants to create an interactive website. CCI has given Richard an office. We are only allowed 10 FH email addresses. The secret site is [www.demuzzio.com](http://www.demuzzio.com)
- Community Vendors/Member vendors will be discussed at the next meeting. Member preference is discussed. Allen to draft policy.
- Board Member Recommendations: We are looking for "heavy hitters" in the community. Amy will tell Matt, Shannon and Ken that we are going in a different direction. The issue is tabled until the next meeting.
- President's Report: Ellen Brown has been unresponsive. Our rent is not in escrow and we are in default. George Kanabis has our issues. A group of people is looking at the roof. This may not be Charlie. Paying our rent will be discussed over email. Charlie is refusing to discuss abatement and is in default. Kanabis' people believe encapsulating the floor can be done. (M. Sarcia estimates this to be \$28,000). Richard and the Site Committee are working on these issues. Ken is going to the Licensing Department to compile a list of electrical violations. In response to the General Manager report, we will have to work through our issue regarding Policy Governance. We need to realize where we are and where we came from. Can we afford 11 months and a \$1.7 million budget? We can't just jump on board. Our community is reacting to us. Richard is working on the middle ground. We paid \$8000 for our Market Analysis that now isn't worth anything? Don Benoit from Mitchell College wants to get involved, can we have his economics class do one for free? We demanded a time frame from PJ and he has now changed from 3-6 weeks to 3-6 months, saying spring is not realistic. Colleen suggests that we just brought in Richard and need to take some time to regroup then decide a new plan from here so we only have to inform our members of a change once. Richard recommends a "Meet the GM" event to present the changes. Sioux recommends a professional PR person to assist us. Amy wants to hold PJ to his original time frame. Richard would like to set a timeline for investigating moving the entrance to the parking lot and using the downstairs space. Annie

mentions that we have \$220,000 in investments and this would change everything. We could reapply to CFNE but would we get approved? We have to expect to lose members if we change our plans. Could we start a PR/Marketing Committee?

- The Board will next meet on Tuesday, March 6, at the Isaac School.

February 14, 2007 Balance Sheet

Fiddleheads Natural Foods Cooperative, Inc.

## ASSETS

### Current Assets

Cash in Bank	\$ 22,391
Inventory	-
Prepaid Expenses	-
Restricted Savings Accounts	84,499
Accounts and Notes Receivable	-
<b>Total Current Assets</b>	<b>\$ 106,890</b>

### Fixed Assets

Machinery & Equipment	\$ 15,000
Furniture & Fixtures	-
Leasehold Improvements	-
Real Estate / Buildings	-
Member's Equity and Equity Loans	84,499
<b>Total Fixed Assets</b>	<b>\$ 99,499</b>

### Other Assets

Specify	\$ -
Specify	-
<b>Total Other Assets</b>	<b>\$ -</b>
<b>Total Assets</b>	<b>\$ 206,389</b>

## LIABILITIES & NET WORTH

### Current Liabilities

Accounts Payable	\$ -
Taxes Payable	-
Notes Payable ( <i>due within 12 months</i> )	80,000
Current Portion Long-term Debt	-
Other current liabilities ( <i>specify</i> )	-
<b>Total Current Liabilities</b>	<b>\$ 80,000</b>

### Long-term Liabilities

Bank Loans Payable ( <i>greater than 12 months</i> )	
Less: Short-term Portion	-
Notes Payable to Stockholders	35,629
Other long-term debt ( <i>specify</i> )	-
<b>Total Long-term Liabilities</b>	<b>\$ 35,629</b>

<b>Total Liabilities</b>	\$ 115,629
<b>Owners' Equity (Net Worth)</b>	\$ 90,760
<b>Total Liabilities &amp; Net Worth</b>	\$ 206,389