

Fiddleheads Food Coop
Board of Directors Meeting

June 16, 2015



FIDDLEHEADS FOOD COOP
Board Of Directors Meeting
 105 Huntington Street, New London
 June 16, 2015 6:30-8:30 PM



Time	Topic	Board Action/Outcome	Leader
6:30 <input type="checkbox"/>	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>		
<input type="checkbox"/>	Agenda Review - Check-in	Make any needed adjustments	Mark Roberts
<input type="checkbox"/>	Presentation of Plaque		Board
<input type="checkbox"/>	Member-Owner Comments (3 minutes each)	Comments from attending member-owners	Mark Roberts
	I) Minutes of Meeting April 21, 2015 <i>Doc I.</i>	Approve Minutes	Sue Phillips
<input type="checkbox"/>	II) Consent Agenda: 1. Managers Update Report Doc II.1 2. Annual Meeting & Membership Committees Doc II.2 3. Board Monitoring Report D4 Doc II.3 4. Board Monitoring Report D Global Doc II.4 5. Board Monitoring Report C Global Doc II.5	Acceptance of each report	1. CoManagers 2. Carolyn Wilson 3. Mark Roberts 4. Mark Roberts 5. Mark Roberts
<input type="checkbox"/>	Discussion of any Consent Agenda Items <i>Items to Discuss:</i>	Clarify report	Mark Roberts
<input type="checkbox"/>	III) Officer Elections Ballots from Governance Committee	Elect board officers for next year	Mona/Helene
7:00 <input type="checkbox"/>	V) Review of feasibility of Online Ordering Program Doc V	Accept report	CoManagers & Andrea Hall
7:40 <input type="checkbox"/>	IV) Proposal to create Strategy Committee Have Strategy Committee in place for Retreat July 12 th . Recommendations from Governance Doc IV	Approve proposal	Mark Roberts Mona & Helene
<input type="checkbox"/>	VI) Monitoring Report B Global Executive Constraint Doc VI	Accept Report	CoManagers
8:00 <input type="checkbox"/>	VII) Executive Session	Personnel matter	Susan Zimmerman Mark Roberts
8:20 <input type="checkbox"/>	Meeting Checklist: Fist to Five <ul style="list-style-type: none"> • Everyone was present physically and attentively • No sidebar conversations • Maintain topic focus • Everyone had a voice and was heard 	<ul style="list-style-type: none"> • Be honest but not brutal • Don't monopolize • Clarify the purpose of each agenda item to begin • Signal if you feel personally attacked or disrespected 	
8:30	Adjourn Meeting		

I: Minutes of Meeting:

May 19, 2015

Doc I



FIDDLEHEADS BOARD OF DIRECTORS

Board Meeting of May 19, 2015 [Prepared May 29, 2015]

I. CALL TO ORDER, ATTENDANCE, ANNOUNCEMENTS

A. Call to Order

Mark Roberts called to order a special meeting of the Fiddleheads Board of Directors at 6:36 p.m. on Tuesday April 21st, 2015 at 105 Huntington Street, New London, CT.

B. Attendance

The following Board members were present:

Mark Roberts
Sue Phillips, Secretary
Mona Harmon-Bowman
Helene Bardinet
Daniel Spurr
Carolyn Wilson (arrived at 7:57 p.m.)

The following Board Members were absent:

Susan Zimmerman
Mark Patnode
Suzanne Cattanach

The following additional persons were present:

Vanessa Young, Board Administrator
Sheila Herbert, Co-Manager
Kristin DeMuzzio, Co-Manager
Andrea Henry, Staff
Rachel Watrous, Staff
Ellen Anthony, Staff
Ed DeMuzzio (member/financial volunteer)
Maggie Cohen (with the Cooperative Fund of New England, from Boston, MA)

C. Announcements

- Introductions of new board members: Helene Bardinet and Daniel Spurr; Mark Patnode was ill and unable to attend.

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- Introduction of guest Maggie Cohen. Fiddleheads recently assigned to her portfolio of clients.
- June meeting will include the Executive Board elections

D. Agenda Review

No changes.

E. Member Comments

- Ed DeMuzzio welcomes new directors.
- Ellen Anthony asked about board officers. They will be elected next month.

II. MINUTES OF PRIOR MEETINGS

A. Minutes of May 19, 2015 meeting

Motion to approve the minutes

Motion: Mona Harmon-Bowman

Second: Helene Bardinet

All in favor.

III. CONSENT AGENDA

- **Agenda Items 1-5**
 - Updated Board Roster
 - Updated BOD Calendar
 - Proposal to have Board Administrator attend and take minutes for Executive Sessions
 - Managers' Monthly Update Report
 - Board Monitoring Report D.3: Delegation to the GM

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Motion to approve items 1-5 on Consent Agenda.

Motion: Mona Harmon-Bowman

Second: Daniel Spurr

All in favor.

- **Agenda Item 6: Governance Committee Report**

Motion to Approve Governance Committee Report

Motion: Helene Bardinnet

Second: Sue Philips

All in favor.

- **Agenda Item 7: Annual Meeting and Membership Committee Reports**
Tabled for next month due to absence of Committee Chair.

III. RECONSTRUCTION OF GM SEARCH COMMITTEE

GM Search Committee

Sue Phillips, core committee member

Carolyn Wilson, core committee member

Ellen Clinsmith, would like to participate, she will know in June if she is able.

A charter must be brought in to begin process - by the committee

Budget inquiry - for the GM committee search

Sue Phillips will chair

Other committee membership will be determined, with Co-Managers exploring what staff members might be interested in serving. Best practice is to have one or two staff members on search committee in order to ensure that staff do not only have input but also buy-in to process and result.

There was some discussion of having non-staff, non-current and non-former BOD member as additional committee member. GM Search Committee will consider this suggestion. If member-owner participation is desired, Governance Committee has developed pool of 50 people who are interested in assisting with board work short of BOD membership. This pool could be tapped.

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Governance committee will find out what member-owners are interested and notify GM Search Committee Chair.

(Maggie Cohen departed at 6:54 p.m.)

IV. BOARD MONTHLY WORK FLOW

Board Monthly Work Flow

Mark Roberts, would like to propose sending the Board Packet as individual PDF files in one email versus one single large PDF. This will be done with June Board Packet.

It was noted that Fiddleheads Board of Directors Webpage needs to be updated and brought current. Board Administrator will take care of this and establish a new password to be shared with all Board Members.

It was agreed that suggested agenda items will be required to be sent only to President, who has discretion to finalize planned agenda.

- Individual directors can cc: other directors when sending proposed agenda items
- There is also a process to add agenda items at a meeting during agenda review
- Historically, very few agenda items are suggested by directors; most are routine/scheduled items or overflow from ideas generated in prior meetings

It was also agreed that if any director has not prepared for the board meeting by reading the board packet in relation to individual agenda items, they will recuse themselves from the conversation and voting on those items.

Other changes to the work flow were as followed:

- 4th Tuesday: copies of draft minutes routinely sent only to President, not to all BOD members – individual directors can request draft minutes from secretary or board administrator.
- Saturday 10 days before meeting: Board Administrator will have responsibility to send out Meeting Notice & Post on the Bulletin Board at the Co-op

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Motion to change Monthly Work Flow Document consistent with above.

Motion: Daniel Spurr

Second: Mark Roberts

All in favor.

V. PROPOSAL FOR GOVERNANCE COMMITTEE TO INTERVIEW DIRECTORS

There is an unwritten proposal that, in advance of the June Board Meeting, the Governance Committee interview each director, and create a slate of officers for Board approval.

As an alternative it was suggested that each director express their interest in board leadership positions in the context of the June elections discussion so that all board members are cognizant of interests, limitations, and various factors that might be relevant in determining the officers to be elected. Overarching concern is transparency in election process rather than creating perception that a closed proceeding resulted in determining BOD officers with no discussion in forum open to members.

Consensus reached that directors would like Governance Committee to interview directors to see who is interested in pursuing any executive position on the board. The Governance Committee will then bring report on the individual directors' interest for board discussion in context of office elections.

Motion to have Governance Committee interview directors vis-à-vis interest in board leadership and report on results at June Board Meeting.

Motion – Danny Spurr

Second – Helene Bardinnet

All in Favor

VI. MONITORING REPORT B1 ANNUAL FINANCIAL CONDITION

Prior to discussing the Financial Condition reports, the Financial Statements for year ending December 31, 2014 were distributed. Net operating loss was (\$39,846).

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Question was raised as to whether the Financial Statements document could be put onto Board Website. Board Administrator will do this.

Monitoring Report B1

Note: The report was changed after the meeting with Jeannie Wells, Consultant (CDS Consultant who is supporting the GM for the next few months) and per requests when report was first presented for April board meeting.

Further Explanations:

- Net loss reported in Net Income as Percent of Sales (page 5) and in Annual Financial Statements.
 - High depreciation was reported as a result of a shift in accounting procedures, thus it appears high based on number reported, not because Fiddleheads assets actually depreciated more than expected in the course of the fiscal year. Switch was from double declining balance to straight-line depreciation. Fiddleheads will continue to use double declining balance depreciation for tax purposes but this and all future financial statements will reflect straight-line depreciation.
 - Higher than budgeted labor costs have now been brought under control.
 - The legal expenses (\$12K), on-site expansion expenses (≈\$7.5K) and exploration of relocation expenses (\$18K) were all extraordinary and non-recurring. These items collectively come very close to accounting for the \$40K net operating loss in 2014.
 - In future reports co-managers will include ballpark amounts for such explanatory expenses.
- Earnings Before Interest, Income Tax, Depreciation, and Amortization (EBITDA) (page 6)
 - There was a conflict between text saying median not available and a median line being shown on chart. The line on chart was in error, it reflects the median for larger co-ops, not co-ops in the same size category as Fiddleheads.

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- Financial Record-Keeping (page 11)
 - The missing date should be the date of the cover letter under which Fiddleheads received financial statements for 2014 from accountant.
- Sub-policy – B.1.11
 - Co-managers included a proposed new measure of financial well-being: that the number of co-op members grow by 5% or 10% annually. This measure was achieved in 2014.
 - Directors liked this suggestion and a Proposed Revision to Policy B. 1 will be included on agenda for June.

Motion to Accept Annual Financial Monitoring Report (B.1).

Motion: Helene Bardinnet

Second: Sue Phillips

All in favor, with one abstention (Mona Harmon-Bowman)

VII. MONITORING REPORT B1 Q1 FINANCIAL CONDITION

This is First Quarter 2015 Financial Report

Further Explanations:

- The reason there are not B1.5, B1.6 and B1.8, B1.9 and B1.10 is following CDS recommendation that quarterly financials update annual financial report without going into unnecessary minutiae.
- Sub policy 1.1 (page 3) concerning Sales Growth
 - Bottom line that our we are seeing a decline in sales, not sales growth.
 - However the median line shown on chart at 17% was incorrect (that would be median for larger co-ops) should be at 7% as reflected in text – so we are not doing as poorly as indicated on chart.
 - There was some confusing about the plan to remediate. Co-Managers explained that this was in part due to formatting snafu.

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- There should be 2 major categories - Increase Basket Size & Advertise Strategically – all other bullets are sub-categories to these main strategies.
- Co-Managers will give more details on plans to Increase Basket Size & Advertise Strategically in next B.1 monitoring report.
- Co-Managers explained that they have contracted with Nicole Kilmek of CDS to help with the store reset in the next 2 months. Store reset refers to reorganization of existing products in existing space for a more effective use of marketing space to present products. Such a reset has potential to boost sales.
- Directors would still like to see a little more detail in written reporting of remediation plan. This will contribute to a full understanding of the different approaches being taken to remediate flagging sales and why these approaches might be successful.
- Co-Managers also report that on-line ordering should increase sales growth. Although there will be a full presentation on On-Line Ordering at next board meeting, the software should be available on June 1st and they are hoping to fill 6 orders a day, 5 days a week.
- Given concern about declining sales growth, co-managers will report on this metric monthly (in update reports) until a positive trend develops.

(7:57pm - Carolyn Wilson arrived)

- (Our Co-op) Graph - Sub-Policy 1.2 (page 4)
 - Despite dropping sales, there is still some profit.
- Sub-policy (proposed) B1.11 (page 7) Membership Growth
 - Membership growth down 25%, did not lose 25% of members (change in the rate of growth, not actual growth).
 - Board feels it might be more helpful to compare membership growth from first quarter 2014 to membership growth in the first quarter 2015.

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- o Co-Managers also want to note that this decreased growth rate does reflect opening for Membership & Outreach Coordinator. This is a very important job and the vacancy is having a great impact on management of the co-op and the co-op's performance.

Motion to accept First Quarter Financial Monitoring Report (B.1) with the understanding that board will get updates on Sales Growth in the Monthly Update Reports.

Motion – Danny Spurr

Second – Mark Roberts

All in favor.

VIII. RETREAT TOPICS

Board needs to develop Retreat Topics for Board Retreat on July 12th. Typically Board reaches agreement on desired retreat outcomes and then CDS consultant develops agenda and activities.

As a group, board agreed upon the following desired retreat outcomes:

- Bonding as a team that includes three new directors.
- Review/Refine SWOT Analysis (Input being output of the Co-operative Cafes)
- Identify and Prioritize Action Goals consistent with SWOT Analysis)
- Roadmap toward development of strategic plan (this will be a long term process, soliciting input from member-owners and the larger community and thus member-owner and community by-in)

Motion to accept retreat outcomes.

Motion: Carolyn Wilson

Second: Mona Harmon-Bowman

All in favor.

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IX. EXECUTIVE SESSION

Purpose of Executive Session is to approve minutes of Executive Session of April 21, 2015.

Motion to enter Executive Session.

Motion: Daniel Spurr

Second: Helene Bardinet

All in favor.

Executive Session entered at 8:28 p.m.

Motion to accept the minutes of Executive Session of April 21, 2015.

Motion: Mona Harmon-Bowman

Second: Sue Philips

All in favor, with two abstentions (Daniel Spurr & Helene Bardinet).

Motion to leave Executive Session 8:30pm

Motion: Mona Harmon-Bowman

Second: Carolyn Wilson

All in favor.

Executive Session exited at 8:30 p.m.

Separate minutes of substantive executive sessions are routinely taken and maintained in a separate confidential file. Executive session proceedings are reported here as approval of minutes was non-substantive, obviating the need for generation of a set of confidential minutes.

X. CLOSING

A. Agenda Review (items for May Board meeting)

- o Approval of minutes on May 19, 2015 board meeting
- o Consideration of revision of Policy B1 to include goal of annually increasing membership
- o Annual Meeting Committee Report
- o Member-Owner Involvement Committee Report

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- o Board Office Elections
- o Staff presentation on feasibility of on-line ordering system
- o GM Search Committee approval of charter
- o GM Monitoring Reports: B.6 Staff and B.9 GM Succession
- o Board Monitoring Report: C.1 Governing Style

B. Adjournment

Motion to adjourn Meeting 8:32pm

Motion: Mona Harmon-Bowman

Second: Helene Bardinnet

All in favor.

* * * * *

Draft minutes prepared for submission to board by Sue Phillips/Vanessa Young on May 29, 2015.

Minutes approved by vote of the Board on _____and put into final form by Sue Phillips/Vanessa Young on_____, 2015.

II: Consent Agenda:
Managers Update Report

Doc II.1



Managers Report

June, 2015 Board Meeting

Submitted June 9th, 2015

National Cooperative Grocers (NCG)

Our application to become members of NCG was submitted on June 1st, 2015. The application was lengthy and included narratives, by-laws, policies, financials and other data. Our consultant, Jeanie Wells, advised us during the process and also reviewed the application. She was very impressed with the final submission stating, "Great Job!".

Since applications to NCG were only accepted once in 2015 (normally it is twice a year) we are expecting serious, increased competition for the limited slots that will be available for new memberships. Fiddleheads will be notified by October, 2015 of our status with NCG. If we are accepted all NCG programs will be available to us by March, 2016.

Financials

The last few months show an increase in daily sales from the beginning of 2015 and in May Fiddleheads experienced its best sales month since last May. Following trends in independent natural food stores nationwide however, Fiddleheads had a significant decline in sales growth as compared to 2014 (-1.3%) in the first 5 months of this year (see attached: Revised Sales Projection – 2015).

At the end of Q1, 2015 it became apparent that sales goals would not meet our original estimate of 12%. We revised our Annual Budget to show a more modest 4% increase in sales. We reduced expenses in labor and did moderate reductions in conference, travel, special events and advertising expenses. Thus, in the new budget we are able to maintain planned programs (see attached: Fiddleheads Food Co-op 2015 Revised Budget).

Fiddleheads has paid all bills within net terms.

Increasing our Sales

Increasing our sales is now our number one priority. We are working to increase customer count and basket size. As we intensify our efforts we have undertaken the following:

Summer Sampling Program

Beginning on June 4th we started a dedicated, well-advertised 5 day/week active sampling program. Just 5 days into the program we are already seeing results, namely increased sales of the products being sampled (the "Simple" bars hold the record with on the spot sales of over 3 cases) and increased staff/customer engagement. Our Buyers are providing product information, promotional materials and setting up discounts on the sampling products. And, of course, the friendly, smiling faces of Katie Blanchard and Elisa Giommi naturally engage customers.

Advertising/Marketing

Radio – Ads are being strategically placed on various stations to cover a wide demographic with special attention to seasonal products and summer Holidays and events.

The Day – Fiddleheads won FIRST PLACE! in 2 sub-categories in The Day's "Best of Readers' Choice" awards. Fiddleheads was First Place in the sub-category "Organic/Health Food" under the category "Shopping" and First Place in the sub-category "Vegan" under the category "Food & Dining". The Day will publish a special section on Sunday, June 21st to announce the winners. We will use these awards as we advertise across various media and social networking.

Online Ordering

As this program grows it will add to our sales. This is addressed in the Online Ordering Report submitted by Andrea Hall for this June Board Meeting.

Pricing Strategies

Management will be conducting training updates with Buyers on basic financial indicators. Management has begun to collect models from other co-ops that will enable us to clearly show weekly departmental goals, sales and sales growth.

Buyers will be conducting an ongoing analysis of pricing, shrink and inventory. They will aggressively seek everyday low pricing, volume discounts, case stack deals and special promotions as they work with vendors, brokers and distributor representatives.

Customer Service

The Front End team has been doing a great job at notching up our customer service. Katie Blanchard is currently developing a Customer Service training class to aid in maintaining and improving customer service skills.

Farm Tours

Our enthusiastic Front End team has set up tours with seven farms this summer. The tours are designed to increase customer participation and build knowledge about how important our local farmers are to environmental and economic sustainability. The farm tours will yield photos and information on the farms. Gradually, we will be replacing our wonderful but, aging murals (Permission was graciously asked for and graciously given by the artist.) with large photos of local farmers and vendors along with interesting information on their enterprises.

Owner and Outreach Manager

During this month we will be conducting several interviews for the position of Owner and Outreach Manager – we had three good interviews in the first week of June. Filling this position will reinvigorate our Owner support and grow our membership. It will enable Fiddleheads to more successfully connect with our local community. This is a key position and we are looking carefully for the individual with the appropriate combination of skills and attributes.

Store Reset

Nicole Klimek, Store Planning & Design Consultant, will be contacting us after she returns from CCMA. She comes highly recommended. We will be looking at some moderate reset strategies that she and our consultant Jeanie Wells discussed.

GM MONITORING REPORT TABLE, July 1, 2014 - December 31, 2015

Policy Number	Policy Name	Date Actual	Timely	Reasonable Interpretation	Data Provided	Compliant	If no, how serious	Action Taken	Comments
A	Ends								
B	Global Constraints	Jun - 16 - 2015							This was prepared in advance of April 2015 meeting but consideration postponed to allow revision to reflect annual financial statement information not yet available from accountant. Co-Managers suggested a new sub-policy to create a goal of increasing membership. Co-Managers do have a multi-pronged plan to address declining sales and related sub-policies with which these is non-compliance.
B1 - Annual	Financial Condition and Activities	April-21-2015	Yes	Yes	Yes	All except Sub-Policies B1.1, B1.2, B1.3	Very -	Report approved. However Board will expect monthly update on sales in GM reports until declining sales is reversed.	Board requested that in future there be better articulation of such plans in written report. Many less formal suggestions were made as to style and formatting, particularly making sure that there is clear statement of "compliance" or "non-compliance" in relation to each sub-policy.
B1-Q1	Financial Condition and Activities	May-19-2015	Yes	Yes	Yes	All except Sub-Policies B1.2, B1.3	Very -	Report approved. However Board will expect monthly update on sales in GM reports until declining sales is	See discussion of Annual Financial Monitoring that was done during same month. Board approved modification of format to not include all items addressed in Annual Financial Condition Report as it is consistent with CDS best-practice recommendations.

Policy Number	Policy Name	Date Actual	Timely	Reasonable Interpretation	Data Provided	Compliant	If no, how serious	Action Taken	Comments
B1-Q2	Financial Condition and Activities								
B1-Q3	Financial Condition and Activities	Nov-18-2014	Yes	Yes	Yes	In most areas		Accepted 11/18/2014	There was discussion over language used to describe GAAP compliance. Treasurer was to follow up with the accountant to provide accurate wording for the future. The monitoring report was found to be adequate; however, the Board will work with the co-managers on continuing improvement of financial monitoring reports.
B1-Q4	Financial Condition and Activities	Feb-17-2015	Yes	Yes	Mostly – see comment	In most areas		Accepted twice (2/17 and 3/17)	See attached.
B2	Planning and Budgeting	Dec-16-2014	Yes	Yes	Yes	Yes		Accepted 12/16/14	Nothing noted in minutes (Board Secretary had been absent).
B3	Asset Protection	Jan-20-2015	Yes	Yes	Yes	See comment		Accepted 1/20/2015	Co-Managers clarified that if external review (which is currently pending) reveals any inadequacies in current coverage that need to be immediately addressed Board will be updated. This will occur in March.
B4	Membership Rights and Responsibilities								
B5	Consumers								
B6	Staff Treatment	Nov-5-	Yes	Yes	See	See		Accepted	There is currently very little data, but the

Policy Number	Policy Name	Date Actual	Timely	Reasonable Interpretation	Data Provided	Compliant	If no, how serious	Action Taken	Comments
	and Compensation	2015			Comment	Comment		11/5/2015	acting co-managers will contract with Carol Lee Colter at CDS to develop a staff survey to aid them in gathering data for future monitoring reports. Board was particularly pleased with how comprehensive the report was although reserved right to make future specific requests around structure, format and streamlining.
B6	Staff Treatment and Compensation	Nov-5-2014	Yes	Yes	Yes	Yes		Accepted 11/5/2014	There is currently very little data, but the acting co-managers will contract with Carol Lee Colter at CDS to develop a staff survey to aid them in gathering data for future monitoring reports. Board was particularly pleased with how comprehensive the report was although reserved right to make future specific requests around structure, format and streamlining.
B7	Communications to the Board	Mar-17-2015	Yes	Yes	Yes	Yes		Accepted 3/17/2015	Accepted with request to edit section dealing with calls with CDS consulting. Revisited at April 2015 Board meeting with discussion touching upon following points: <ul style="list-style-type: none"> That a requested change to chart of meetings with Board President reflecting no meetings in February and March notes was not made. Board members suggested tying any concern about board behavior to a specific policy section to improve feedback for the future. Board suggested that conversation with individuals is preferable to putting concerns about individuals' behavior in the update report.

Policy Number	Policy Name	Date Actual	Timely	Reasonable Interpretation	Data Provided	Compliant	If no, how serious	Action Taken	Comments
B8	Board Logistical Support	Mar-17-2015	Yes	Yes	Yes	Yes		Accepted 3/17/15	Excellent use of Monitoring Report Process with Co-Managers proposing a new-sub heading in Policy B8 as reflected in the added sub number-1 in their report.
B9	Succession Planning	Jul -21-2015							

Revised Sales Projection - 2015

	2011	2012	2013	2014	2015	% Change	Actual - Black Projected - Green	Goals for June - December	
January	\$72,855.53	\$118,875.99	\$178,551.72	\$244,713.12	\$273,224.14	-0.13%	\$9,107.47		
February	\$75,654.76	\$141,068.87	\$187,347.14	\$258,454.96	\$248,374.18		\$8,870.51		
March	\$88,433.94	\$158,078.47	\$220,061.87	\$290,279.21	\$282,270.24		\$9,105.49		
April	\$93,644.22	\$150,665.95	\$213,398.19	\$283,511.87	\$276,198.08		\$9,416.91		
May	\$86,911.77	\$154,607.97	\$221,246.40	\$292,102.14	\$287,229.98		\$9,470.16		
June	\$82,997.02	\$154,230.34	\$231,779.35	\$267,109.53	\$280,465.01	5%	\$9,348.83	\$9,500.00	\$285,000.00
July	\$74,119.74	\$153,513.82	\$220,839.24	\$274,933.67	\$288,680.35		\$9,622.68	\$9,500.00	\$289,750.00
August	\$81,868.39	\$146,965.86	\$233,355.26	\$277,040.30	\$296,433.12	7%	\$9,562.36	\$9,500.00	\$294,500.00
September	\$85,936.82	\$148,015.45	\$221,798.84	\$259,633.02	\$277,807.33		\$9,579.56	\$9,600.00	\$283,200.00
October	\$93,193.79	\$146,453.10	\$231,727.53	\$273,852.48	\$295,760.68	8%	\$9,540.67	\$9,600.00	\$297,600.00
November	\$101,898.54	\$155,332.07	\$246,147.60	\$279,336.51	\$301,683.43		\$10,402.88	\$10,500.00	\$304,500.00
December	\$123,054.00	\$178,168.95	\$240,673.32	\$286,991.50	\$309,950.82		\$10,331.69	\$10,500.00	\$315,000.00
	\$1,060,568.52	\$1,805,976.84	\$2,646,926.46	\$3,287,958.31	\$3,418,077.36	3.96%		\$3,436,846.62	4.53%

FIDDLEHEADS FOOD CO-OP
2015 REVISED BUDGET
 (Revised 05/15)

Ordinary Income/Expense			
Income			
Earned revenues			
Vendor Fees	\$1,500.00		
Total Earned revenues			
Sales			
Market Sales	<u>\$3,420,000.00</u>		Projected Increase over FY2014
Total Sales	\$3,421,500.00		4%
Total Income			
Cost of Goods Sold			
Cost of Goods Sold			
Purchases	\$2,223,000.00		Projected Gross Margin Percent
Total Cost of Goods Sold	\$2,223,000.00		35%
Total COGS	\$2,223,000.00		Percent of Gross Sales
Gross Profit	\$1,198,500.00		65%
Expense			
Business expenses			
Licenses and permits	\$2,100.00		
Taxes - other	<u>\$1,500.00</u>		
Total Business expenses	\$3,600.00		
Non-personnel expenses			
Credit Card Fees			
Amex Credit	\$3,500.00		
Global STL G	<u>\$30,500.00</u>		
Total Credit Card Fees	\$34,000.00		

Equip rental & maintenanc	\$1,200.00
Piped In Mus	\$300.00
Total Equip rental & maint	\$1,500.00
Equipment under \$1500	\$5,000.00
Outreach Materials	\$5,000.00
Copy Machine Rental	\$7,200.00
Donations	\$2,500.00
POS Maintenance	\$5,000.00
POS Equipment and softw	\$6,200.00
Online Sales Services	\$5,400.00
Postage, shipping, deliveri	\$2,500.00
Supplies	\$25,000.00
Store Equipment	<u>\$6,500.00</u>
	<u>\$70,300.00</u>
Total Non-personnel expenses	\$109,400.00
Occupancy expenses	
Building Repair & Maintena	\$10,000.00
Building interior	\$11,000.00
Trash	\$2,200.00
Rent, parking, other occup	\$100,000.00
Utilities	
Electric	\$72,250.00
Gas	\$12,750.00
Water and Mi	<u>\$10,000.00</u>
Total Occupancy expenses	\$218,200.00
Overhead expenses	
Accounting Fees	\$10,000.00
Advertising expenses	\$37,000.00
Bank charges	\$500.00
Board Expense	\$20,000.00
Dues and Subscriptions	\$3,000.00

	NCG - Initial	\$2,325.00
	Insurance	\$10,000.00
	Interest expense - general	\$12,000.00
	Inventory Services	\$7,500.00
	Legal Expenses	\$5,000.00
	Outside computer services	\$5,400.00
	Outside consulting services	\$4,715.00
	Telephone	<u>\$6,000.00</u>
	Total Overhead expenses	\$123,440.00
	Refrigeration Equipment Repair	<u>\$8,000.00</u>
	Salaries & related expenses	
	Payroll Ins.	\$18,000.00
	Payroll taxes	
	Salaries & related expense	<u>\$631,885.00</u>
	Total Salaries & related expenses	\$649,885.00
	Special event costs	
	Special events other	\$2,000.00
	Supplies and equipment	<u>\$2,000.00</u>
	Total Special event costs	\$4,000.00
	Travel & meetings expenses	
	Conference, convention, me	\$5,000.00
	Consultant training for st	\$5,000.00
	Travel	<u>\$3,000.00</u>
	Total Travel & meetings expenses	\$13,000.00
	Total Expense	<u>\$1,125,925.00</u>
Net Ordinary Income		\$72,575.00

Other Income/Expense

Other Income
Interest
Total Other Income

\$60.00
\$60.00

Net Other Income

\$60.00

Estimated Depreciation/Amortization

\$35,000.00

Net Income

\$37,635.00

ADDITIONAL INFORMATION

EBITDA

\$84,635.00

Adding Interest, Depreciation and Amortization back in

Loan Payments (Principal)

CFNE \$8,300.00
NCB \$6,000.00
Sector \$6,500.00
CL and P \$5,000.00


Total Loan payments

\$25,800.00

Online Ordering Softwar Online Ordering Software (Capital)
Server (Capital)

\$15,000.00
\$5,500.00

II: Consent Agenda:
*Annual Meeting &
Membership Committees*
Doc II.2



Annual Meeting Wrap-up 6/2/15

Lisa, Ellen, Carolyn, Shiela, Amelia, Kelleen

Discussion:

Creating a budget for next year: we need to consider location and associated fees, catering, childcare, printing. This year's expenses were about \$1,500. We need to expect to spend more like \$3,000 in the future if we do catering or a more costly location. Budget should be based on the purpose of the meeting- What do we want to accomplish?

Planning ahead: This task force will re-convene in August. A potential date for next year in 5/15/16. We don't have to have it from 2-5PM it could be earlier or later (possible survey). The group was unanimous in agreeing planning needs to start earlier with more coordination with governance surrounding the election that starts in January.

Feedback: People enjoyed the meeting but many people said it could have been better advertised. Some mentioned not getting the email about board candidacy. We should advertise more in-store. Post board vacancies in-store.

Do we need another party? Are we trying to fit in too much with one meeting? Should we have another party that is inclusive of non-members and the community? Separate business from celebration?

Annual Report: What needs to happen for us to get this out in time for the meeting?

Creation of a calendar and checklist will help guide planning.

We will need another Board member to join the group. Lisa and Ellen may continue based on their availability.

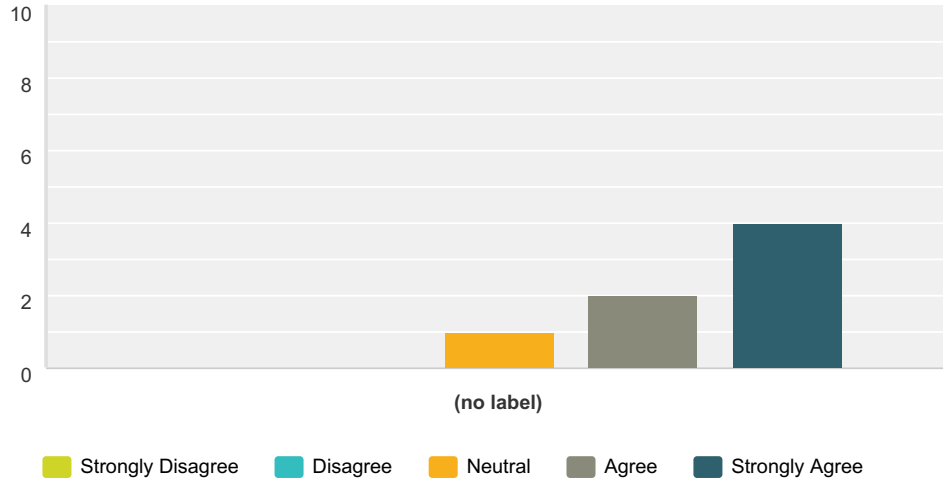
II: Consent Agenda:
Board Monitoring Report D4

Doc II.3



Q1 The Board will systematically and rigorously monitor and evaluate the GM's job performance.

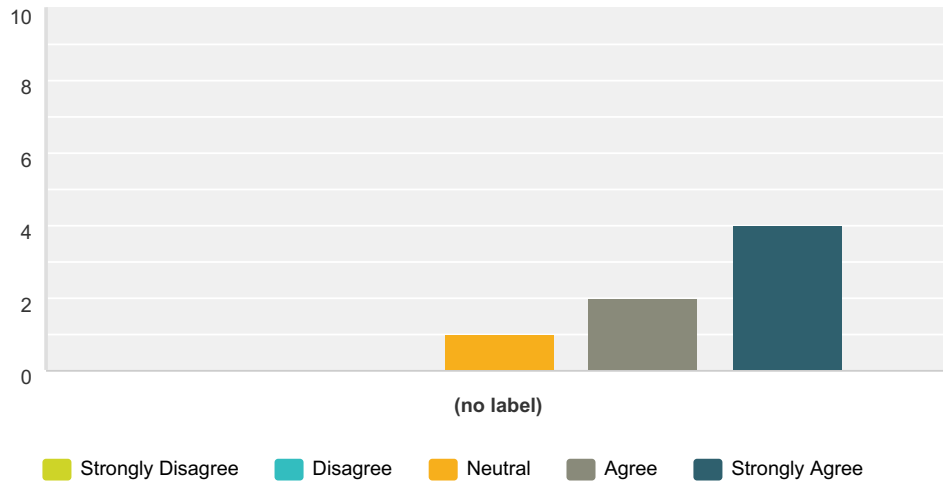
Answered: 7 Skipped: 0



	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	14.29% 1	28.57% 2	57.14% 4	7	4.43

Q2 Monitoring is how the Board determines the degree to which the GM is following Board policies. Information that does not directly relate to Ends or Executive Limitations policies is not monitoring information.

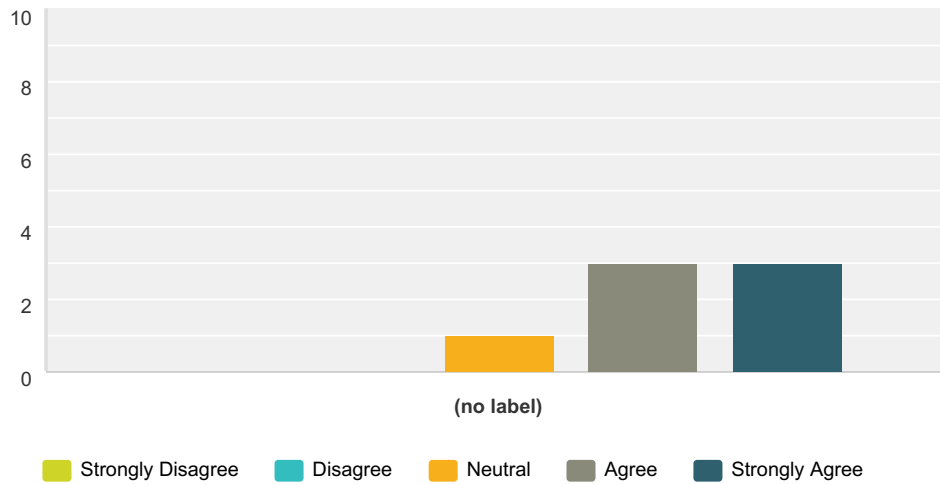
Answered: 7 Skipped: 0



	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	14.29% 1	28.57% 2	57.14% 4	7	4.43

Q3 The Board will acquire monitoring information limited to one or more of the following three methods: (a) by internal report, in which the GM discloses interpretations and compliance information to the Board; (b) by external report, in which an external, neutral third party selected by the Board assesses compliance with Board policies; or (c) by direct Board inspection, in which a designated director or committee assesses compliance with the policy criteria.

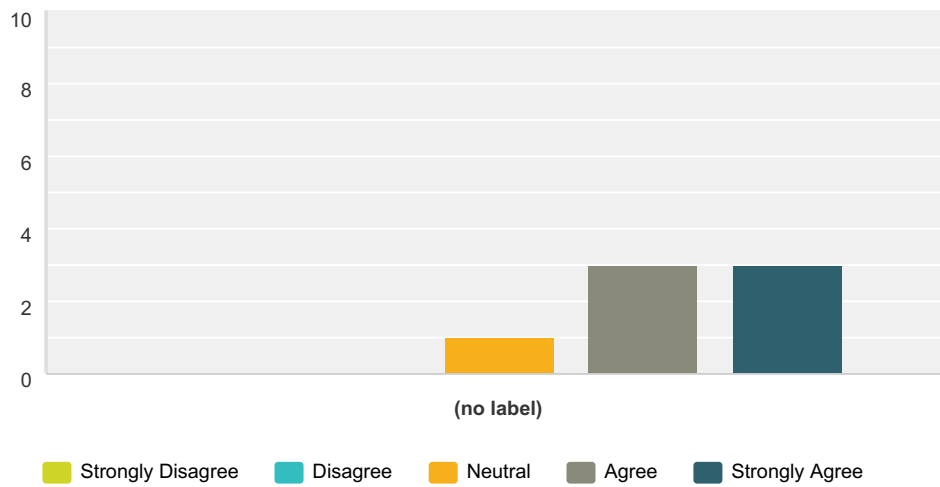
Answered: 7 Skipped: 0



	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	14.29% 1	42.86% 3	42.86% 3	7	4.29

Q4 In every case, the standard for compliance will be any reasonable GM interpretation (as described by operational definitions and metrics) of the Board policy being monitored. The Board is the final arbiter of reasonableness but will always judge with a "reasonable person" test rather than the interpretations favored by individual directors or by the Board as a whole.

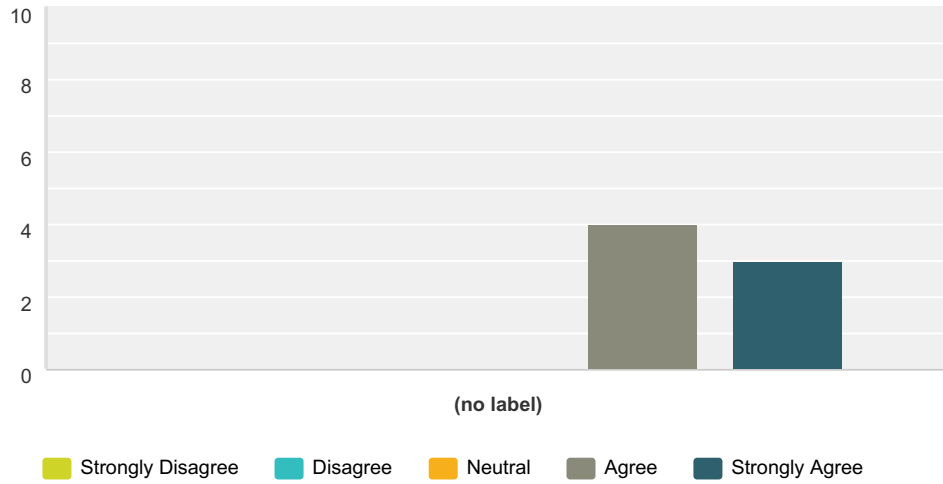
Answered: 7 Skipped: 0



	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	14.29% 1	42.86% 3	42.86% 3	7	4.29

Q5 The GM is compliant with a policy if he/she presents a reasonable interpretation and adequate data that demonstrate accomplishment of that interpretation.

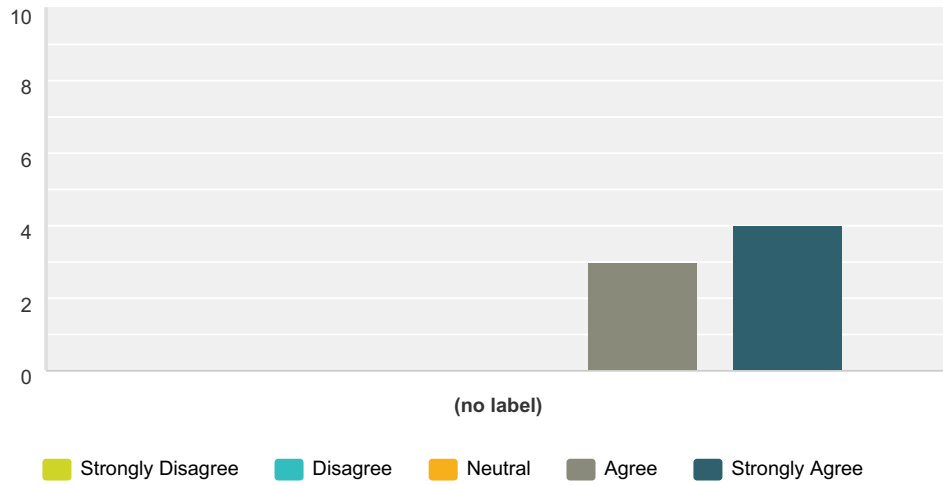
Answered: 7 Skipped: 0



	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	0.00% 0	57.14% 4	42.86% 3	7	4.43

Q6 The Board will monitor all policies that instruct the GM. The Board can monitor any policy at any time by any method listed above but will ordinarily follow the schedule outlined in the Board Annual Calendar.

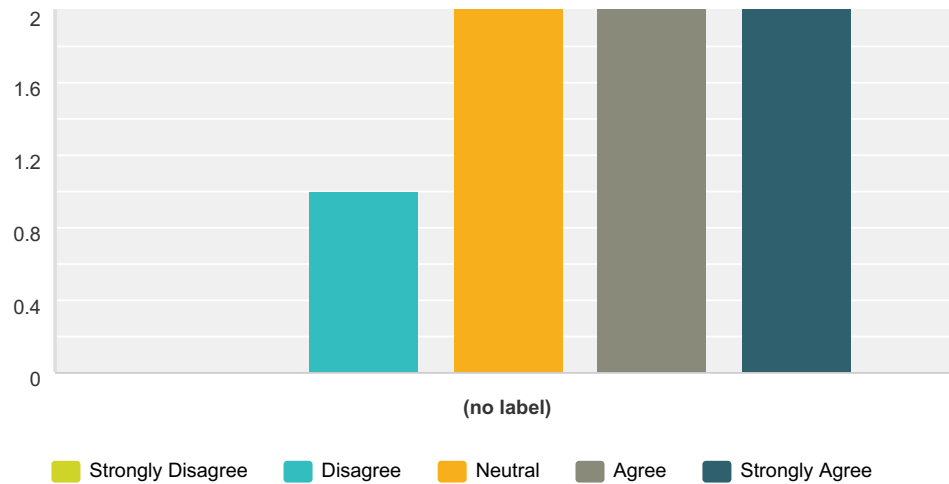
Answered: 7 Skipped: 0



	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	0.00% 0	42.86% 3	57.14% 4	7	4.57

Q7 The Board's annual evaluation of the General manager, based on a summary of monitoring reports received from (June) through (May), will be completed by (June 30). The Board will make its decisions concerning the evaluation and the employment contract, if any, no later than (July 31).

Answered: 7 Skipped: 0



	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Weighted Average
(no label)	0.00% 0	14.29% 1	28.57% 2	28.57% 2	28.57% 2	7	3.71

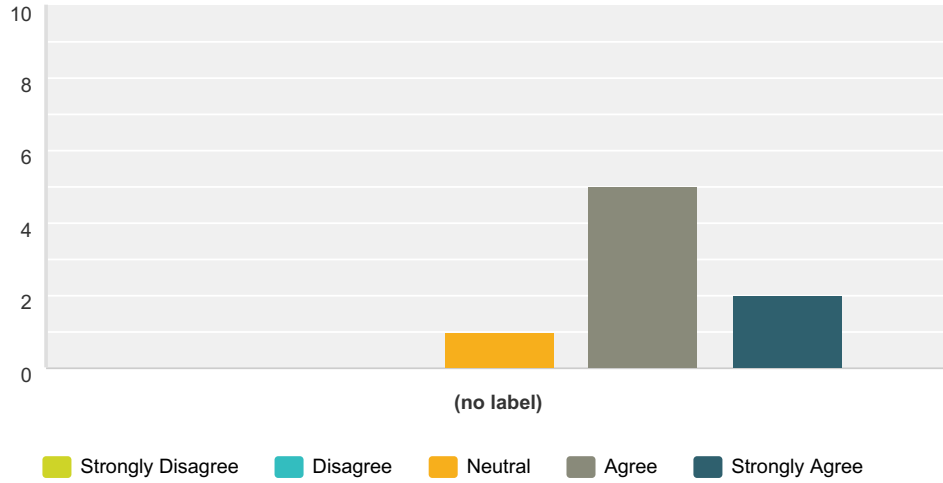
II: Consent Agenda:
Board Monitoring Report D

Doc II.4



Q1 The Board’s sole official connection to the operations of the cooperative will be through the General Manager.

Answered: 8 Skipped: 0



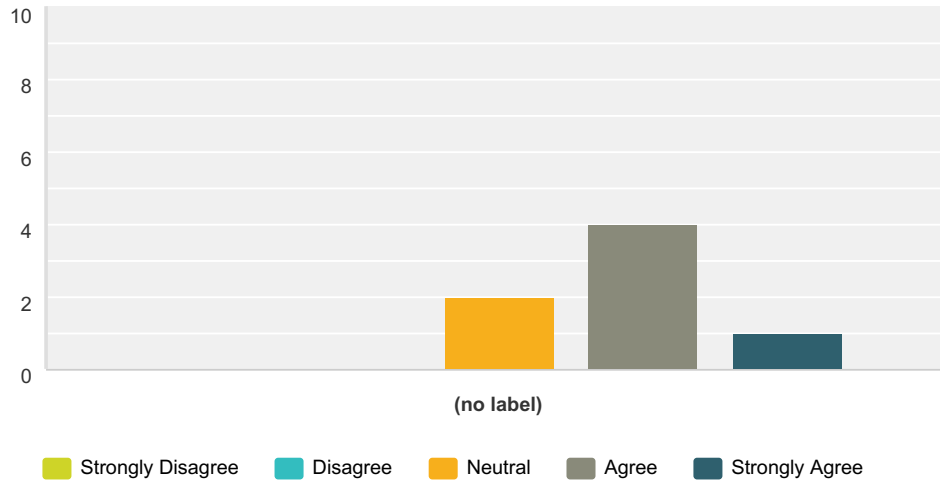
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	12.50% 1	62.50% 5	25.00% 2	8	4.13

II: Consent Agenda:
Board Monitoring Report C
Doc II.5



Q1 Acting on behalf of our owners, the Board ensures that our cooperative produces benefit and value, while avoiding unacceptable actions.

Answered: 7 Skipped: 0



	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	28.57% 2	57.14% 4	14.29% 1	7	3.86

III: Officer Elections

Ballots from Governance Committee:



IV: Review of Feasibility of Online Ordering Program:



Online Ordering – June Report

Project Summary

Mainstream grocers have been expanding into online ordering for several years and are providing a new marketplace that increasing numbers of consumers are demanding. Consumers want to shop online.

We began our research into online ordering in the spring of 2014. Online ordering is a new area of commerce for the food co-operative world. The initial buy-in for online ordering is high and it can take 2-5 years to develop a mature online shopping presence. 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 a contract with the company, My Web Grocer (MWG). MWG is a \$35M company based in Burlington, VT. It is the industry's leading provider for digital services and its customers include more than 130 national chains, 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.

We see this investment as a necessary expense to both maintain and expand our customer base in an increasingly competitive market. Based on mainstream grocery clients of MWG, online shopping is estimated to provide grocery retailers with an additional 10% annual sales growth and involves a basket size of ~\$155 with 45 items and 20% increased spending per customer. There is no data for the subset of co-op grocery retailers as we will be one of the first co-ops to do such an expansion. 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 customers' 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.

We will launch our online ordering services by the end of July 2015. Andrea Hall, Fiddleheads System Administrator, is the in-house project manager and is working closely with the team at MWG. We plan to use our online service to build our growing Block and Fishers Island customer base. Sales to island customers last year ranged from \$800-\$1000 per week for the months of June through September and these residents have expressed a strong desire in our development of an online ordering platform. It is worth noting that Whole Foods has a strong online ordering presence and Stop n Shop's Pea Pod online ordering system is established for Block Island. Concurrent with the summer Island deliveries, we will begin offering pick-up services at the co-op. 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 and finalize the sale. With the features MWG offers 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.

Questions Posed by BOD

The following are the questions posed by the Board on May 25th, 2015 regarding our online ordering expansion project and our responses:

1. *What costs will be incurred by this project? (What is the budget before and after the project? What line items in the budget must be increased over not doing the project both this year and next?).* This project generates both new costs and new revenue. In terms of expenses incurred, there is an initial capital investment of \$15,000 for the MWG Software and setup associated with the online platform and an investment of \$3000 for equipment. Of the \$3000, \$2000 of that is for cross-project equipment that was needed regardless of the online ordering project. We are estimating the cost of renovations for the dedicated space for online ordering packing and pickup to cost \$2500. Once online ordering has been launched, there will be monthly costs associated with a fee to MWG (\$1062.50) and labor. Our expectation is that the incurred monthly costs will be completely offset by new income within 6 months from our online ordering expansion. The estimates for new income have been bracketed based on data from other MWG clients and our own expectations considering our customer base. These data were presented on April 14th and will be included in the June Board Meeting Presentation. Our 2015 Budget included the expenses for online ordering as well as monthly costs post launch; these numbers have not changed and we are within our proposed budget for these items.
2. *How does your sales forecast numerically change by doing the project?* It takes 2-5 years to develop a mature online ordering system and clientele. By the end of the first 6 months post launch, we expect to see an increase of \$500 per day in our gross sales that is completely due to online ordering and for it to continuously increase after that. Based on MWG's experience, we are estimating an additional \$20,000 per month in gross sales by the end of 2016. We are estimating an additional 10% in sales by the end of 2018 which would have us generating over \$300,000 annually in gross sales due to online ordering in 2.5 years.
3. *What is the marketing & promotional plan?* We will be using in-store advertising, our web page, print and radio ads, social media and eblast lists to spread the news about online ordering. We expect the news to spread quickly across the Fishers and Block Island communities from which we will be getting some of our first and dependable customers. We may add a line item for online ordering promotional materials in the 2016 Budget if we feel it necessary.
4. *How will you monitor that you get the results you want?* The two main results we want to achieve are 1) customer satisfaction and 2) financial feasibility. Customer satisfaction will be assessed through feedback and surveys. To assess the financial feasibility, we will monitor costs and revenues, essentially treating online ordering as its own department. We are tracking all costs associated with launching the project and will track monthly expenses, including labor costs, post launch. We will track revenue through our own point of sale system. Both desired results are also able to be assessed using reporting tools available through MWG.
5. *What are the key metrics that determine success - what will you measure and how much should that measurement be (What is the minimum measurement allowable, and still consider the project a success?)?* Success with online ordering will come from achieving our two desired results [see question #4, 1) customer satisfaction and 2) financial feasibility]. Customer

satisfaction is and will continue to be one of our strongest attractions for people to shop at our co-op. Satisfying the growing customer demand for online shopping is going to help us continue to satisfy our current customers and will attract new customers who may in turn become owners, helping us keep our co-op strong. Currently we have not determined a specific achievable metric for demonstrating that we have successfully satisfied customers. Data available through MWG and Google analytics post launch will allow us to set goals and analyze desired outcomes regarding repeat customers, referrals, survey comments, first time shoppers and performance management.

Regarding financial feasibility, while it is essential to be viable, it is also important to keep in mind our first desired result. Online ordering is an investment and for the first 6 months may not result in a net gain financially, but we see it as essential for maintaining our current customers and expanding our customer base. Starting in 2016, we will achieve financial feasibility success if we are netting \$0 loss in the first two quarters and netting a gain of \$300 per month in quarters 3 and 4. In 2017 and 2018, our net gain per month goals continue to increase so that by the end of 2018, 10% of our gross sales come from online ordering and we are able to net over \$1000 per month.

6. *How have other coops done with online ordering? What is their present result?* Online ordering is new to the co-op world and we have found little data showing how successful the program can be for other co-ops. It is clear from the rest of the grocery world that online ordering is a program worth investing in. One great example of a successful online ordering program is from the Willy Street Co-op in Madison, WI. They began an online ordering service with delivery in 2007 and have been very successful, with sales jumping from \$3000 per month for online orders to \$20,000/month within two years.
7. *What is the rollout plan and timeline?* We are expecting to launch our online ordering service on Monday, July 20th. While any customer can begin using the service on this date, we will be pushing all of our current island customers to begin using the online service beginning that day. We will be advertising the official launch as Monday August 3rd. We have a detailed timeline and project plan developed with the experienced staff at MWG that includes several days of training for our staff before we go live.

V: Proposal to Create Strategy Committee

In place for June 12th:





**FIDDLEHEADS FOOD COOP
Board Of Directors Meeting
June 16, 2015**



Proposal for the Creation of a Strategy Committee

It is proposed that a strategy committee be created just prior to the Full Board and Senior Staff retreat July 12.

Members of this committee will be recommended by the Governance Committee at the Board Meeting.

The first task of the committee will be to propose a charter for the July meeting as a consequence of the Board Retreat.

The purpose for starting the creation before the retreat is so the Strategy Committee can take leadership roles during the retreat, particularly as the roadmap for developing the strategic plan is developed. It is anticipated that many short, plan specific, task forces may be created involving both board and staff. The Strategy Committee will be needed to coordinate the roadmap activities.

The Strategy Committee will also be responsible for keeping the roles clear between Board and CoManagers.

Board: owns defining the outcomes and their scope (in policies)

CoManagers: own the implementation plans to achieve the outcomes.

VI: Monitoring Report B:
Global Executive Constraint

Doc VI



Policy: B –Global Executive Constraint, Last revised: June 18, 2013

We report compliance with all parts of this policy.

Unless indicated otherwise all data in this report is for the 9 month period from September 4, 2014 – May 31, 2015 and, to the best of our knowledge is accurate as of that date.

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

Signed _____, Kristin DeMuzzio, Co-Manager

Signed _____, Sheila Herbert, Co-Manager

The General Manager shall not cause or allow any practice, activity, decision, or organizational circumstance that is unlawful, imprudent, or in violation of commonly accepted business and professional ethics and practices, or in violation of the Cooperative Principles.

Interpretation:

The GM will confirm that all operational tasks, carried out by anyone in the organization, will conform to the expectations set out in this policy and its sub-policies. The GM is not responsible for governance functions other than advising the board if they are aware of non-compliance with its own policies (reference Policy B7).

The Board’s limitations policies thoroughly interpret and explain this global policy in most areas. All submitted monitoring reports and acceptance of them, when taken together, provide demonstration of compliance with this top-level policy. Look to those reports for more specific definitions and data. In this global report, we will provide information related to lawfulness and Co-op Principles.

In her article “Cooperative Principles Updated” (*Cooperative Grocer* #62, 1996), Ann Hoyt states:

Principles are guidelines for how to put ideals and values into practice. They rest on a distinct philosophy and view of society that helps us judge our accomplishments and make decisions. If successful, principles are incorporated into the organizational culture of the cooperative; they are the broad vision statement for cooperatives and cooperators individually and collectively. Shared and actualized principles allow cooperatives to be distinguished from other forms of organization. As the ICA puts it, “Principles are not a stale list to be reviewed periodically and ritualistically; they are empowering frameworks through which cooperatives can grasp the future.”

The Cooperative Principles essentially provide the *roadmap* a cooperative should use to fulfill its mission. Adhering to these principles is what defines us as a successful cooperative enterprise. We apply our Ends policies to help us achieve our commitment to and implementation of the Cooperative Principles.

Operational Definitions:

- All monitoring reports submitted to the Board will determine compliance or will include a plan for attaining compliance that is acceptable to the Board.
- The GM will ensure that the co-op conforms to any municipal, county, state or federal laws and/or any regulation that applies to its organization. Compliance will be achieved if the Cooperative has not been fined or successfully sued for any illegal activity.
- The GM will inform the Board of any known illegal activity even if there are no fines or lawsuits as a result of that activity.
- Activities and practices of the Co-op will align with the seven Cooperative Principles.

Data:

- See the attached Monitoring Summary Table.
- Fines assessed during this reporting period: None
- Lawsuits initiated or resolved during this reporting period: None
- Illegal activity known to the GM: None
- Cooperative Principles

Co-op Principle (bold) with ICA definition	Operational Definition/interpretation	Data
<p>1st Principle: Voluntary and Open Ownership Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of ownership, without gender, social, racial, political or religious discrimination.</p>	<p>Articles of incorporation and bylaws provide legal structure consistent with the cooperative principle.</p> <p>Our common practice is consistent with the cooperative principle.</p>	<p>Our articles of incorporation and bylaws call for open and voluntary ownership of a cooperative. Ownership requirements are clearly set by the owners in the bylaws.</p> <p>Owners have joined (278 households) and withdrawn (4) during the past year with no claims other than voluntary actions (e.g. relocation, health, financial).</p>
<p>2nd Principle: Democratic Owner Control Co-operatives are democratic organizations controlled by their owners, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the ownership. In primary co-operatives owners have equal voting rights (one</p>	<p>Bylaws authorize owners to exercise their one owner-one - vote rights to elect a Board of Directors to represent them, to make bylaw revisions, and provide for various other owner controls.</p> <p>Elected officials are held responsible by the owners to further organize themselves, to deliver exceptional leadership essential for the organization to deliver the anticipated</p>	<p>An election was held, concluding on May 3, 2015 in which the owners elected representatives to the Board. Each owner had one vote.</p> <p>The board has developed a comprehensive set of policies that include clear expectations about how the board is organized; its relationship with the GM; preferred outcomes of the organization; any undesirable conditions and happenings; and, it maintains an</p>

<p>owner, one vote) and co-operatives at other levels are also organized in a democratic manner.</p>	<p>outcomes and avoid undesirable conditions and actions, and to monitor to certify that those expectations are being met.</p>	<p>annual calendar for monitoring all of these policies.</p> <p>Board and Management account to our owners through the Annual Report and Annual Meeting.</p>
<p>3rd Principle: Owner Economic Participation Owners contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Owners usually receive limited compensation, if any, on capital subscribed as a condition of ownership. Owners allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting owners in proportion to their transactions with the co-operative; and supporting other activities approved by the ownership.</p>	<p>The board, on behalf of its owners, establishes and regulates the owner equity dispersment through its policies. The board also decides, on an annual basis whether to offer patronage rebates based on the owner dollars spent and the relation to profitability.</p> <p>In addition, owners may provide essential capital to the co-op by loaning it money. These loans shall not impact voting rights of owners.</p>	<p>See the previous B4—Ownership Rights and Responsibilities monitoring report for data about equity payments and patronage refunds.</p> <p>The balance sheet provided with the annual B1—Annual Financial Conditions monitoring report shows that our owners have loaned their co-op \$37.5K.</p> <p>As noted in the data for the 2nd Principle, all owner households still have only one vote each.</p>
<p>4th Principle: Autonomy and Independence Co-operatives are autonomous, self-help organizations controlled by their owners. If they enter to agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their owners and maintain their co-operative autonomy.</p>	<p>From Anne Hoyt’s Cooperative Grocer article: <i>“In the thirty years since the passage of the 1966 Cooperative Principles, numerous third world countries have used cooperatives as an intentional part of their social and economic development strategies. ... Unfortunately, many of the governments, especially in centrally planned economies, were unable to withdraw from the cooperatives. Instead, cooperatives, closely controlled by government functionaries, became inefficient and poorly managed, a haven for</i></p>	<p>Our co-op was established by and organized by its owners. Owners make up more than 50% of our shoppers, and constitute over 60% of our annual gross sales. Owner growth is steady at 10% percent annually.</p>

	<p><i>government bureaucrats. Independence and autonomy was often never realized. The new principles emphasize that cooperatives must be free of intervention from governments or other sources, so that the owners are able to control their own destiny.”</i></p>	
<p>5th Principle: Education, Training and Information Co-operatives provide education and training for their owners, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.</p>	<p>We provide regular educational opportunities so that owners, elected Co-op leaders, managers and employees, and community owners are encouraged to continually engage their minds.</p>	<p>Both the GM and board currently receive training and professional development via contracts with Cooperative Development Services (CDS) Consulting Co-op.</p> <p>Our staff have received educational training and information workshops on the Cooperative Principles and the Cooperative Model.</p> <p>The GM piloted a Cooperative Café workshop for board and staff, and then again at our 2015 annual meeting which included owners.</p> <p>More details will be provided in the Ends report in Nov. and Dec. 2015.</p>
<p>6th Principle: Co-operation among Co-operatives Co-operatives serve their owners most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.</p>	<p>The Co-op is a visible part of the larger cooperative movement; we have ownership in several other cooperatives; the Co-op contributes money and leadership to other cooperatives.</p>	<p>Our co-op actively participates as an owner of the Neighboring Food Cooperative Association (NFCA). Our partnership with NFCA enables us to network and build alliances with other regional Co-ops, giving us a competitive advantage over our competitors.</p> <p>This June we applied to become members of the National Cooperative Grocer (NCG). NCG helps unify natural food co-ops in order to optimize operational and marketing resources, strengthen purchasing power, and ultimately offer more value to natural food co-op owners and shoppers everywhere.</p> <p>We are also members of CDS</p>

		<p>Consulting Co-op; a cooperative of consultants acting in service to the values of cooperation, as well as to the benefits of mutual aid, collaboration, and expertise. We have contracted with four CDS consultants this year who specialize in co-op governance, leadership development, expansions, retail improvement, marketing, member services and human resources.</p> <p>We engage regularly in educational activities with other regional and local cooperatives as indicated above as part of the 5th Principle.</p>
<p>7th Principle: Concern for Community Co-operatives work for the sustainable development of their communities through policies approved by their owners.</p>	<p>The Ends policies bring to life our owners' concern for and commitment to our community.</p>	<p>The Ends report (due in Nov. and Dec. 2015) demonstrates the many ways our co-op has benefited our community. Outreach Highlights include: 25 new member owner orientations, 20 educational workshops, 10 community educational outreach events. We hosted the Veggie Passport Program, Co-op Fair, Spring and Fall New London Food Stroll, and the New London Youth Talent Show. In the areas of Food Justice, Sustainability and Social Responsibility: Local Farm Tours, Healthy Food Access Program, Neighborly Nickels (encourages customers to bring their own bags and containers), NL Beautification (compost), NL Youth Affairs staff, East Lyme HS student program, Conn College Market, United States Coast Guard Academy <i>First Student 101</i> course.</p>

VII: Executive Session:

Doc VII

