

**FIDDLEHEADS  
BOARD OF DIRECTORS MEETING  
March 17, 2015  
6:30-8:30 PM  
105 Huntington Street, New London**

<b>Time</b>	<b>Topic</b>	<b>Resource</b>	<b>Board Action/ Outcome</b>	<b>Leader</b>
6:30	Meeting Preamble <i>Each of us is a member of the coop community and has been elected to be leaders in serving our members. May we conduct this meeting by empowering each other, treating each other with kindness, and maintaining an atmosphere of mutual respect.</i> Check-in			President
6:30-6:35	Agenda Review		Make any needed adjustments	President
6:35-6:40	<b>Member Comments</b>			
6:40-6:50	<b>Check in With Staff Observers</b> <ul style="list-style-type: none"> <li>How did these meetings help you understand the role of the Fiddleheads Board?</li> <li>How will your attendance relate to your work as a staff member?</li> </ul>			
6:50-6:55	<b>Minutes</b> (Board Packet) <ul style="list-style-type: none"> <li>February 17, 2015</li> </ul>	Board Packet	Approve Minutes	
6:55-7:00	<b>Executive Session</b> <ul style="list-style-type: none"> <li>To approve minutes of the Executive Session of February 17, 2015</li> </ul>	Board Packet	Approve Minutes	
7:00-7:20	<b>Board Discussion</b> (Topics for only for discussion at this meeting; action to be taken at future meeting) <ul style="list-style-type: none"> <li>Board Retreat <i>What should be the focus of our annual retreat and when do we want to have our retreat? Do we need two retreats?</i></li> </ul>		Discussion	President
7:20-7:25	<b>Committee/Task Force Reports</b> <b>Governance</b>  <b>Annual Meeting</b>	Board Packet	Q&A  Q&A	Mona Harmon-Bowman Carolyn Wilson/Lisa Cygan
7:25-7:30	<b>Cooperative Café Debrief</b>	Board Packet	Q&A	Mona Harmon-Bowman
7:30-7:35	<b>Managers Update Report</b> (Board Packet)	Board Packet	Q&A	
7:35-7:40	<b>Monitoring Report</b> <b>B7 Communication to the Board</b> (Board Packet) <b>B8 Board Support</b>	Board Packet Board Packet	Accept Report	
7:40-8:00	<b>Quarterly Co-manager check in</b> <i>Board members should reflect on three questions</i> <ol style="list-style-type: none"> <li>How does the GM interact with the full board and individual directors?</li> <li>Are the GM's reports clear and focused?</li> <li>How well does the GM communicate? Does she respond to questions, especially questions she</li> </ol>	Co-manager responses in board packet	Discuss Co-manager responses and board impressions	

	can't answer, without defensiveness or anger?			
8:00-8:10	<b>Action Items</b> <ul style="list-style-type: none"> <li>• <b>Member Communication Task Force Proposal</b></li> <li>• <b>Board Budget Process Proposal</b></li> <li>• <b>Co-manager Consultant Proposal</b></li> <li>• <b>Resolution Authorizing Board President to sign D&amp;O Agreement</b></li> </ul> <i>Resolved the Board President is authorized to sign the Commercial Insurance Premium Finance and Security Agreement with Bank Direct Capital</i>	Board Packet Board Packet Board Packet Board Packet	Approval	Carolyn Wilson Mark Roberts Mark Roberts President
8:10-8:15	<b>Consent Calendar</b> <ul style="list-style-type: none"> <li><b>GM Monitoring Report B1 Quarterly Financial Condition</b></li> <li><b>Board Monitoring Report C8 Governance Investment</b></li> <li><b>Board Monitoring Report D1 Unity of Control</b></li> </ul>	Board Packet Board Packet Board Packet	Approval	
8:15-8:20	<b>Discussion of Items removed from Consent Calendar</b>		Discuss and Approve	
8:20-8:30	<b>Closings</b> <ul style="list-style-type: none"> <li>• April 21 draft agenda (Board Packet)</li> <li>• Meeting Checklist <ul style="list-style-type: none"> <li>○ Everyone was present physically and attentively</li> <li>○ No sidebar conversations</li> <li>○ Maintain topic focus</li> <li>○ Everyone had a voice and was heard</li> <li>○ Be honest but not brutal</li> <li>○ Don't monopolize</li> <li>○ Clarify the purpose of each agenda item to begin</li> <li>○ Signal if you feel personally attacked, disrespected, or put down</li> </ul> </li> <li>• Review Decisions, Tasks, Assignments</li> <li>• Adjourn Meeting</li> </ul>	Board Packet	Review Evaluate meeting process: what worked and what needs improvement	President President

**BOARD PACKET:**

- 1) February 17 Minutes
- 2) February 17 Executive Session Minutes
- 3) Monthly Workflow
- 4) Governance Task Force Report
- 5) Cooperative Café Debrief
- 6) Managers Update Report
- 7) Proposal Summaries for Online Ordering and New Server

- 8) Board Administrator Job Description
- 9) Monitoring Report B7 Communication to the Board
- 10) Monitoring Report B8 Board Support
- 11) Three Questions
- 12) Member Communication Task Force Proposal
- 13) Board Budget Proposal
- 14) Co-manager consultant proposal
- 15) *Building a Strong Top Leadership Team*
- 16) D&O Insurance Information
- 17) Monitoring Report B1 Fourth quarter
- 18) Board Monitoring Report C8 Governance Investment
- 19) Board Monitoring Report D1 Unity of Control
- 20) April 21 Draft Agenda

**FIDDLEHEADS BOARD OF DIRECTORS**  
Board Meeting of February 17, 2015 [Prepared March 5, 2015]

**I. CALL TO ORDER**

Susan Zimmerman called to order a regular meeting of the Fiddleheads Board of Directors at 6:35 p.m. on Tuesday February 17th, 2015 at 105 Huntington Street, New London, CT.

**II. ATTENDANCE**

**The following Board members were present:**

Susan Zimmerman, President  
Mark Roberts, Vice President and Treasurer  
Sue Phillips, Secretary  
Carolyn Wilson  
Mona Harmon-Bowman  
Lisa Cygan  
Suzanne Cattanach

**The following Board Members were absent:**

Ellen Clinesmith

**The following additional persons were present:**

Staff:

Collen O'Reilly  
Alison Wydler  
Paul Petranek

Member: Joanna Herrick  
Sheila Herbert, Acting Co-Manager  
Kristin DeMuzzio, Acting Co-Manager  
Ed Demuzzio, co-op member assisting GMs with financial monitoring

**The Board welcomed new member, Lisa Cygan, who will fill a vacancy until annual meeting in May 2015.**

**Mark Roberts distributed a handout on what GAAP (Generally Accepted Accounting Practices) is all about.**

**III. AGENDA REVIEW**

**Summary:** Mark Roberts asks for an executive session at end of meeting for 5 minutes for a personnel issue. Board agrees.

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**IV. MINUTES OF PRIOR MEETINGS**

**A. Minutes of January 20, 2015**

See edits in packet.

**Motion to approve:** Mark Roberts

**Second:** Carolyn Wilson

**6 in favor with Suzanne Cattanach abstaining.**

**V. BOARD DISCUSSION**

**A. Review of 2014**

Board members shared responses to question of what were **Board's greatest accomplishments in 2014**. Items noted were:

- Development of being a policy governance board
- Reviewing and making decision not to pursue Parcel J
- Adopting an amended Board Calendar
- Great retreats
- Developing Ends Policy
- Improving ability to work together as a team/Board mechanics
- Networking regionally and internationally

Also discussed **Goals for 2015**:

- Continue building capacity and developing Board and GM relationship
- Continue finding ways to creatively make community richer
- Communicate ends and have short and long term goals – strategic planning
- Address both Board and GM succession (Board through larger recruitment efforts – including succession for Presidency and other officer)
- Use physical space most effectively
- Broadening use of co-op model throughout community – educate public and non-profit entities
- More Board-Membership involvement/engagement
- Collaboration with Willimantic Food Co-op

President will compile information in order to be able to refer back/utilize in agenda and retreat planning. Discussed briefly the possibility of a joint Board Retreat with Board of Willimantic Food Co-op that would be in August (when Willimantic Food Co-op normally has theirs).

## FIDDLEHEADS BOARD OF DIRECTORS

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### **B. Discussion of Videos**

The goal is for Board members who watched some CDS videos to report back on what they learned and also to review call summary from CDS consultant.

Important items noted were:

- Roles and responsibility being clearly delineated and understood: board, GM, staff, membership
  - Board looking forward: directional
  - Staff operational – but what does “operational” mean?
- No surprises – communication before Board meetings with President and GM and at times between management/staff and full Board
- Board members working with staff on special projects to build capacity/relationships
- Making sure GM has support – can happen by staying focused not just on common goals but common humanity
- That CDS has a lot of tools so that co-op’s do not need to figure everything out on their own
- Simply having a reference point – the experience of other co-op’s which is the same/different as Fiddleheads’ experience
- Ripple effect: tone, workers and community
- Chain: board support GM, GM feel good and support staff, staff morale supports positive community experience with co-op
- Four major recommendations from video:
  - Informal support meetings
  - Quarterly check-in meetings
  - Board communication monitoring reports twice a year
  - Monitoring report process that can reflect style/focus of different GMs
    - Using process to learn how board and GM can work together – not simply as mechanistic process

There was some discussion around staff/GM meeting informally with individual Board members in order to get to know them and perspective and vision for co-op more personally. There is a challenge to not discussion strategic or operational issues. This would not replace monthly meeting with Board President and Co-Managers, it would be more social and not related to housekeeping and organization. Probably will not be on-going but more related to having new GM(s)/Board members. No specific decision made.

There was also discussion around clarifying what constitutes an “operational” issue that Board should be hands off and defer to management staff and making sure Board is aware of operational issues that might dominating discourse among staff/membership.

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There was a lot of conversation about this between Board President, Acting GMs and Board Consultant earlier this month. Acting GMs are willing to be mindful of anticipating when Board members may hear about issues from members or staff between Board meetings to ensure there are efforts to communicate either with President for dissemination or with full Board. This is most likely to arise in relation to financial issues. Acting GMs will bring such issues to Board President for decision on whether and how to share with full board.

Request was made for future discussion of roles and responsibilities and both defining operational issues and how to handle process of keeping Board informed. This may include doing two half-day retreats vs. one full-day retreat. President will broach issue of a half-day retreat in the next few months with CDS consultant in next Board support call (which is February 25<sup>th</sup> at 4:00 p.m.).

Quarterly check in and board support will both be on agenda for March regular meeting. Acting co-managers will be circulating questions for quarterly check-in, either using the ones suggested by video or developing some specific to Fiddleheads' current situation.

Board thanks Acting Co-Managers for suggesting review of videos and encouraging Board members to access additional videos.

### **B. Update on Board Support**

Helene Bardinnet will be helping circulate and compile Board monitoring reports until a Board Administrator has been secured.

Per Acting Co-Managers there should be a job description by end of next week and should be able to start search process by March. Could potentially have someone on Board by the end of March. Board budget includes \$300 per month for Board Administrator and \$100 per month for recording secretary. Hopefully the Board Administrator could act as recording secretary and we will have over-budgeted.

Given how time-consuming it is to generate Board Packet, President requests interim support. Acting Co-Managers will approach current staff and offer to increase hours to allow this person to add assembly of Board Packet to existing job duties.

There is now a locked file cabinet at Fiddleheads for personnel files and other confidential files.

## **VI. MANAGERS' UPDATE REPORT**

Document is in Board Packet.

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Acting Co-Managers clarified that the storewide strategic plan has been compiled incorporating the strategic plans for each division within the co-op. That document is available for inspection at the store. Sheila Herbert indicated that the final strategic plan is pending her global review and ensuring that all the parts coalesce into a meaningful whole. Thus, she will do some immediate polishing/organization and that although it is a “work in progress” the general contours have not and will not change significantly. Board is reminded that strategic plan is a road map for how to collect and report data on operations back to Board, and that Board does not need to review an updated document (draft strategic plan was part of the B2 Planning and Budgeting Monitoring Report presented at the December meeting).

### **VII. GM MONITORING REPORT B1: FINANCIAL CONDITION and ACTIVITES (4<sup>th</sup> Quarter)**

B.1.2:

Insufficient margin percent reported for Merchandise (non-food) because there was too much inventory in December. This was addressed operationally by not acquiring additional inventory and selling inventory off during December. This resulted in no costs but high income for one month and the Merchandise department has a plan to prevent this situation from developing again in the future by monitoring what sells and what does not and only purchasing items that move within a couple of months.

B.1.4:

Clarification was sought and offered on the use of the “Quick Ratio” as a measure of solvency. Graph under B.1.4 at top of page 5 shows CoCoFist mean of 1.25:1 and that recommendation is no more than 1.1:1. The Acting Co-Managers indicate that goal should in fact be 1.25 for a retail food co-op, which is the actual recommendation of CoCoFist.

Board observes that co-op is not in compliance with means B.1.4, although it is promising that our ratio is now .95:1 which is higher than in the past. This section will be clarified for next month.

B.1.7:

Board sought additional clarity around whether tax payments are current and whether Acting Co-Managers are reporting compliance. This section will be clarified for next month.

B.1.8:



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Board notes that there is no data to support compliance with this item. This item will be updated for next month.

B.1.10:

Although compliance with using GAAP is reported, this has not been an item of compliance in the past, Board would like data to document compliance or lack thereof. Acting Co-Managers clarify that processes are compliant although Annual Report was not. Plan is that Annual Report will be issues in two versions, income tax basis and GAAP compliant basis.

This item will be updated to reflect discussion as well.

Attachments were experienced by Board members as too exhaustive. Acting Co-Managers will seek to streamline what is pres

**Motion to accept Monitoring Report B.1 with the changes indicated to be presented in March.**

Motion: Mark Roberts

Seoncd: Mona Harmon-Bowman

All in favor.

All non-board member attendees have now left the meeting with exception of Ed DeMuzzio and Paul Petranek.

## VIII. ACTION ITEMS

### A. Governance Committee

Report is in Board Packet. Additionally, the Committee reported orally that there was significant interest, with 15 people attending a meet and greet and expressing interest in exploring Board service and/or other service opportunities (committees, task forces, etc.). Five individuals were specifically interested in running for positions on the Board. Interest believed to have been generated by sending individually addressed correspondence rather than impersonal

Request is made to change chair of Governance Committee to Mona Harmon-Bowman and Helene Bardinnet (member-owner) as Mark Roberts having positions of both Board Vice President and Treasurer is already absorbing a lot of his time and energy.

**Motion to appoint Mona Harmon-Bowman and Helene Bardinnet as co-chairs of governance committee.**

Motion: Mark Roberts

Second: Suzanne Cattanach

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All in favor.

### **B. Revision of Policy C8**

Request is to make policy on Board Budget consistent with decision made at last meeting with completion of budget planning in September rather than October.

**Motion to revise policy C.8 to reflect budget development to be completed in September each year, rather than October.**

Motion: Mark Roberts

Second: Suzanne Cattanach

All in favor.

### **C. Annual Meeting Task Force**

Report is in Board Packet.

Requests that its charter be expanded to include working with Governance Committee to both include preparing Annual Report and setting up process for elections to occur at the Annual Meeting. Governance Committee will continue to recruit candidates and inform Annual Meeting Committee of candidates.

**Motion to accept charter of Annual Meeting Committee and to expand it to include development of Annual Report and coordination of Board Elections.**

Motion: Susan Phillips

Second: Carolyn Wilson

All in favor.

### **D. Talking Points for 2014 Financial Condition**

These were distributed via email earlier today. There are, in circulation, some documents/information about operating loss for calendar 2014. These talking points direct Board members to report (paraphrased):

- Essentially broke even for 2014
- There was a noticeable sales slow down during the 3<sup>rd</sup> quarter but 4<sup>th</sup> quarter saw a “bounce back”
- There were some significant non-recurring expenses, particularly related to potential expansion to Parcel J
- Operations in good shape for 2015, strong sales, improved back room operations and realigned staffing
- Final budget numbers are not yet available but will certainly be included in Annual Report in May

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**Motion to accept talking point on 2014 budget.**

Motion: Mark Roberts  
Second: Mona Harmon-Bowman  
All in favor.

**IX. EXECUTIVE SESSION TO ADDRESS PERSONNEL MATTER**

**Motion to enter executive session at 8:44 p.m.**

Motion: Mark  
Second: Carolyn  
All in favor.

Executive session was exited at 9:23 p.m.

Separate minutes of executive session are routinely taken and maintained in a separate confidential file. No decisions were made, President and Vice President are exploring options for strengthening existing cooperative management systems.

**X. CLOSINGS**

**A. Next Month Agenda (discussed prior to executive session):**

**Monitoring Reports:**

- a. B1 4<sup>th</sup> quarter revisions
- b. B7: Board Communication
- c. B8: Board Support
- d. C8: Governance Investment
- e. D1: Unity and Control

**Board Discussions:**

- a. Board Budget
- b. Board Succession
- c. Board Retreat

**B. Adjournment**

**Motion to adjourn at 9:25 p.m.**

Motion: Mona Harmon-Bowman  
Second: Lisa Cygan  
All in favor.

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Draft minutes prepared for submission to board by Sue Phillips on March 5, 2015.

Minutes approved by vote of the Board on \_\_\_\_\_, 2015 and put into final form by Sue Phillips on \_\_\_\_\_, 2015.

Governance Committee 3/3/15 Calendar

February 27 2015	Lead Candidate Letter finalized	Mona Harmon-Bowman /Helene
March 1-14	pre-Candidate letter emailed to those responding to Lead letter	Helene by 3/6/15
March 1 2015	Lead Letter emailed to member owners (not included in first mailing). Inform them of March 21, Meet and Greet.	Done Done
March 3 2015	Obtain list of interested candidates. Email to include list of task forces and committees and BoD Create poster to invite all members (post at Fiddleheads registers)  Candidate Packet	Doing (Helene)  Doing (Helene) by 3/6/15  Check with GC (Mona) by 3/6/15  Doing (Mona) by 3/20)
March 21 2015 2:00-3:30 Meet and Greet	Flip Chart List ?s asked/responses (FAQs)  Mail FAQs to attendees and those who expressed interest but could not attend.	Mona  Helene
March 22 2015	Application form to those expressing interest (both attendees and non-attendees).  Include: List of task forces and committees. Summarize when, where, how task forces are formed.  Ask: Would you like to be on the list of potential candidates member-owners ?	Mona/Helene
After March 22	Collect applications and set up interviews	Mona, Helene and designated others

3/11/15 Co-op Cafe debrief meeting, Fiddleheads staff room attended by 2 member-owners, 2 co-managers, 2 staff, 3 BODs.

1. Lively discussion of: reaction to the co-op cafe; general message(s) and theme(s) you brought back to Fiddleheads.
2. SWOT brainstorming followed answering the question:
  - "Given the current competitive landscape, what are Fiddlehead's strengths, weaknesses, opportunities, threats?"
  - Responses were charted on flip charts (which still hang on the back wall of the staff room for review and future use).
3. Now, how to communicate and enroll Fiddlehead's staff in the co-op cafe message and gain their input in proactive strategic planning?
4. And, further, how to communicate and enroll member-owners in the co-op message and gain their input in proactive strategic planning?
5. Meeting outcomes: Design and facilitate a staff meeting (using the world co-op cafe format). Build discussions around co-op cafe videos. Meeting tentatively scheduled Sunday, March 22 in Fiddleheads staff room.
  - **Note:** 3-11-15 email from Mark Goehring) he is uncertain the complete set of videos will be available by March 22 date.
  - May need to reschedule staff meeting to accommodate videos.
6. Staff Co-op Cafe designers/facilitators represent staff, member-owner, board director: James Burke, Kelleen Giffin, Mona Harmon-Bowman.
7. Proposals for Annual Meeting design -
  - Is there the capability of showing the co-op cafe video?: Current Competitive Workplace?
  - Does the annual meeting venue lend itself to a world co-op cafe format to obtain input from member-owners?

## MANAGERS REPORT MARCH, 2015

### Online Shopping Project

We are excited that we are about to start to set up our online ordering system with My Web Grocer (the same company that provides online ordering services to ShopRite). The process for data entry and setup will take 3 to 4 months. Andrea Hall of our Data Department is the Project Leader. (See attached description for more detail.)

### New Server System

To protect our data assets including our investment in a Point of Sale (POS) system we have been strongly advised to update our computer system to a server based computer network. Proposal attached.

### Space Allocation

We are in the early stages of determining the feasibility of building a kitchen for food preparation of Grab 'n Go items and/or Bakery items. We have visited 3 co-ops to assess their prep areas. This is a longer term project. We will gather financial data to include labor costs to determine the feasibility of this project and present a proposal to the Board.

### Personnel

In order to align with appropriate labor needs we reduced the hours of some employees and partially redeployed 2 employees to another department. We were able to reduce total labor hours primarily by attrition. In redeploying current employees we worked to preserve as many of their allotted hours as possible.

Beverly Gipson, our Bookkeeper, resigned for health reasons. We have posted an updated Bookkeeping position. We have also posted the Board Administrator position. (see attached) Julia Farrar was hired for the part-time Wellness position. We welcome her to this growing department.

### Financials

February Sales - \$248,374. Sales were 14% below our sales projection for February. February weather with 6 serious winter storms and record breaking low temperatures had a significant impact on sales sector wide. Spending was closely monitored and our overall gross margin of 34.8% was very close to our target gross margin of 35%.

Labor costs were at 17% of sales in February. This is below our target of 19%. (This is a good thing.) Margin Minus Labor = 17.8% for February which exceeded our goal of 16%.

### Insurance

Kapatoes Insurance Services, LLC, has completed an assessment of our current insurance. (see attached letter). This is an update to the January Monitoring Report on Asset Protection B3.2.

### Food for All

A new program to address the needs of those who have financial challenges will begin in April, 2015. It will offer those with EBT, WIC and SSI an opportunity to have a discount on their purchases. There will be a short application and the program will use cards that are identical to (but, coded differently) member cards. This program will replace the Healthy Food Access (HFA) program which was difficult to maintain. The HFA program ended on February 28, 2015.

### Outreach

Beginning in March the Outreach Department is hosting an Adult Veggie Passport program. This program, with some modifications, is similar to the Children's Veggie Passport program that Outreach hosted last summer. Sampling, Culinary Tours and Membership Orientations continue. A new member packet has been developed which will be given to each new member.

### Co-op Cafe

Fiddleheads had a terrific showing for the March 7<sup>th</sup> Co-op Cafe in Keene, NH. Attending from Working Members and Staff: Ellen Anthony, James Burke, Kelleen Giffin, Sheila Herbert, Paul

Shaffer, BB Smith and John Smith. Attending from the Board: Lisa Cygan, Mona Harmon-Bowman, Mark Roberts, Carolyn Wilson and Susan Zimmerman – 12 altogether! In a brief discussion after the cafe all from Fiddleheads agreed that there was good energy, good information, good networking and constructive ideas to bring back home from this event. We will meet to debrief on Wednesday, March 11<sup>th</sup>.

1<sup>st</sup> Quarter 2015 Inventory

Scheduled for the weekend of March 28<sup>th</sup> and 29<sup>th</sup>.



## Proposal Summary – Online Ordering

Online ordering or E-Commerce represents a significant line item in this year's budget (~\$15,000). We see this investment as a necessary expense to both maintain and expand our customer base in an increasingly competitive market. Growing numbers of consumers are looking for the ability to shop online. At maturity, online shopping is estimated to provide grocery retailers with an additional 10% annual sales growth and typically involves a basket size of \$155 with 45 items and a 20% increased spending per customer. Our goal is to implement an online platform that will increase access and use of our goods and services and highlight the benefits of the co-op. By doing so, we hope to demonstrate our responsiveness to our members' needs and increase our accessibility to a larger market share and to do this by securing our position in the online market before our competitors.

The initial buy-in for e-commerce is high and it will take several years to develop a mature online shopping presence. We believe strongly that this should be done correctly from the start and have investigated options. We do not have the technical ability in-house to modify open-source shopping cart software; research on companies who design and maintain an online shopping site has led us to pursue a relationship with the company, My Web Grocer (MWG). MWG is based in Burlington, VT and has large clients, such as Shop Rite as well as smaller, single-store clients. MWG has the technical ability, experience, customer responsiveness we want and the knowledge base to help us launch and maintain a successful online shopping expansion of Fiddleheads.

Working with MWG and entering into a contract soon will allow us to launch our online ordering services this summer (expectation of June 30, 2015). We plan to use this service to build our growing Block and Fisher's Island customer base – residents of these communities expressed a strong desire in our developing an online ordering platform last year. It is worth noting that Whole Foods is beginning a delivery service to the Islands this summer. Concurrent with the summer Island deliveries, we will begin offering pick-up services. The process for pick-up is as follows: Customers place an order online and select a pick-up time slot. We receive the order, "pick" it (pull the items from the shelves), pack it and finalize the transaction. Customers arrive during their selected time slot and park in a designated area. We bring their order out to the car. With the features MWG can offer us and our customers and our demonstrated responsiveness to customer shopping trends, we strongly feel that our expansion into online shopping will be successful and an important growth step for Fiddleheads.

## Proposal Summary – Data Security

Fiddleheads has invested significantly in our Point-of-Sale system, inventory database, computers and small electronics. Currently, this fixed asset is in dire need of an updated security protocol - our computers (including the registers) are in various states of protection from viruses and malware and there is no offsite backup of the Point-of-Sale database information. Additionally, our previous approach of a slapped-together shared company network can no longer support our computing requirements. This issue needs to be addressed immediately. We have asked CCI to put together a plan for us to become compliant with basic data security for a small business by the end of April, 2015. The proposal we received includes the switch to a server-based computer network. This change will allow us to keep all computers on our network safely up-to-date with antivirus and malware protection as well as basic computer and software updates. The server system also will allow individual users to log-in to any computer we have setup on our network and access their own files and those shared with them. This feature will bring us into compliance with matters of confidentiality that are currently not well handled. CCI is able to provide us with a used IBM server designed for small business use, saving us ~\$5000. The proposal total of \$5500 includes the equipment, setup (including redundancy in the system for local backup) and go-live support. We have requested to add an additional fee of \$50 per month for off-site data backup that we view as essential for protecting our investment of time and energy in developing and maintaining our inventory database.

## **Board Administrator Job Posting**

Fiddleheads Cooperative is seeking an administrator to support the work of the Board of Directors. This is a part time (~10 hours per month), hourly position reporting to the General Manager and accountable to the Board President. The Board Administrator will provide administrative and coordinating support for the Board. The Board Administrator will need to have flexibility in scheduling in order perform job duties, which will include attending evening board meetings, providing administrative support outside of the meeting, and on occasion, provide support for special events. An essential role requirement is previous experience in handling confidential information, as well as, experience in minute taking for boards, leadership or project teams. Support employees receive a 15% employee discount.

### **Minimal requirements for the role:**

- Previous experience in handling confidential information.
- Previous experience in minute taking for boards, leadership or project teams.
- Demonstration of excellent verbal, written and planning skills.
- Strong computer skills and technical proficiency with Word, Excel and PowerPoint.
- Previous experience in the coordination of special events such as meetings, conferences, or similar activities.
- High School graduate or GED

### **Preferred requirements for the role:**

- Associate degree or higher
- Previous experience in a Cooperative business
- Previous experience with software programs Adobe Acrobat and Survey Monkey.

*Complete job descriptions and applications for the above position can be found at [www.fiddleheadsfood.coop](http://www.fiddleheadsfood.coop). Please include both the application provided and a current resume. Accepting applications until positions are filled. Completed applications, cover letters and resumes should be directed to Kristin DeMuzzio, Co-Manager at [KristinDemuzzio@fiddleheadsfood.coop](mailto:KristinDemuzzio@fiddleheadsfood.coop).*

## **Board Administrator Job Description**

**Reports to:** General Manager with performance accountability to the Board President

**Status:** Support staff, hourly, part-time (~10 hours per month)

**Rate:** \$11.00/hour

**Location:** The Board administrator will attend the monthly evening Board meetings, and will be expected to complete administrative and coordinating duties at the Co-op.

### **Position Summary:**

Provide administrative support for the Board President and Directors including coordination and dissemination of materials for the board meetings and any additional communication and correspondence. Attend and record notes for all board meetings. Provide coordination and logistics for meeting and event needs. Maintain all correspondence, reports, minutes and archives for the Board, and disseminate as appropriate, to the broader cooperative membership.

### **Job Duties and Responsibilities**

#### **Administrative and Coordinating:**

- Provides administrative support to General Manager, Board President and Board Secretary on board related matters. May provide support to sub-committees of the board, as needed.
- Coordinates and disseminates materials for the Board to be prepared for meetings and retreats.
- Attends and records notes for all board meetings.
- Prepares draft-meeting minutes in approved format.
- Arranges logistics for board meetings, annual membership meeting and retreats.
- Publicizes board and committee meetings times and agendas, and coordinates communication, as needed, with other co-op staff to the broader membership.
- Maintaining board area of Fiddlehead web site, posting approved minutes and other items as directed.
- Prepares, maintains and distributes Board Handbook and Board Policy Manual.
- Maintains board calendar, task lists and other organizing tools as needed.
- Locates and compiles information for the Board, as requested.
- Composes reports and correspondence for the Board.
- Maintains records and board archives including approved minutes, Bylaws and affected documents.
- Facilitates member access to public portions of board records.
- May perform regulatory compliance duties for business licenses.

#### **Additional General Responsibilities:**

- Attend staff meetings and staff training sessions.
- Maintain good working relations with other Fiddleheads staff.
- Encourage and demonstrate good team behaviors.
- Follow storewide policies & procedures and the expectations outlined in the Employee Handbook.

MONITORING REPORT, MARCH 17, 2015

Policy: B7 – Communication to the Board, Last revised: June 18, 2013

**We report compliance with all parts of this policy.**

We certify that the information contained in this report and attachments is true.

Signed \_\_\_\_\_, Co- Manager

Signed \_\_\_\_\_, Co- Manager

Attachment: Monitoring Summary Table Sample

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The General Manager shall not cause or allow the Board to be uninformed or unsupported in its work.

**Interpretation:**

We interpret this to mean that GM is accountable for ensuring that the Board has adequate information to make Board decisions. Support for logistical and administrative matters is dealt with in policy B8 – Board Logistical Support.

**Operational Definitions:**

- The Board has fully defined this policy in the sub-policies below. Please look there for further definitions.

**Data:**

- See data for each sub-policy.

The GM will not:

1. Submit monitoring reports that are untimely, inaccurate, or hard to understand.

**Interpretation:**

The GM will submit monitoring reports to the Board according to the schedule outlined in the Board Annual Calendar. These reports will be written so that the Board can determine whether or not the GM/Co-op is in compliance with the policy being reported on. Board approval of these reports will signify that the Board agrees the reports are correct and reasonable.

**Operational Definitions:**

- Compliance will be determined using the Monitoring Summary Table which shall be maintained by the Board Secretary for the D4 – Monitoring GM Performance policy.

**Data:**

- See the attached Monitoring Summary Table Sample.

2. Report any actual or anticipated noncompliance with any policy of the Board in an untimely manner.

**Interpretation:**

The GM is responsible for ensuring compliance with Board policies, as defined by GM operational interpretations, at all times. Immediately following the GMs’ awareness of any perceived or actual noncompliance items, they will inform the Board in its monthly report at the next board meeting.

**Operational Definitions:**

- The monthly update report will include notices of anticipated and actual non-compliance as needed.
- Monthly monitoring reports will include notice of actual non-compliance as needed.
- In the case of a *serious* non-compliant issue, the GM will inform the Board President promptly.

**Data:**

- Non-compliance issues noted in monthly updates: None.
- Non-compliance issues noted in regular monitoring reports

Date	Policy	Non-compliance issue
02/17/15	B1.4	Quick Ratio
02/17/15	B1.8	Tax Payments

- Serious non-compliance issues noted immediately to Board President: None
3. Allow the Board to be unaware of relevant trends, public events of the Cooperative, or internal and external changes which may affect Board policy.

**Interpretation:**

The GM is responsible for assuring that the Board has all the information and data it needs in order to make sound, thoughtful decisions related to its work. This information is mainly long-term, big-picture or high-impact in nature rather than daily and routine operational matters. Examples of significant operational changes might include major shifts in product mix, new programs, a store relocation or major changes in personnel – changes that materially affect customers’ and members’ perception of the Co-op. The GM is responsible for providing sufficient warning of such possible major operational changes to make certain that the Board is notified and, so that it has time to discuss and analyze any possible impacts to existing Board policy.

Since the typical reporting schedule of the limitations policies are only reported on annually, it does not always adequately meet the Board’s needs in receiving timely information. Therefore, the GM will provide monthly communications to the Board in the form of a monthly managers report.

**Operational Definitions:**

- Monthly monitoring reports will include historical and/or trend information when the information is obtainable and conceivably useful to the board.
- The GM monthly update report will include information about possible and/or anticipated significant operational changes at least 2 months in advance of those changes.

- The GM will provide a monthly written update report in support of this policy. Content examples might include:
  - Financial information relevant to board work.
  - Ownership level issues that help the board see the broad view.
  - Public events (activities and gatherings both on and off premise) that may affect the perception of the Co-op with customers, members and in the community.
  - Internal and external changes like significant modifications to the normal pattern of business.
  - Personnel matters of any significance, examples include professional training, promotions, reallocation of or reduction in labor hours.
  - Occurrences related to equipment, and building maintenance and/or security.
- In the case of confidential matters, the GM will report on these subjects in Executive Session rather than in the written monthly report.
- In situations when the Board needs to be informed about matters of a more critical nature, the GM will contact the Board President or the entire board directly.

**Data:**

- Monitoring reports containing historical and/or trend information. *NOTE: GMs have begun collecting relevant historical data to build further trend analysis information. In addition, the GMs have completed the final upload for use with CoMetrics, another valuable reporting and examination instrument.*

Report	Date(s)
B1—Financial Conditions	11/18/14 02/17/15
B2—Planning & Financial Budgeting	12/16/14
B3—Asset Protection	01/20/15
B6—Staff Treatment	11/05/14
B7—Board Communication	03/17/15
B8—Logistical Support	03/17/15

- The 2015-16 Strategic Plan submitted to the Board on *December 16, 2014* included priorities for online shopping, space re-allocation and NCG membership. No other significant changes are planned in this reporting period.
- Since the Co-managers took over operations for the Co-op, they have submitted to the Board every month a written communication in support of the B7 policy.

Report Date	Topics Included
10/20/14	Events, Training, Personnel, Equipment, Sales, Finances, Grievance Cmtte, Safety Cmtte

11/05/14	Parcel J, NCG, Budget & Strategic Plan, Staff Development & Training, Events, Marketing
12/10/14	Events, Staff Development, Finances, Policy Governance, Sales, Personnel
01/10/15	Events, Personnel, Security, Finances
02/10/15	Events, Staff Development, Training, Personnel, Financials, Payroll, CoMetrics
03/10/15	Events, Personnel, Sales, Staff Development, New Programs and Projects

- Executive Session (confidential) reports: None
- GM communication to the Board President via monthly meetings

Meeting Date	Topics included
09/10/14	Personnel, Financials
09/30/14	Financials, Budgets, Legal Matters
10/13/14	Security Matters, Personnel, CFNE
11/03/14	Parcel J, Monitoring, Financials
11/13/15	Board Support & Communication
12/01/14	CERC, Store Reset, Cash Flow, Communication, Restricted Funds
01/05/15	CDS Training, Board Admin, Parcel J, Monitoring, Inventory

4. Withhold his/her opinion if the GM believes the Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the GM.

**Interpretation:**

The GM is obligated to notify the board if in his or her opinion the board is not acting in harmony with its board policies.

**Operational Definitions:**

- The GM monthly report will include, as needed, notes about the GM’s view regarding Board behavior including individual board members.
- In addition, the GM will alert the board during support calls, monthly meetings, via email and/or in written form of any board related behavior that is impacting their ability to work in the conditions set forth in the policy manual.



**Data:**

- Co-managers held conference calls with CDS consultants Marilyn Scholl and Joel Kopischke to request support with building and strengthening board/GM relationship and its behavior.
- Co-managers sent a request to the board in an email asking them to consider watching two CDS videos to begin a dialogue that would help strengthen their relationship with the board.
- Co-managers met with the board president and vice president separately to discuss board processes and behaviors that they felt were impacting their ability to work effectively.
- Support Calls with CDS Consulting 2014-15

Call Date	Topics
10/14/14	NCG, Personnel, Parcel J
12/04/14	BOD/Staff Relations, Monitoring, Communication, Board Support
02/03-4/15	GM/BOD Relationship, Audit, Insurance, Roles & Responsibilities, Staff, Quarterly Check-ins
02/25/15	GM/BOD Roles & Responsibilities, Communication

5. Deal with the Board in a way that favors or privileges certain Board members over others except when responding to officers or committees duly charged by the Board.

**Interpretation:**

The GM is accountable in helping the Board maintain its obligation to holism as articulated in Board policy D1 – Unity of Control. We recognize that only the Board as a single body has any authority. We also understand we can interact with any director in any way we choose as long as we do not give that director any decision-making authority, and as long as that director does not receive any advantage that is not afforded to all directors.

**Operational Definitions:**

- Compliance is determined by directors notifying the GM, or board president, who then tells the GM, of any out of compliance situation.

**Data:**

- No known out of compliance situations have been received in this reporting period.

6. Fail to supply for the Board’s consent agenda all decisions delegated to the GM yet required by law, regulation, or contract to be Board-approved.

**Interpretation:**

We interpret this to mean that the GM is responsible for informing the board of any grant or other small agreement (that is operational in scope) which the Co-op may want to engage with an outside

organization or government agency that requires a board signature but that the board has delegated to the GM. Using a consent agenda format as part of the policy governance model, the GM must bring forth any background information to the board so that consent can happen in a timely manner.

**Operational Definitions:**

- The Co-op's Articles of Incorporation require that any time a member wishes the board to refund their equity investment this information will be presented to them for approval.
- Other matters necessitating board consent to fulfill the requirements of banks, insurance carriers, governmental agencies, etc., will be presented to the board as needed.

**Data:**

- At no time during this reporting period has any member requested a refund of their equity investment.
- The Board President signed bank forms giving the Co-managers authorization to access the Co-op accounts and write checks.
- The Board President signed a letter authorizing the Co-managers the ability to have keys made for the Co-op.
- The Board President signed a document giving the Co-managers the authority to modify insurance coverage as needed.

SAMPLE

General Manager Monitoring Report Compliance  
for Monitoring under Policy D4. Monitoring General Manager Performance

Jan 2015 to Dec 2015

Policy Name	Scheduled Date of Monitoring	Actual Date of Monitoring	Reports Submitted on Time?	Evaluation of Monitoring Reports			If No, Indicate Severity	Action Taken	Comments
				Reasonable Interpretation?	Data Provided?	Compliant?*			
Ends	12/1/2015	12/7/2015	Yes	Yes	Yes	5Y/0N			The manager was recognized for the high quality data included in the report.
Global L. Global Executive Constraint							Minimal Impact	None	Referred to L3 and L7
L1. Member Service and Value							Minimal Impact		
L2. Treatment of Staff							Minimal Impact	None	GM explained missed review of short-term employee
L3. Compensation and Benefits							Minimal Impact	None	The co-op did not provide health insurance to all eligible employees on time
L4. Treatment of Members									
L5. Financial Condition							Minimal Impact	Accepted with consequences: Board heard managers plan to correct item L5.6 and requested written update on L5.6 next month.	L5.6 Not timely on two bills; L5.8 Late on first sales tax filing
								None	L5.6 Paid 7.26 in late fees this month
L6. Budgeting/Financial Planning									
L7. Asset Protection								Accepted with acknowledgement of non-compliance. The Board accepted the manager's detailed plan for compliance.	L7.5 was adopted in January this year. By February, the GM has not completed the necessary steps to reach compliance.
L8. Communication and Counsel to SC								Accepted with consequences. Board requested additional monitoring in December.	L8.1 Provided a few meeting packets a few days before meeting
L9. Executive Succession									

\*NOTE: Compliance measured by each subcategory of the policy (eg. 4Y/1N = 4 sub-policies compliant, 1 not compliant)

**We report compliance with all parts of this policy.**

We certify that the information contained in this report and attachments is true.

Signed \_\_\_\_\_, Co-General Manager

Signed \_\_\_\_\_, Co-General Manager

Attachment: Board Administrator Job Description

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The General Manager will not allow the Board to have inadequate logistical support.

**Interpretation:**

The GM is in charge of providing administrative assistance to the Board in order to ensure that directors can concentrate on their governance role. Maintaining this support is the responsibility of the GM even when further delegation occurs.

The GM will not:

1. Provide for insufficient staff administration to support governance activities and Board communication. (Proposed sub-policy)

**Interpretation:**

In order to achieve this logistical support the GM may appoint/hire one co-op employee to be designated as a Board Administrator. Though this employee will serve the needs of the board, he or she will be supervised solely by the GM and may have other duties outside of its board support role.

**Operational Definitions:**

- One co-op employee will act as Board Administrator.
- Working cooperatively with the Board President and Secretary, the GM will affirm that administrative support is sufficient.
- The GM will be the primary supervisor and evaluator of the Board Administrator.
- All wages for the Board Administrator will be part of the annual Board budget.
- The Board Administrator will be responsible for maintenance and distribution of all correspondence, reports, minutes and archives for the Board, and disseminate as appropriate, to the broader cooperative membership.

**Data:**

- *At the request of the Board, a Board Administrator position was created collaboratively with the Board and GM in February 2015, and posted both internally and externally on March 7, 2015.*
- Immediately following the hire of this position, the Board Administrator will commence fulfilling all of the duties and obligations of the job as referenced here is this B8 monitoring report. (See attached Job Description)

- The sample table below will show the results of a board survey to be used as an evaluation/performance tool to demonstrate satisfactory results. This survey will be created using *SurveyMonkey* and conducted in August 2015.

<b>Board Administrator job duties and responsibilities for “sufficient governance support”</b>	Board President	Board Secretary
Administrative support provided to Board President and Secretary on Board related matters (including research and correspondence)		
Materials coordinated, compiled and disseminated for the Board so it is prepared for meetings and retreats		
Draft meeting minutes, policies and bylaws provided		
Logistics arranged for board meetings, retreats and Annual Meeting		
Board calendar, task lists and other organizing tools maintained as needed		
Information located and compiled for Board as requested		
Reports and correspondence composed for Board as requested		
Board records and archives maintained, including approved minutes, Bylaws and affected documents		
Minutes, board activities, events and any supporting documents posted to the website in a timely manner		
Overall performance is supportive of Board activities		

2. Allow Board Members to be without an updated copy of the Policy Manual and the Bylaws.

**Interpretation:**

The GM is responsible for ensuring that board members have access to the current Fiddleheads Co-op Policy Manual and Bylaws when they become board members and access to any updates in a timely manner.

**Operational Definitions:**

- New directors will receive a board notebook containing a paper copy of the current Policy Manual and Bylaws before their first official board meeting.
- All directors will receive a paper copy of any revised policies in the next board packet following approval of the revision.
- The most current Policy Manual and Bylaws will be posted on the co-op website.

**Data:**

- Directors who joined the board this year

Director	1 <sup>st</sup> official meeting	Date of receipt of board notebook
Lisa Cygan	02/17/15	Previous board member

- Updated policies provided in board packets: None. (No policies have been modified during this reporting period.)
- On the board page of the co-op’s website you will find the Policy Manual (rev. 01/06/14) and the Bylaws (rev. 03/18/2014).

3. Provide inadequate information and notice to members concerning Board actions, meetings, activities and events.

**Interpretation:**

Co-op members should have easy access, through multiple sources, to information about their elected board.

**Operational Definitions:**

- Names and contact information of all current directors will be posted on a Co-op Information board as well as on the board web page.
- Notice of all board meetings will be posted on the Co-op Information board, on the board web page, in the weekly Eblast and in the monthly electronic newsletter.
- Notice of the annual member meeting will be posted, in the weekly Eblast, on the Co-op Information board, on the board web page, and in the monthly electronic newsletter.
- A copy of the Policy Manual will be kept in a “Governance Binder” in the Membership Services area and on the web page.
- Copies of approved board meeting minutes will be kept in the Governance Binder and on the board web page.
- The agenda for the upcoming board meeting will be posted on the board web page and in the Governance Binder the same day the board packets are distributed to directors.
- Notice of board elections will be posted on the Co-op Information board, on the board web page and in the newsletter beginning 1 month before the election.

**Data:**

- Most recent updates:

	Web Page	Weekly Eblast	*Co-op Info Board	Newsletter	Governance Binder
Director names and contact info	03/09/15	NA	NA	Monthly	NA
Board Meeting Notice	perennial	perennial	NA	perennial	NA
Annual Meeting Notice	02/17/15	03/15/15	NA	04/01/15	NA
Policy Manual	03/01/15	NA	NA	NA	03/09/15
Approved Minutes	03/06/15	NA	NA	NA	03/09/15
Board Meeting Agenda	NA	NA	NA	NA	03/09/15
Board Election Notice	NA	04/01/15 - 05/05/15	NA	04/01/15	NA

*\* NOTE: All board related information for the Co-op Information Board will be posted once the Board Administrator is in place.*

4. Allow insufficient archiving of board documents.

**Interpretation:**

The GM will ensure that there is a secure and safe location for storing and archiving all board documents.

**Data:**

- There is a locked file cabinet at the Co-op in the administrative offices space to be used solely for storing and archiving all board documents.
- Only the Board Administrator and Board President will have keys to this file cabinet.
- The board section of the Co-op website has a secure login and password in order to store all its documents.
- The Board Administrator will have a personal login and password for computer space where he or she can maintain backups of and archive all board related documents, files and correspondence.

## Three Questions

### **What challenges and surprises have come up for you in your new position?**

Our biggest surprise was being in these new positions. We've grown and developed in these positions by having numerous challenges. The challenges that we will focus on are the Monitoring Reports and Staff Morale. We have found Monitoring Reports to be learning tools which help to clarify our roles and responsibilities. The challenge has been the development of standard operating procedures, data streams and databases to support the reporting statements.

Staff Morale was down as we stepped into our roles. The first few months were particularly difficult since there were so many unknowns.

### **How are you dealing with them?**

Re: Monitoring Reports

We are using the CBLD Library for models as we develop our Monitoring Reports. We are using consultants within and outside of our co-op. We have contacted folks like Jeannie Wells and Mel Braverman of CDS for particular questions. We have used the expertise of Ed DeMuzzio for help with financial reporting. We have also visited the Willimantic Food Co-op to discuss reporting, etc.

Of most importance was the development of an evergreen strategic plan. This flexible plan will help develop the data streams and standard operating procedures we will need to support our Monitoring Reports. This is the first year that an attempt at a strategic plan was made so we expect it to go through many revisions as we refine it for timing, practicality and doability.

Re: Staff Morale

We took deliberate steps to empower staff and increase their participation in the overall work of Fiddleheads with the expectation of accountability for those empowering responsibilities.

Some of the steps were:

- Staff Meetings planned with any staff member who chose to participate
- Department Strategic Plans that fit with the overall Strategic Plan
- Advertisement support especially in the development of radio ads and sales flyers
- Staff Updates
- Grievance Procedures set in place
- Sexual Harassment Workshops

### **How's it going with building all your new relationships on behalf of the co-op?**

This is going very well. Kristin and Sheila have worked at the Co-op as Working Owners or Employees for many years. This has given us an advantage. We are greeted by name in the store and are networked in the community. We have initiated new contacts with regional and national co-ops and cooperative organizations. This is always gratifying since information sharing is graciously given. We have had conversations with folks at NCG and NCG-DC. We have an ongoing relationship with Erbin Crowell and Bonnie Hudspeth of NFCA. Kristin will be meeting with GMs from Greenfield Co-op and Putney Coop on March 10. We have recently visited South County Food Co-op (formerly Alternative Food Co-op). They welcomed all 6 of us! Although smaller in size and income, we all came away with new learnings. Kristin has become our liaison with New London County Food Hub and has been asked to be on their Steering Committee. We will continue to develop new relationships this year by attending events sponsored by the Southeastern Connecticut Chamber of Commerce, Local First, community organizations, educational institutions and grocery sector organizations.



## **Proposal for Member-Owner Communication Task Force**

Carolyn Wilson

**Goal:** To increase board visibility among member-owners and create opportunities for interaction and communication. Will work closely with co-managers and outreach team.

**Objectives:** Publicize our ends policies, create a video that tells our story, educate member-owners on the cooperative principles, the 4 pillars, and highlight the benefits of shopping at Fiddleheads vs. another grocery store.

### **Possible ideas:**

- Create opportunities for interaction/communication: tabling during indoor market, newsletter, e-blast, member-owner party, membership drive, table at annual meeting, promote food access and wooden nickel with press release!
- Video: contract with a member-owner, staff or local college students with skills in exchange for a discount and a gift card. If this happens in time we could launch it at annual meeting. Member testimonials.
- Ends: promotional items, postcard mailing, commercial, sponsored Facebook postings
- Principals/4 pillars: packets: CBLD video viewing party, handouts, brochure
- Why shop co-op? Why Fiddleheads and not another natural foods market? Why not target? T Shirts, bumper sticker, commercial, mural/board with fiddleheads shaped paper, like they do in grocery stores for certain diseases (write your reasons for shopping at fiddleheads—get wooden nickel).



# Governance Investment

The Board Budget for 2015

A Process Proposal - 2Mar15

## Critical Decisions

1. **What do we want to accomplish?** Proposed by Governance Committee
  - a. What did we learn from last year?
  - b. What do we want to accomplish that costs money
2. **What funds are required for these goals?** Proposed by Treasurer
  - a. How much do those things cost?
  - b. What is our total cap? How does that compare?
3. **When will we approve our budget?** Proposed by Treasurer
  - a. Use the standard CoCoFiSt chart of accounts
4. **Who will create the budget?** Treasurer with Governance Committee
5. **How will we evaluate our budget performance?**
  - a. Compare goals vs. outcomes
  - b. Use CoCoFiSt data when possible
  - c. Was it worth it?

## Calendar

### August

Review the Governance Investment Policy C8 (change from February)

### September

Treasurer proposed the next year's board budget  
Board Budget approved and submitted to GM

### October

Review forecasted actual vs. budget performance  
Approve goals proposal from Governance Committee

### November

Approve overall coop budget which includes a Governance Section

### February

Board received and reviews board budget performance for past year.



## Project Plan for Fiddleheads Co-Manager Eval and Coaching

Stage	Objective	Co-Manager Role	Board Role	Deadline
1.	Implement evaluation of the business: financial and organizational systems	Support	Lead	
2.	Move ahead with obtaining a coach/consultant	Lead	Support	March 20, 2015
3.	Review budget to find funding for coach/consultant	Lead		March 20, 2015
4.	Obtain evaluation findings = What are strengths? What are areas for development? Prepare a Board presentation of findings.	Lead		
5.	Report evaluation findings to Board	Lead		April Board Meeting
6.	Reach agreement with Board on areas for development = goals for coaching/consulting	Support	Lead	April Board Meeting
7.	Proceed with coaching/consulting. Work the Plan to close gaps and develop a strategic long-term plan.	Lead	Support	April Board Meeting
8.	6-month (was June) evaluation of Co-Managers What are the areas of growth/development? Impact? What are remaining areas of development? Impact?	Support	Board with Co-Managers	July Board Meeting



# Building a Strong Top Leadership Team:

## *Creating and maintaining a healthy board-GM relationship*

BY MICHAEL HEALY

In many co-ops, the manager and board of directors function effectively as a leadership team. Along with having systems and structures in place that support and encourage healthy personal and professional relationships, a key element in each of these high-functioning teams is a general manager (GM) who has accepted responsibility for strengthening the board-GM relationship.

Through interviews with a number of managers who have healthy professional relationships with their boards, I found that they employ a surprisingly consistent set of skills, tools, and techniques for this part of their job. They each begin with a deeply held belief that democratic control, and thus an effective board of directors, matters. As servant-leaders within the cooperative, they use that belief as the foundation for their intention to strengthen their relationship with the board.

### **Honest and proactive communications**

Communication is a critical component of all functional teams. GMs who have good relationships with their boards commit to honesty. Each manager I spoke with highlighted their inclination to make sure the board hears what Molly Langley of Sioux Falls Co-op describes as “the good, the bad, and the ugly.” In particular, these managers make the effort to ensure their board hears bad (or just hard) news directly from the GM first.

Several of the managers I spoke with echoed the “no surprises” mantra. Rochelle Prunty of River Valley Market says, “I do everything I can not to let the board be surprised by information. If I see something coming, I want to let them know it’s coming—and I want them to know I’m working on it.” Jim Ashby of Bellingham Cooperative says, “Are some directors likely to hear about this from their friends? I’d rather they hear it from me. And I never want them to be surprised or embarrassed by something in public.”

### **Accountability**

The board delegates authority to a GM so that the GM can then effectively manage a successful co-op and make a positive impact in

the community. The manager’s job is to show the board that he or she understands what the board wants, and then to be accountable to the board for how the co-op is achieving the board-determined goals. Managers use written reports as a primary tool to demonstrate accountability. Good monitoring reports—meaning reports that are accurate and include the right amount of relevant data—are a proven component of good board-manager relationships. A number of the managers I spoke with have found that the

**Managers who have healthy professional relationships with their boards employ a surprisingly consistent set of skills, tools, and techniques for this part of their job.**

reporting templates in the CBLD Library (Cooperative Board Leadership Development Library: [www.cdscollaborative.org/cbldlibrary](http://www.cdscollaborative.org/cbldlibrary)) help build a strong and well-informed leadership team.

In addition to reporting on policy, GMs with good board relationships use a regular (at least monthly) informational report as another opportunity to nurture that relationship. Steve Watts of Los Alamos Co-op sends the same update to his board that he sends to his management team. All managers can and should see that they are part of a leadership team, and that they have a responsibility to ensure that the team has important, relevant information that helps those leaders understand the state of their co-op—information that can help the board make smart decisions.

### **Supporting strategic leadership**

Along with providing informational updates and policy monitoring reports that include current information, GMs with a commitment to supporting the board’s strategic leadership work also provide other information: industry and market context information, data about the co-op’s historical trends, and business plans that show how projected growth and change connect

to the co-op’s Ends or mission.

At River Valley Market, Prunty’s monthly reports always include one or more charts showing historical trends for data that is particularly relevant to the board’s work. In addition, Prunty and her board have used retreats as an opportunity to make sure that the board understands management’s thinking about the future business needs and direction, and to make sure that the board and management are aligned with operational plans and the board’s role in setting direction and supporting movement in that direction.

### **Participating in board meetings**

Managers can and should approach board meetings in a way that both strengthens the board-GM team and supports accountable empowerment. Michael Faber of Monadnock Co-op says, “I am definitely an active participant in the conversation. I will tell the board what I think is best for the co-op and why. But I also accept that the board has authority.” Rita York Hennecke of The Merc goes into board meetings with these thoughts in mind: “I’m going to be helpful. They’re my boss, but I have the most institutional knowledge.”

Managers can initiate or encourage expanded participation in at least some board conversations. Bringing other members of the management team into relevant parts of board meetings and board retreats helps the board members develop a deeper understanding of the business and helps other managers develop a deeper understanding of the board’s perspective and role. GMs can work to keep the conversation safe by regularly reminding all involved concerning who has authority for various decisions. Finance managers can help answer questions about the ongoing financial conditions and the planned budgets; human resources managers can help answer staff-related questions.

Several GMs emphasized that, while they actively participate in board conversations, they also work not to respond to every statement or question that directors may raise; they recognize that it’s often more valuable for the board’s development to have directors engage in the conversation with each other. Managing a balanced participation in the conversation is one ►



◀ key element of maintaining a healthy team dynamic.

Managers demonstrate a commitment to the growth of the board-GM team and of individual directors by working to listen to the opinions and questions of individual directors without taking those opinions and questions as a personal affront or as a voice of authority. By listening carefully for what a director may be expressing, the manager can then respond with his or her own professional opinion, insights, and clarifying questions. In this way, the manager demonstrates that she or he does value the contributions of individual directors and is committed to ensuring the board as a whole has the best information available in order to make the best decisions possible.

### Between board meetings

Regular communication and contact go a long way toward strengthening relationships. A typical pattern for boards and managers that work well as a team is for the GM to meet with the board president at least once between board meetings. These regular check-ins offer the opportunity to think and plan together about the confluence of board and operational work, as well as to build a professional relationship between two individuals who have special servant-leadership roles within the co-op.

Prunty, whose board prefers including all officers in this monthly meeting, sometimes uses this as an opportunity to introduce new ideas or concerns; the group together can then decide the best way to bring this new information to the whole board.

### Recruiting and orienting directors

Several of the managers I spoke with highlighted their role in the board recruitment process. They take great care not to exert undue influence in a way that is self-serving, because each of them begins with that commitment to democratic control. Yet they recognize that a strong board is important for the cooperative, and their active participation can help ensure the members have ballots populated with well-qualified directors. Even though the primary motive is not self-serving, these GMs understand that it's easier to have a good relationship with the board when that board is comprised of good directors.

At Bellingham, Ashby offers this perspective: "I don't actively recruit, but I do participate in identifying what kind of candidates we want." Taking this notion one step further, The Merc's Hennecke adds that she will reach out and encourage directors who might be a good board president.

Once directors are elected, the GM can immediately help usher the team through the forming stage and into the performing stage of development by participating in the orientation. (See "Building a Positive Board Performance Culture" in the CBLD Library.) Take the time to get to know new directors, and share some of the co-op's history. Explain how the business works, how you provide information to the board, and how you want the relationship to work. This relatively small investment of time can pay big dividends.

### Supporting the board

As Monadnock Co-op GM, Faber emphasizes the importance of reaching out to directors for their input and insights. Role clarity is an important ingredient of a healthy board-GM relationship, so he makes sure to remind everyone that, when asking for input, he is not asking the board to make the decision. But this is a way to demonstrate that the board and manager together are a team, and that the GM respects directors as individuals and values their insights and wisdom.

GMs can work to keep the conversation safe by regularly reminding all involved concerning who has authority for various decisions.

Healthy relationships are reciprocal; managers who want boards to support them also support their board. This support takes a number of common concrete forms. At well-established co-ops, managers can ensure that the board has professional administrative support—a person (or persons) who can do everything from taking minutes, to compiling and distributing meeting packets, to arranging logistics for board retreats, and more. Ashby notes that Bellingham has approximately one full-time equivalent position devoted to board support.

Managers can encourage the board to invest in training and education. A responsible board might rightfully hesitate to use co-op resources; a responsive manager can help the board see that spending money in this way benefits not only the current directors, but also the entire cooperative, now and into the future. Managers who encourage this sort of ongoing training find that they themselves benefit from a professionalized board. Directors who aren't expected to scramble to do all the administrative

work required for the board to function have the capacity to contribute to the team's strategic leadership work.

Appreciation is another area ripe for reciprocity. Good managers know that it's important to appreciate the efforts of the co-op board as much as it is to appreciate the efforts of employees. Faber brings to life his intention to create a culture of appreciation by looking for opportunities to say thank you to the board for their ongoing efforts, as well as to individual directors for a helpful insight or a thought-provoking question. Along with thanking the board, managers who nurture this relationship also take great care to avoid saying anything negative about the board and to find opportunities to appreciate the board when speaking to staff, co-op members, or the public.

### Summary

In physics class long ago, I learned that systems tend toward entropy unless someone or something puts energy into the system. Boards need someone to put energy into helping the board function well, and the managers I spoke with all assert that they understand this as part of their job. Managers with a productive relationship with their board take responsibility not for managing the board, but for managing the relationship. They ask themselves: "What kind of relationship do I want?" They then work to manage for what they want. As Ashby notes, "It's worth the work."

The Four Pillars of Cooperative Governance model helps us see that everyone in the cooperative has some role in the co-op's governance. Responsible managers understand their governance role. They approach this role, and specifically their relationship with their boards, systematically by attending to each of the four pillars: teaming, accountable empowerment, strategic leadership, and democracy. (See *Cooperative Grocer* #170 and #171, Jan.-Feb. 2014 and March-April 2014.)

Managers should manage this critical relationship conscientiously. Our cooperatives depend on the ability of elected lay boards to hire professional managers who can make things happen and on the ability of those managers to understand the will and values of the members as expressed through the elected board. Cooperatives are simultaneously associations and enterprises. Hennecke describes a fundamental understanding she brings to her role: a strong board-GM team becomes a foundation that can then support a thriving association and a successful enterprise. ■



# KAPATOES INSURANCE SERVICES, LLC

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2374 Post Road Suite 203  
Warwick, RI 02886

800 Village Walk #251  
Guilford, CT 06437

725 Primera Blvd  
Lake Mary, FL 32746

Dane Meisler- Vice President of Marketing  
dane@kisllc.com

Toll Free Phone: 888-467-3330 ext. 105

Toll Free Fax: 888-453-5755

Company Name: FIDDLEHEADS NATURAL FOODS COOP

Date: 03/09/2015

Re: Current Insurance

Hello,

Hope this finds you doing well! Per Kristin's request I am putting this letter together to highlight our findings in regards to the policies that were being carried by the Coop, policies we have issued on behalf of the coop and what we're looking to accomplish moving forward. The Coop currently carries 3 different insurance policies; Property/Liability, Workers Compensation and Directors & Officers.

- 1) As of today we have only place the Workers Compensation policy for the Coop effective 2/1/15 with AmTrust North America an A Rated Excellent carrier. Not only did they carry a less expensive rate for the Coops' employee classifications but with the help of Kristin we have updated the estimate of payroll to a much more appropriate level which should help alleviate any substantial audited premium at time of audit Feb 2016. Coupled with the rate savings and estimate increase, we also increased the limits for the Workers Compensation policy. The old policy with Guard that expired 2/1/15 was carrying limits of \$100k/\$500k/\$100k. ( each accident/policy limit/each employee\*) The Current AmTrust policy carries \$500k/\$500k/\$500k so a significant increase to the each accident and each employee limit
- 2) We did submit a quote for Directors & Officers which Susan and I both worked collectively on with Kristin. That quote was not only set to cover the D&O portion up to \$1,00,000 but Employment Practices Liability up to \$1,000,000. Unfortunately given the ongoing incident that quote needed to be updated and then was declined due to an ongoing situation. Most insurance carriers who offer D&O do not wish to offer coverage while you have an ongoing but I am working with 3 carriers that are going to release a quote to cover both D&O and EPLI which in our opinion is an imperative coverage. As I have mentioned to Kristin and Susan, we insure close to 150 Coops Nationwide and write the D&O policy for all of them. Out of all our D&O policies where the Coop currently has employees, every one of them carries EPLI coverage. I hope to have these quotes finalized for the boards review this week

3) Property/Liability policy- this is the only policy that we will not place for the Coop until the renewal comes up in October. Unfortunately again, with the losses and proximity to the coast we were unable to get the Coop into our Exclusive Program when originally quoted. However, our Program underwriter is willing to look at this policy again for us when it comes up for renewal in October. Kristin did send me over the current policy pages and I was able to review. We do not want to get in a habit of speaking on behalf of other agents and the policies they have placed so I only wanted to highlight one particular coverage that I thought might be on the low side. The spoilage limit. This is the coverage and limit we see most utilize for our stores nationwide. For example, power goes out due to storm or equipment breaks down and causes the product to spoil. I believe this limit was only set at \$10,000 which seemed low for the Coops size. Would \$10k cover all the product you have in produce cases, coolers, freezer, etc? If you were to be without power for a few days and lost all product that could spoil, what would that cost. That's what you want to look at with the current carrier and see if that can be amended and raised. All the other coverage were pretty standard for this particular policy type, from the general liability limits to the coverage enhancements. The coverage form has several coverages we would want to see for the Coop and do currently carry on our Program policies. There are several areas we would look to increase coverage for the Coop but that would only be available if the Program is willing to offer terms this October. I will be sure to highlight all of those to Kristin at time of quoting which we'll look to get started sometime in July.

Thank you very much for the opportunity to work with the Coop again and please let me know if you have any questions in review.

A handwritten signature in black ink, consisting of a large, stylized initial 'D' followed by a long, sweeping horizontal line that tapers to the right.

Dane Meisler



THIS COMMERCIAL INSURANCE PREMIUM FINANCE AND SECURITY AGREEMENT (this "Agreement") is between Insured named below as borrower and BankDirect Capital Finance, a division of Texas Capital Bank, N.A. ("BankDirect") as lender, concerning the financing of the premium(s) for one or more commercial insurance policies listed in the Schedule of Policies below (the "Loan"). The terms of this Agreement are stated below and on all subsequent pages of this document.

<b>Insured / Borrower ("Insured") Name &amp; Business Address (as stated in Policy)</b> Fiddleheads Natural Food Cooperative 13 Broad St New London, CT 06320  Telephone Number: 860-701-9123    Taxpayer ID #: XXXXX0069	<b>Insured's Agent or Broker ("Agent") Name &amp; Business Address</b> KAPATOES INSURANCE SERVICES, LLC 800 Village Walk Ste #251 Guilford, CT 06437  Telephone Number: (203) 453-0392    Agency Code: 211706
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**SCHEDULE OF POLICIES (each, a "Policy")**

Policy Prefix and Number	Effective Date of Policy MM/DD/YY	Name & City of Insurance Company and Name & City of General or Policy Issuing Agent or Company Office	Type of Coverage	Policy Subject to Audit (✓)	Policy Term in Months Covered	Min Eamed Prem %	Days to Cancel	Short Rate (✓)	Premium Amounts
	3/10/2015	ACE Fire Underwriters Ins Co The Keating Group 144 Turnpike Road Suite 150 Southborough, MA 01772	DIRECTORS & OFFICERS		12	25%	30	✓	Premium: \$3,800.00 Policy Fee: \$0.00 Broker Fee: \$0.00 Tax/Stamp: \$0.00 Inspection: \$0.00

*Additional Policies are listed on the attached Schedule of Policies*

**TOTAL PREMIUMS** \$3,800.00

TOTAL PREMIUMS	DOWN PAYMENT	UNPAID PREMIUM BALANCE	FLORIDA DOC STAMP TAX <small>Applicable in Florida only</small>	AMOUNT FINANCED <small>Amount of Loan provided to or on behalf of Insured</small>	FINANCE CHARGE <small>The dollar amount of interest the Loan will cost over the term of the Loan</small>	TOTAL OF PAYMENTS <small>Amount of interest and principal which will have been paid on the Loan after making all scheduled Loan payments</small>	ANNUAL PERCENTAGE INTEREST RATE <small>The cost of interest on the Loan as a yearly percentage rate.</small>
\$3,800.00	\$950.00	\$2,850.00	\$0.00	\$2,850.00	\$92.82	\$2,942.82	7.75%

<b>Payment Schedule:</b> The Loan payment schedule will be:	<b>Number of Loan Payments</b>	<b>Amount of Each Loan Payment*</b>	<b>When Loan Payments are Due ("Due Dates")</b>	
	9	\$326.98	<b>First Due Date</b>	<b>Subsequent Monthly Due Dates**</b>
			4/10/2015	10th

\*Non-payment of the Loan may result in cancellation of any Policy. \*\*Subsequent payments are due on the same day of each succeeding period until paid in full.

**Prepayment:** Insured may prepay the outstanding principal balance of the Loan in full at any time. If Insured prepays the Loan in full, Insured will receive a refund of the unearned finance charge, calculated according to the Rule of 78's or the actuarial method as provided by applicable law. Minimum refund is \$1.

**Security Interest:** Insured assigns and grants a security interest to BankDirect as security for payment of all amounts payable under this Agreement, in all of Insured's right, title and interest in and to each Policy and all amounts which are or may become payable to Insured under or with reference to the Policies including, among other things, any gross unearned premiums, dividend payments, and all payments on account of loss which results in reduction of any unearned premium in accordance with the term(s) of said Policies.

**Delinquency Charge:** Insured agrees to pay a delinquency charge to BankDirect on any payment required to be made by Insured hereunder which is not received by BankDirect within five (5) days of its due date, unless a longer period is specified under applicable law, in which case the delinquency charge will be imposed on any payment not received by BankDirect within this longer period. The delinquency charge will be the lesser of: (1) 5% of the overdue amount; or (2) the maximum delinquency charge allowed by applicable law.

**Cancellation Charge:** If a default results in cancellation of a Policy, Insured agrees to pay a cancellation charge of \$25 or the maximum amount permitted by applicable law.

**IMPORTANT INFORMATION ABOUT YOUR LOAN:** To help the Federal government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies the Insured. We will require such information as we deem reasonably necessary to allow us to properly identify you, such as your name, address and Taxpayer ID # (TIN).

**NOTICE TO INSURED:** 1. DO NOT SIGN THIS AGREEMENT UNTIL YOU READ ALL PAGES OF THE AGREEMENT AND FILL IN ANY BLANK SPACES. 2. YOU ARE ENTITLED TO A COMPLETELY FILLED IN COPY OF THIS AGREEMENT. 3. YOU UNDERSTAND AND HAVE RECEIVED A COPY OF THIS AGREEMENT, KEEP IT TO PROTECT YOUR LEGAL RIGHTS. 4. UNDER THE LAW, YOU HAVE THE RIGHT TO PAY OFF IN ADVANCE THE FULL AMOUNT DUE AND UNDER CERTAIN CONDITIONS TO OBTAIN A PARTIAL REFUND OF THE FINANCE CHARGE. 5. SEE ADDITIONAL PAGES FOR IMPORTANT INFORMATION.

**REPRESENTATIONS AND WARRANTIES:**

The undersigned Agent and Insured have read the Representations and Warranties on page two of this document, make all such representations and warranties and understand that BankDirect will rely on all such representations and warranties in determining whether or not to accept this Agreement, and agree to be bound by the terms of this Agreement. Insured further acknowledges that upon satisfactory completion of the Agreement, the undersigned Agent may receive a fee from BankDirect for the origination and administration of this Agreement as allowed by applicable law.

All Insureds must sign as named in Policies. If corporation, authorized officers must sign; if partnership, partner must sign as such; signatory acting in representative capacity represents that has authorized this transaction and has authorized signatory to receive all notices hereunder. By signing below Insured agrees to make all payments required by this Agreement and to be bound by all provisions of this Agreement, including those on page two. Insured is not required to enter into an insurance premium financing arrangement as a condition to the purchase of any insurance policy.

\_\_\_\_\_  
 (Signature of Agent)

\_\_\_\_\_  
 (Signature of Insured)

\_\_\_\_\_  
 (Title) (Date)

\_\_\_\_\_  
 (Printed Name & Title) (Date)

**Name of Insured: Fiddleheads Natural Food Cooperative**

Insured (jointly and severally if more than one) agrees as follows:

- 1. Promise to Pay.** In consideration of the payment by BankDirect of the Amount Financed, Insured agrees to pay the Down Payment to the insurance company(ies) listed in the Schedule of Policies, and Insured agrees to pay to the order of BankDirect all of the principal amount of the Loan, all interest thereon and all other amounts payable by Insured hereunder in accordance with the Payment Schedule and the other terms of this Agreement.
- 2. Representations and Warranties.** Insured represents and warrants that: (a) the Policies are in full force and effect; (b) the proceeds of the Loan are to be used to purchase insurance for business or commercial purposes; (c) all information provided herein or in connection with this Agreement is true, correct, complete and not misleading; (d) Insured has no indebtedness to the insurers issuing the Policies; (e) Insured is not insolvent nor presently the subject of any insolvency proceeding; and (f) the person signing this Agreement on behalf of Insured is authorized to do so.
- 3. Power of Attorney.** Insured hereby irrevocably appoints BankDirect as Attorney-in-Fact with full power of substitution and full authority upon the occurrence of an Event of Default (defined below) to (i) effect cancellation of the Policies, (ii) receive any unearned premium or other amounts with respect to the Policies assigned as security herein, (iii) sign any check or draft issued therefore in Insured's name and to direct the insurance companies to make said check or draft payable to BankDirect and (iv) sign any other instrument or document in the name of and on behalf of Insured to effectuate the purposes of this Agreement. Insured agrees that this appointment and authority cannot be revoked and is coupled with an interest and will terminate only after Insured's obligations under this Agreement are paid in full. Insured agrees that proof of mailing any notice hereunder constitutes proof of receipt of such notice.
- 4. Payments Received after Notice of Cancellation.** Insured agrees that any payments made and accepted after a Notice of Cancellation has been sent to any insurance company do not constitute reinstatement or obligate BankDirect to request reinstatement of such insurance Policy(ies), and Insured acknowledges that BankDirect has no authority or duty to reinstate coverage, and that such payments may be applied to Insured's obligations hereunder or under any other agreement with BankDirect, and any such payments will not affect BankDirect's rights or remedies under this Agreement.
- 5. Assignments.** Insured agrees not to assign any rights, interests or obligations under any Policy or this Agreement without the prior written consent of BankDirect, except that BankDirect's consent is not required for the rights or interests of mortgagees and loss payees. BankDirect may assign its rights and interests under this Agreement without Insured's consent, and all rights and interests conferred upon BankDirect under this Agreement shall inure to BankDirect's successors and assigns.
- 6. Insufficient Funds (NSF) Fees.** If an Insured's check or electronic funding is dishonored for any reason, Insured agrees to pay BankDirect a fee equal to \$25 or the maximum amount permitted by applicable law.
- 7. Default.** An Event of Default occurs when: (a) Insured does not pay any installment according to the terms of this Agreement or any other agreement; (b) Insured fails to comply with any of the terms of the Agreement; (c) any of the Policies are cancelled for any reason; (d) Insured or its insurance companies are insolvent or involved in a bankruptcy or similar proceeding as a debtor; (e) premiums increase under any of the Policies and Insured fails to pay such increased premiums within thirty (30) days of the notification; or (f) Insured is in default under any other agreement with BankDirect.
- 8. Rights Upon Default.** If an Event of Default occurs, BankDirect may at its option pursue any and all rights and remedies available, including but not limited to, the following: demand and receive immediate payment of the Loan and any other unpaid amounts due under this Agreement regardless of whether BankDirect has received any refund of unearned premium. BankDirect may take all necessary actions to enforce payment of any unpaid amounts due hereunder. To the extent not prohibited or limited by applicable law, BankDirect is entitled to collection costs and expenses paid or incurred by BankDirect as a result of or in connection with enforcing its rights and remedies under this Agreement and applicable law and to reasonable attorneys' fees if this Agreement is referred to an attorney who is not a salaried employee of BankDirect for collection or enforcement. BankDirect may cancel any or all of the Policies and collect any unearned premiums or other amounts payable under said Policies. Unearned premiums shall be payable to BankDirect only.
- 9. Right of Offset.** BankDirect may offset and deduct from any amounts BankDirect owes to Insured with respect to any Policies financed hereunder, any amounts which Insured owes to BankDirect under this Agreement or any other agreement to the extent permitted by applicable law.

**In connection with the Policies scheduled herein, Agent represents and warrants to BankDirect and its successors and assigns that:**

- 1. Payment.** Agent shall remit all funds received from BankDirect and Insured promptly to the insurance company(ies) issuing the financed policy(ies). Agent shall segregate and hold all payments received by it from Insured or any insurance company listed in the Schedule of Policies with respect to the Loan or this Agreement in trust for BankDirect, shall have no right or interest in any such payments and shall immediately deliver all such payments to BankDirect for application to Insured's obligations hereunder.
- 2. Signatures Genuine.** Insured's signature on both pages of this Agreement is genuine and authorized.
- 3. Authorization By Insured.** If this Agreement has been signed by Agent on behalf of Insured, Agent has been fully authorized to sign this Agreement on behalf of Insured and Insured has authorized this transaction. Agent has given Insured a complete copy of this Agreement.
- 4. Authority of Agent.** For each Policy, Agent signing this Agreement is either the authorized policy-issuing agent of the issuing insurance company(ies) or the broker placing the coverage directly with the issuing insurance company(ies), except as indicated on the Schedule of Policies. The person signing this Agreement on behalf of Agent is authorized to do so. Agent is neither authorized to receive any payments from Insured under this Agreement nor to make any representations to Insured for or on behalf of BankDirect.
- 5. Not Agent of BankDirect.** Agent is not an agent of BankDirect and is not authorized to bind BankDirect and has not made any representation to the contrary.
- 6. Recognition of Assignment.** Agent recognizes the security interest granted in this Agreement, whereby Insured assigns to BankDirect all unearned premiums, dividends and certain loss payments. Upon cancellation of any of the Policies, Agent agrees to pay BankDirect all unearned commissions and unearned premiums upon receipt. If such funds are not remitted to BankDirect within ten (10) days of receipt by Agent, Agent agrees to pay BankDirect interest on such funds at the maximum rate permitted under applicable law. Agent shall not deduct any amounts which Insured owes to Agent from any amounts owing to BankDirect hereunder.

**Total Premiums: \$3,800.00**

- 10. Finance Charge.** The Finance Charge includes interest on the outstanding principal amount of the Loan. The Finance Charge is computed using a 365-day year. Interest on the Loan shall accrue from the Effective Date of this Agreement or the earliest policy effective date indicated in the Schedule of Policies, whichever is earlier, and continue to accrue until the Loan is paid in full. If BankDirect terminates this Agreement after an Event of Default, Insured will pay interest on the outstanding principal balance of the Loan at the maximum rate permitted under applicable law from the date of such termination until Insured pays the Loan and all other amounts due under this Agreement in full.
- 11. Additional Premiums.** Insured agrees to promptly pay to each applicable insurance company any additional premiums due on any Policy.
- 12. Agent.** Agent is not the agent of BankDirect and Agent cannot bind BankDirect in any way. BankDirect is not Agent of any insurer and is not liable for any acts or omissions of any insurer. Agent is the agent of Insured, and Insured acknowledges that it has chosen to do business with Agent and the insurance companies issuing the Policies, and that the insolvency, fraud, defalcation or other action or failure to act by any of them shall not relieve or diminish Insured's obligations to BankDirect hereunder.
- 13. Corrections.** Except if prohibited by applicable law, BankDirect may correct any errors or omissions in this Agreement and if not known or corrected at the time of signature by or for Insured.
- 14. Force or Effect.** This Agreement shall have no force or effect until accepted in writing by BankDirect.
- 15. Limitation of Liability: Claims Against BankDirect.** Neither BANKDIRECT nor its assignee shall be liable for any loss or damage to the Insured by reason of failure of any insurance company to issue or maintain in force any of the Policies or by reason of the exercise by BANKDIRECT or its assignee of the rights conferred herein, including but not limited to BANKDIRECT's exercise of the right of cancellation, except in the event of willful or intentional misconduct by BANKDIRECT.
- 16. Governing Law.** This Agreement is governed by and construed and interpreted in accordance with the laws of the state where BankDirect accepts this Agreement. BankDirect shall, at its option, prosecute any action to enforce its rights and remedies hereunder in the Circuit Court of Cook County, Illinois, and Insured (i) irrevocably waives any objection to such venue and (ii) will honor any order issued by or judgment enforced in such court.
- 17. Miscellaneous.** All rights and remedies in this Agreement are cumulative and not exclusive. If any provision of this Agreement is determined to be invalid or unenforceable under applicable law, the remaining provisions of this Agreement shall continue to be in full force and effect. This Agreement constitutes the entire agreement between BankDirect and Insured with respect to its subject matter and may not be modified except as agreed upon in writing. BankDirect's acceptance of late or partial payments shall not be deemed a waiver by BankDirect of any provisions of this Agreement, and BankDirect is entitled to require Insured to strictly comply with the terms hereof. If any amount contracted for or received by BankDirect hereunder is determined to violate any applicable law, BankDirect may return such prohibited amount to Insured without any further liability therefor or in respect thereof to the fullest extent permitted by law. Any electronic signature or electronic record may be used in the formation of this Agreement, and the signatures of Insured and Agent and the record of this Agreement may be in electronic form (as those terms are used in the Uniform Electronic Transactions Act). A photocopy, a facsimile or other paper or electronic record of this Agreement shall have the same legal effect as a manually signed copy.
- 18. CALIFORNIA RESIDENTS: FOR INFORMATION CONTACT THE DEPARTMENT OF CORPORATIONS, STATE OF CALIFORNIA.** Insured agrees that, in accordance with Section 18608 of the California Financial Code, BankDirect's liability to Insured upon the exercise of BankDirect's authority to cancel the Policies shall be limited to the amount of the principal balance of this loan, except in the event of BankDirect's willful failure to mail the notice of cancellation required under California law.  
**New York Residents:** No charges imposed for obtaining and servicing the financed policies, pursuant to Section 2119 (formerly 129) of the New York Insurance Laws, are financed hereunder unless specified in the Schedule of Policies.

- 7. Down Payment.** The down payment and any other payments due from Insured which Agent has agreed to collect, have been collected from Insured.
- 8. Policies:** (a) are all cancelable by standard short-rate or pro-rata tables; (b) are not audit or reporting form policies or policies subject to retrospective rating, unless so indicated on the Schedule of Policies in this Agreement, and if so indicated, the deposit premiums are not less than the anticipated premiums to be earned for the full term of the Policies; (c) upon cancellation by Insured or BankDirect, do not require advance notice of cancellation to any party, other than any notice required to be given by BankDirect; (d) are in full force and effect and the premiums indicated are correct for the term of the Policies; (e) have not been financed on an installment payment plan provided by the insurance company(ies); (f) are all cancelable policies; (g) are written for a term of at least one year; (h) are not for personal, family or household purposes; and (i) have no exceptions other than those indicated and comply with BankDirect's eligibility requirements. All information in this Agreement pertaining to the Policies is complete and correct.
- 9. Insured:** (a) has not paid for the Policies other than as described in this Agreement; (b) has received a copy of this Agreement; and (c) is not the subject of any proceeding in bankruptcy, receivership or insolvency, or if Insured is the subject of such a proceeding, it is noted on the Agreement in the space in which Insured's name and address is placed. All information in this Agreement pertaining to Insured is complete and correct.
- 10. Miscellaneous.** Agent agrees to indemnify and pay BankDirect for and hold BankDirect harmless from and against any losses, costs, damages, fees and expenses (including reasonable attorneys' fees, court costs and collection costs) paid or incurred by BankDirect or its assignee as a result of or in connection with any untrue or misleading representation or warranty made by Agent hereunder, any breach by Agent of this Agreement, any error committed by Agent in completing or failing to complete any portion of this Agreement, or any violation by Agent of any applicable law. Agent shall promptly notify BankDirect of any unpaid increased premiums for the Policies. This Agreement is a valid and enforceable agreement between BankDirect and Agent and there are no defenses to it.

Policy Title: B1- Financial Condition and Activities

Monitoring Report: Fourth Quarter 2014

*With respect to the actual, ongoing financial conditions and activities, the General Manager shall not cause or allow the development of fiscal jeopardy or material deviation of actual expenditures from Board priorities established in Ends policies.*

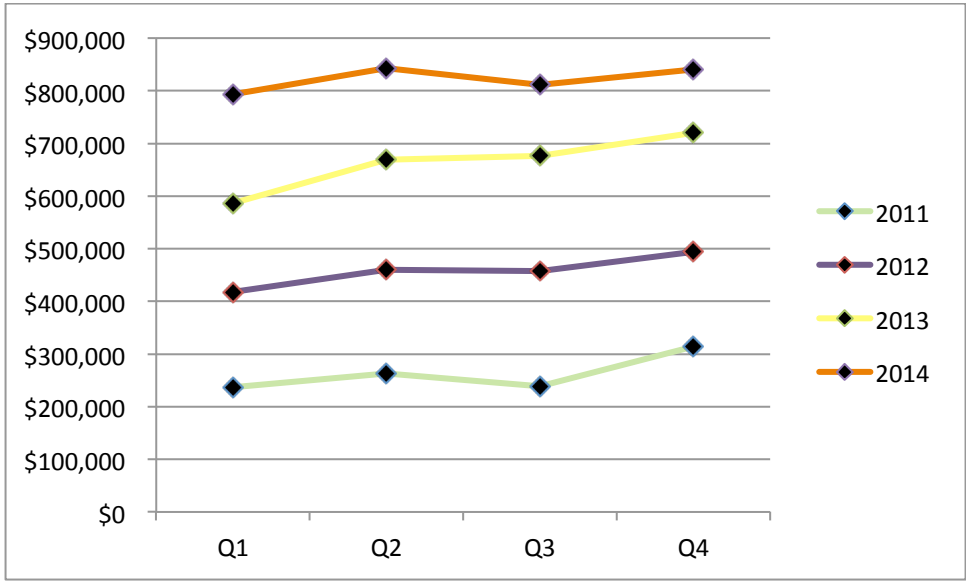
We interpret this to mean that our management of the co-op will be fiscally sound and that we will not create, condone, or allow any financial behavior that would result in financial conditions which would be significantly different from the 2014 budget, would lead to a loss of profitability, would be a fiscal practice which did not reflect GAAP principles, or that could potentially cause the loss of viability of the co-op.

*The GM will not:*

*B.1.1 Allow sales to decline or be stagnant.*

We interpret this to mean that the overall pattern of sales must be better than the previous year. If sales do not show growth there will need to be an explanation that is tied to industry or overall economic conditions that are creating a negative impact much broader than just Fiddleheads Co-op.

<b>Gross Sales</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
First Quarter	\$236,944.23	\$418,023.50	\$586,495.42	\$793,447.29
Second Quarter	\$263,553.01	\$459,504.26	\$669,220.98	\$842,723.54
Third Quarter	\$239,027.15	\$458,239.75	\$676,644.06	\$811,606.99
Fourth Quarter	\$313,921.35	\$494,463.87	\$720,837.87	\$840,180.49
Total	\$1,053,445.74	\$1,830,231.38	\$2,653,198.33	\$3,287,958.31
<b>% Increase</b>				
First Quarter		76.40%	40.30%	35.29%
Second Quarter		74.30%	45.60%	25.94%
Third Quarter		91.70%	47.70%	19.95%
Fourth Quarter		57.50%	45.80%	16.56%
Total		73.70%	44.97%	23.92%



*The GM will not:*

*B.1.2. Allow operations to generate an inadequate net income.*

We interpret this to mean that the GM will see that the sales generate adequate net income to meet the financial obligations of the co-op.

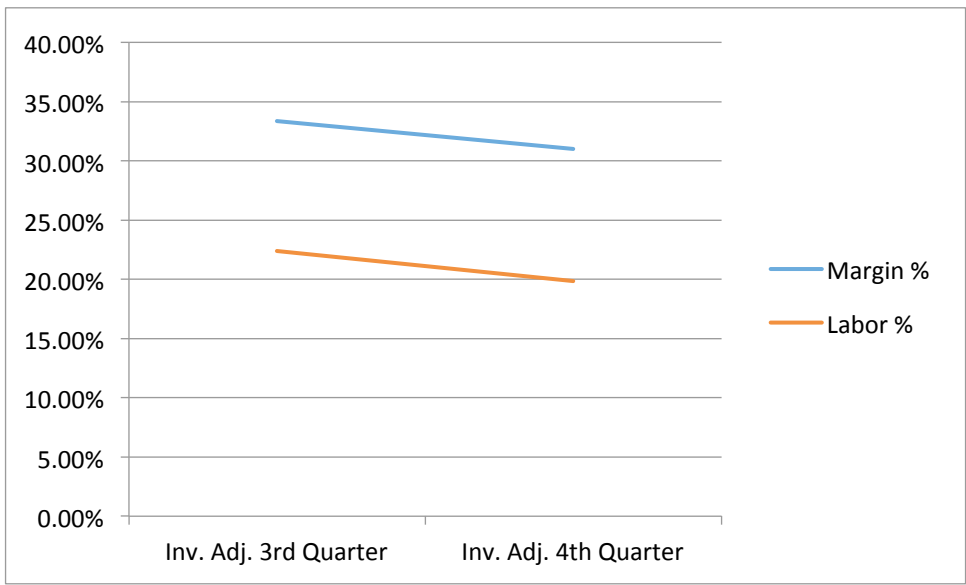
During the 4<sup>th</sup> Quarter of 2014 there was a 16.56% increase in sales over the 4<sup>th</sup> Quarter of 2013.

**Gross Margin** – A measure of income to dollars generated by each dollar of sales.

$$\text{Gross Margin} = 1 - (\text{Cost of Goods} / \text{Gross Sales})$$

**Labor as a per cent of Sales** – A measure of the efficiency of labor dollars

$$\text{Labor as a per cent of Sales} = \text{Gross Labor} / \text{Gross Sales}$$



Note:

The Margin Per Cent for the 4<sup>th</sup> Quarter 2014 before inventory adjustment was 34.26%. Concerned about our Merchandise Inventory, we used the CDS (Cooperative Development Services) resources for Merchandise turnover information. As a result we found there was too much inventory in our Merchandise Department. For December we severely limited spending in that department. This increased our cash flow. Once the 4<sup>th</sup> Quarter margins were inventory adjusted the final Margin Per Cent was 31.01%.

**Margin Minus Labor (MML)** – A measure of how much of every dollar spent in the store is left after paying for the product and the labor associated with the product.  $MML = \text{Gross Margin Per Cent} - \text{Labor as a per cent of Sales}$

	Margin %	Labor %	MML %
Inv. Adj. 3rd Quarter	33.34%	22.37%	10.97%
Inv. Adj. 4th Quarter	31.01%	19.84%	11.17%

The Co-Managers are working toward a 16% MML in FY 2015.

As of this date (February 6<sup>th</sup>, 2015) the 2014 Final Audit is not complete. At this time Fiddleheads is showing a net loss of \$460.17 on the 4<sup>th</sup> Quarter P & L Statement. We recognized some unbudgeted expenses (e.g. legal fees). We took steps to address this including reducing inventory and labor hours.

The December Gross Margin of \$120,804 is the highest Gross Margin that Fiddleheads has achieved in any one month period. This was due to the following factors: strict adherence to Buying Budget, decrease in inventory, Holidays.

The Co-Managers are in compliance with this directive.

*The GM will not:*

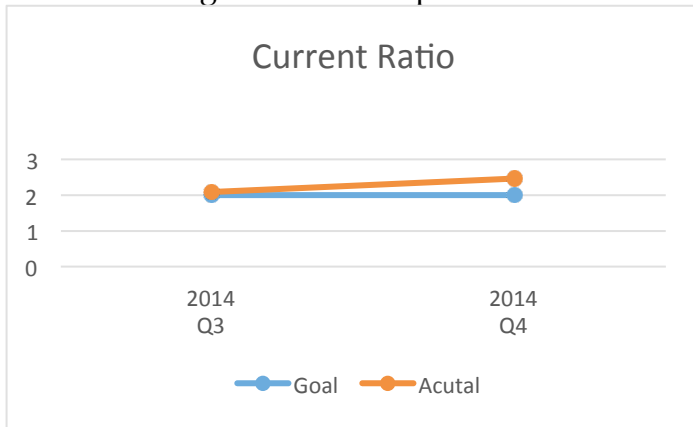
***B.1.3. Allow liquidity (the ability to meet cash needs in a timely and efficient fashion) to be insufficient.***

Current Ratio is a measure of Liquidity. It is defined as the ratio between Current Assets and Current Liabilities.

Current Ratio =  $\frac{\text{Current Assets}}{\text{Current Liabilities}}$

Our Current Ratio is 2.47:1. The standard is 2:1. A higher ratio is better.

The Co-Managers are in compliance with this standard.



**The GM will not:**

***B. 1. 4. Allow solvency (the relationship of debt to assets) to be insufficient.***

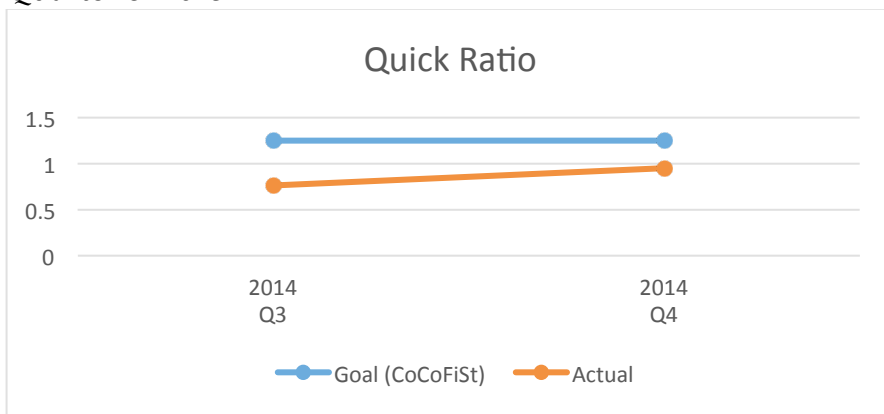
We interpret this to mean that the GM will monitor the relationship of assets and liabilities to make sure that the relationship is a positive one.

Quick Ratio is a measure of Solvency. It is defined as the ratio between Cash and Equivalents and Current Liability

$$\text{Quick Ratio} = \frac{\text{Cash and Equivalents}}{\text{Current Liabilities}}$$

Using the Quick Ratio, our ratio is .95:1, CoCoFiSt has an average of 1.25:1. While our Quick Ratio is a positive ratio, we are working toward a goal of 1.25:1. The Co-Managers are not in compliance with this standard.

We have addressed this by reducing labor expenses. We are also carefully monitoring our cost of goods. We expect to see improvement in the Quick Ratio by the end of the 1<sup>st</sup> Quarter of 2015.



**The GM will not:**

***B.1. 5 Incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.***

We interpret this to mean that we will stay within overall budget guidelines and that if adjustments need to be made that those changes will be communicated and explained to the Board of Directors. In the course of doing regular business if equipment fails and needs to be replaced, the GM will do so in a prudent manner and keep the Board of Directors aware of such changes. It will also be the responsibility of the GM to make changes in any insurance, tax, or loan arrangements required with the replacement of equipment.

The Co-Managers are in compliance with this directive.

*The GM will not:*

*B.1.6. Acquire, encumber or dispose of real estate.*

We interpret this to mean exactly what it says. We are not to take part in any real estate transactions in the name of the co-op.

We have not purchased or disposed of any real estate in the name of the co-op.

The Co-Managers are in compliance with this directive.

*The GM will not:*

*B.1.7. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.*

We interpret this to mean that all tax obligations will be met on time.

Fiddleheads made sales tax payments of \$9454.39 during the fourth quarter of 2014

Sales taxes are always paid the day before they are due.

A total of \$36,469 in payroll taxes was paid during the fourth quarter of 2014. Payroll taxes are paid automatically by our payroll services company, CSC Paymaster.

The Co-Managers are in compliance with this directive.

*The GM will not:*

*B. 1. 8. Allow late payment of contracts payroll, loans or other financial obligations.*

We interpret this to mean that the GM will establish procedures which assure that payroll is prepared and distributed on time, that loan payments are made and that all other bills for operations, equipment, and product are paid in a timely manner. Our procedures are established and operating in such a way that our obligations are met on time.

We have a total of 518 vendors in our data base and approximately 240 are active. We process about 340 invoices per month or 4,080 annually. Over the past year we have had an

estimated 14 payments that were reported as being late by the vendor. Therefore, our on-time payment rate is 99.65%.

Our payroll is processed bi-weekly by CSC Paymaster. All federal and state taxes are paid by them and charged to our payroll account. We have never had any late payments reported.

The Co-Managers are in compliance with this directive.

*The GM will not:*

***B. 1.9. Use restricted funds for any purpose other than that required by the restriction.***

We interpret this to mean that any restricted funds which are set aside or established for a particular purpose need to be spent only for that purpose.

The only restricted funds we had were for the refrigeration projects.

Fiddleheads used the refrigeration fund to pay for the refrigeration projects that included installation of a new produce cooler and a 'Coolbot' bulk cooler. This account is now closed and there are no more restricted funds at this time.

The Co-Managers are in compliance with this directive.

*The GM will not:*

***B.1.10 Allow financial record keeping systems to be inadequate or out of conformity with Generally Accepted Accounting Principles (GAAP).***

We interpret this to mean that financial records will be kept in a professional manner and use the GAAP to prepare our records.

Our accounting process uses GAAP. Our 2014 Annual Report will be GAAP compliant.

According to the July 19, 2013 Audit, copy attached, there were 6 statements indicating GAAP Compliance. The first statement indicated the only "exception to the presentation of the Financials was that depreciation was being recorded by the income tax basis". It is our understanding that the 2013 Financials, copy attached, were prepared on the Income Tax Basis and there would be another audit for 2014. The 2014 audit will include 2 sets of financials, one GAAP compliant and the other on the Income Tax Basis. The Tax Basis Financials will be used by the accountant to prepare both the Federal and State Tax Returns. The audit will also be used for our application to NCG.

The Co-Managers are in compliance with this directive.



*Fiddleheads Natural Food Cooperative, Inc*  
*13 Broad Street, New London, Ct 06320*

October 22, 2013

Aldrich, Perkins, Mulcahy & Heap, LLC  
567 Vauxhall Street Ext Suite 330  
Waterford, Ct 06385

This representation letter is provided in connection with your audit of the financial statements of Fiddleheads Natural Food Cooperative, Inc., which comprise the statement of financial position as of July 19, 2013, and the related statements of activities and cash flows, and schedule to statement of activities for the period January 1, 2013 through July 19, 2013 and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of October 22, 2013, the following representations made to you during your audit.

**Financial Statements**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 19, 2013, including our responsibility for the preparation and fair presentation of the financial statements.
- ✱ • The financial statements referred to above are fairly presented in conformity with U.S. GAAP, with the exception of depreciation being recorded by the income tax basis of accounting.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- ✱ • Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

- ✱ • All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of uncorrected misstatements is attached to the representation letter if there are any.
- ✱ • The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S.GAAP.
- ✱ • Material concentrations have been properly disclosed in accordance with U.S. GAAP.
- ✱ • Guarantees, whether written or oral, under which the company is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

### Information Provided

- We have provided you with:
  - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - Additional information that you have requested from us for the purpose of the audit.
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All material transactions have been recorded in the accounting records and are reflected in the financial statement.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others.
- We have no knowledge of any instances of suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements. Also, we have not consulted with an attorney on any such matters.

**FIDDLEHEADS NATURAL FOOD COOPERATIVE, INC.**

**Financial Statement**

**For The Years Ending December 31, 2013 and 2012**

Fiddleheads Natural Food Cooperative, Inc.  
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Supplementary Schedule – Statement of Cash Flows - Income Tax Basis	4



## ALDRICH, PERKINS, MULCAHY & HEAP, LLC

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CERTIFIED PUBLIC ACCOUNTANTS

GLEN P. ALDRICH  
WILLIAM L. MULCAHY  
SHANNON HEAP  
WALTER MAKEPEACE

### Accountants' Compilation Report

To the Shareholders  
Fiddleheads Natural Food Cooperative, Inc.  
13 Broad Street  
New London, CT 06320

We have compiled the accompanying statement of assets, liabilities and stockholders' equity – income tax basis as of December 31, 2013 and 2012, the related statement of revenue and expenses - income tax basis of Fiddleheads Natural Food Cooperative, Inc. for the years ending December 31, 2013 and 2012. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the income tax basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the income tax basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The supplementary schedule of cash flows is presented for additional analysis and is not a required part of basic financial statement prepared on the income tax basis of accounting. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statement prepared on the income tax basis of accounting. If the omitted disclosures were included in the financial statement, they might influence the user's conclusions about the Company's revenues and expenses. Accordingly, this financial statement is not designed for those who are not informed about such matters.

*ALDRICH, PERKINS, MULCAHY & HEAP, LLC*  
March 13, 2014

Fiddleheads Natural Food Cooperative, Inc.  
Statement of Assets, Liabilities and Stockholders' Equity - Income Tax Basis  
As of December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 148,002	\$ 185,154
Inventory	<u>199,873</u>	<u>146,360</u>
Total Current Assets	\$ 347,875	\$ 331,514
PROPERTY - net of depreciation	<u>265,164</u>	<u>251,162</u>
INTANGIBLE ASSETS - net of amortization	<u>9,834</u>	<u>10,541</u>
TOTAL ASSETS	<u>\$ 622,873</u>	<u>\$ 593,217</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 113,980	\$ 81,422
Accrued expenses	<u>30,959</u>	<u>1,876</u>
Total Current Liabilities	\$ 144,939	\$ 83,298
LONG TERM LIABILITIES		
Notes payable	223,081	306,941
Loans payable - members	<u>39,500</u>	<u>57,100</u>
Total Liabilities	\$ 407,520	\$ 447,339
STOCKHOLDERS' EQUITY		
Common Stock	\$ 28,225	\$ 37,500
Additional Paid in Capital	146,607	157,236
Retained Earnings	<u>40,521</u>	<u>(48,858)</u>
Total Stockholders' Equity	\$ 215,353	\$ 145,878
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 622,873</u>	<u>\$ 593,217</u>

## Board Process C8 - Governance Investment

### Q1 We will invest in the Board's governance capacity.

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Weighted Average
–	–	–	–	–	–	–
0.00%	0.00%	0.00%	87.50%	12.50%	8	4.13
0	0	0	7	1		

- a little worried we don't have \$\$\$ to keep doing so.

### Q2 We will make sure that the Board skills, methods and supports are sufficient to allow us to govern with excellence.

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Weighted Average
–	–	–	–	–	–	–
0.00%	12.50%	0.00%	75.00%	12.50%	8	3.88
0	1	0	6	1		

### Q3 We will incur governance costs prudently, though not at the expense of endangering the development and maintenance of superior capability.

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Weighted Average
–	–	–	–	–	–	–
0.00%	0.00%	12.50%	62.50%	25.00%	8	4.13
0	0	1	5	2		

### Q4 We will use training and retraining liberally to orient new directors and candidates for membership, as well as to maintain and increase existing directors' skills and understanding.

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Weighted Average
–	–	–	–	–	–	–
0.00%	0.00%	12.50%	62.50%	25.00%	8	4.13
0	0	1	5	2		

- I hope so!!

**Q5 We will arrange outside monitoring assistance as necessary so that the Board can exercise confident control over organizational performance.**

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Weighted Average
–	–	–	–	–	–	–
0.00%	0.00%	0.00%	57.14%	42.86%	7	4.43
0	0	0	4	3		

**Q6 We will use outreach mechanisms as needed to ensure our ability to listen to owner viewpoints and values.**

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Weighted Average
–	–	–	–	–	–	–
0.00%	28.57%	14.29%	42.86%	14.29%	7	3.43
0	2	1	3	1		

- An area for improvement

**Q7 We will use professional and administrative support as needed.**

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Weighted Average
–	–	–	–	–	–	–
0.00%	0.00%	42.86%	28.57%	28.57%	7	3.86
0	0	3	2	2		

- Administrative support has not been available
- working on admin piece

**Q8 We will develop the Board's annual budget in a timely way so as to not interfere with the development of the Cooperative's annual budget. In no case will we complete this work later than September.**

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Weighted Average
–	–	–	–	–	–	–
0.00%	0.00%	0.00%	57.14%	42.86%	7	4.43
0	0	0	4	3		



## Board-Management Relationship D1 - Unity of Control

**Q1 Only officially passed motions of the Board are binding on the GM.**

Answered: 8

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Weighted Average
–	–	–	–	–	–	–
0.00%	0.00%	25.00%	25.00%	50.00%	8	4.25
0	0	2	2	4		

**Comments**(1) is there any other kind of motion? What does this mean? What is this measuring?

**Q2 Decisions or instructions of individual directors, officers, or committees are not binding on the GM except in rare instances when the Board has specifically authorized this power.**

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Weighted Average
–	–	–	–	–	–	–
0.00%	0.00%	0.00%	37.50%	62.50%	8	4.63
0	0	0	3	5		

**Q3 In the case of directors or committees requesting information or assistance without board authorization, the GM can refuse any requests that, in the GM's opinion, may disrupt operations or that require too much staff time or resources.**

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Weighted Average
–	–	–	–	–	–	–
0.00%	0.00%	0.00%	50.00%	50.00%	8	4.50
0	0	0	4	4		

**FIDDLEHEADS**  
**BOARD OF DIRECTORS MEETING**  
 April 21, 2015  
 6:30-8:30 PM  
 105 Huntington Street, New London

Time	Topic	Resource	Board Action/ Outcome	Leader
6:30	Meeting Preamble <i>Each of us is a member of the coop community and has been elected to be leaders in serving our members. May we conduct this meeting by empowering each other, treating each other with kindness, and maintaining an atmosphere of mutual respect.</i> Check-in			President
6:30-6:35	Agenda Review		Make any needed adjustments	President
6:35-6:40	<b>Member Comments</b>			
6:40-6:45	<b>Minutes</b> (Board Packet) <ul style="list-style-type: none"> <li>March 17, 2015</li> </ul>		Approve Minutes	
	<b>Board Discussion</b> (Topics for only for discussion at this meeting; action to be taken at future meeting) <ul style="list-style-type: none"> <li>Board Monthly Workflow The purpose of the workflow is to ensure that board agenda and board packet are adequate for the board needs. <i>What is working? What needs to be revised?</i></li> <li>Board Chair Succession <i>How are we planning for our next board president?</i></li> </ul>	<b>Monthly Workflow approved June 2013</b>  <b>Great Idea: Board President Succession Planning</b>		President
	<b>Committee/Task Force Reports</b> <b>Governance</b>  <b>Annual Meeting</b>			Mona Harmon-Bowman Carolyn Wilson/Lisa Cygan
	<b>Managers Update Report</b> (Board Packet)		Q&A	
	<b>Monitoring Report</b> <b>B1 Annual Financial Condition</b>		Accept Report	
	<b>Action Items</b> <ul style="list-style-type: none"> <li></li> </ul>			

	<p><b>Consent Calendar</b></p> <ul style="list-style-type: none"> <li>• <b>Board Monitoring Report D2 GM Accountability</b></li> </ul>			
	<p><b>Discussion of Items removed from Consent Calendar</b></p>			
	<p><b>Closings</b></p> <ul style="list-style-type: none"> <li>• April 21 draft agenda (Board Packet)</li> <li>• Meeting Checklist <ul style="list-style-type: none"> <li>○ Everyone was present physically and attentively</li> <li>○ No sidebar conversations</li> <li>○ Maintain topic focus</li> <li>○ Everyone had a voice and was heard</li> <li>○ Be honest but not brutal</li> <li>○ Don't monopolize</li> <li>○ Clarify the purpose of each agenda item to begin</li> <li>○ Signal if you feel personally attacked, disrespected, or put down</li> </ul> </li> <li>• Review Decisions, Tasks, Assignments</li> <li>• Adjourn Meeting</li> </ul>		<p>Review Evaluate meeting process: what worked and what needs improvement</p>	<p>President  President</p>

**BOARD PACKET:**

1)