

FIDDLEHEADS BOARD OF DIRECTORS
Board Meeting of January 5, 2016
(Approved by the Board January 19, 2016)

I. CALL TO ORDER, ATTENDANCE, ANNOUNCEMENTS

A. Call to Order

Susan Phillips called to order a special meeting of the Fiddleheads Board of Directors at 6:32 p.m. on Tuesday January 5, 2016 at 105 Huntington Street, New London, CT.

B. Attendance

The following Board members were present:

Susan Phillips, President
Susan Zimmerman, Vice-President
Helene Bardinnet, Treasurer
Danny Spurr, Secretary
Carolyn Wilson
Mona Harmon-Bowman
Ellen Clinesmith

The following additional members were present:

Wynston Estis, Interim General Manager
Elisa Giommi, Board Administrator

C. Check-in

There were some questions about the new Board member's email addresses. All emails to these addresses will be forwarded to each Board members personal email address.

There were some questions about the letter from the Board regarding the new owner incentive program that went out in the most recent e-blast. It was agreed that communications such as these should be run by all Board members before being sent out, so that all Board members know what is being communicated ahead of time.

D. Agenda Review

It was requested that the Board review items involving the IGM first, so that she may return to the store for the inventory in progress.

A discussion of transportation to the upcoming CBLD 101 class in Keene, NH was added to the discussion items.

E. Owner Comments

No owner comments

II. MINUTES

A. Minutes of November 17, 2015

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Motion to accept minutes of November 17, 2015 with changes to V section G regarding current discount policy and practice:

Motion: Ellen Clinesmith
Second: Helene Bardinet
All in favor

B. Minutes of December 15, 2015

Motion to accept minutes of December 15, 2015 with changes noted:

Motion: Ellen Clinesmith
Second: Helene Bardinet
All in favor

III. MANAGER'S UPDATE REPORT

Sales for Christmas week were down 2% compared to last year's sales.

The dairy case refrigerator went down last night, but is now fixed. All inventory is covered by insurance.

There are 5 owner loans past due.

Wynston has entered into contract with attorney Daryl Finizio to review the status of loans and update our loan process. She is also working with him on our lease agreement.

There is an extension agreement with the property owner that uses the conditions of the old lease agreement until such time as a new agreement is signed. There is still lack of alignment regarding common area maintenance fees.

IV. CONSENT AGENDA

A. Owner Equity Refund Requests

There are no pending requests

B. GM Search Committee minutes for November 24, 2015

Motion to approve the Consent Agenda:

Motion: Susan Zimmerman
Second: Daniel Spurr
All in favor

V. EXECUTIVE SESSION

The purpose of the Executive Session is to approve the minutes of the December 15, 2015 executive session; and to discuss financial and personnel matters related to year end financial review options, the GM search and potential candidates, the IGM contract and a possible extension, and IGM succession planning.

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Motion to enter into executive session:

Motion: Daniel Spurr

Second: Ellen Clinesmith

All in favor

Executive session entered at 7:20 p.m and exited at 7:57 p.m.

Confidential minutes were taken in executive session.

The Board voted to enter into contract with Wegner CPA for the conducting of a year-end Financial Review and for tax preparation.

The Board voted to extend the IGM contract with Wynston Estis and CDS Consulting to March 31, 2016.

Wynston will communicate this extension to the staff.

VI. COMMITTEE/TASK FORCE REPORTS

A. GM Search Committee Report

Due to the intensive time commitment of this committee, and the willingness of the members of the committee to step aside if new members were interested in serving, the GM Search Committee is being reformed. Wynston has assembled a pool of five staff candidates who are interested in serving.

It was decided by the Board that Sue Phillips and Carolyn Wilson would continue to serve on the committee.

Wynston asked if the Board wanted to set up some qualifications to help select the staff candidates. The Board decided against setting qualifications, with the exception that potential members must be able to meet on Tuesday evenings. The IGM could set qualifications if she wished.

It was requested that Wynston bring the names of the two new staff committee members to the Board by the end of the week along with one alternate.

It was discussed that the role of these new staff committee members needed to be clearly communicated to avoid any later confusion. Specifically, that the qualification checklist and job description have already been established by the previous committee, that the committee makes recommendations to the Board, but does not decide on whether or not to select a candidate, that the staff committee members will be invited to give their input to the Board regarding any finalist candidates, but they will not be involved in the Board's final decision making process.

B. Governance Committee

Tabled to next meeting.

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C. Annual Meeting Committee

Tabled to next meeting.

D. Owner Communications Committee

A date for the next Board meet and greet was set for Saturday January 30th and Sunday January 31st from 10 a. m. to 12 noon. Board members can bag groceries or not, as they desire. A door prize was discussed as a possible sweetener for future meet and greets. Amelia will be putting up the new Board photos in the store when she returns from vacation. Elisa and Amelia will need a bio from Ellen Clinesmith, as all other Board members have recent bios on file except her.

VII. IGM MONITORING REPORT

A. Ends A2 – Thriving Local Economy- Fiddleheads exists so to make Southeastern Connecticut a thriving, locally based economy

Conclusion: Reasonable progress towards accomplishment.

B. Ends A3 – Sense of Community- Fiddleheads exist so that shoppers and owners have a strong sense of community

Conclusion: Reasonable progress towards accomplishment.

C. Executive Limitations B Global Executive

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

It was decided by the Board to table Global B Executive to the February meeting.

2. Executive Limitations B1 – Financial Condition and Activities

The GM shall not:

a) Allow sales to decline or be stagnant.

Conclusion: Not in compliance.

The Co-op has shown negative sales growth compared to the same quarter of the year prior in the last two quarters.

A plan is in place to improve sales through improved: daily routine, promotions, and in store signage.

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

Conclusion: In compliance

c) Allow operations to generate an inadequate net income.

Conclusion: Not in compliance

The 2% owner discount is being replaced by a new owner incentive program in February. This should help the co-op generate more adequate net income as there will no longer be a constant 2% drain on income

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d) Incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.

Conclusion: In compliance

e) Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.

Conclusion: In compliance

f) Allow late payment of contracts, payroll, loans or other financial obligations.

Conclusion: Not in compliance

There are Accounts Payable (AP) that are beyond terms. We also may not be current on our common area maintenance payments. It was discovered that we were a month behind with our lease payments, but this has since been made current.

A plan is in place to gradually pay down our accounts payable and the amount of AP that is beyond terms has been reduced since the last report. Plans to improve sales will help with becoming current.

There were some questions regarding the AP numbers in the report.

3. Executive Limitations B2 – Business Planning and Financial Budgeting

Conclusion: In compliance

4. Executive Limitations B3 – Asset Protection

Conclusion: In compliance

5. Executive Limitations B4 – Ownership Rights and Responsibilities

Conclusion: Not in compliance

There is a plan to come into compliance by the Co-op's birthday in early February when the new owner exclusive incentives will go live. All non-owners and owners not current with their equity payment will not be eligible for any owner discounts or incentives.

6. Executive Limitations B5 – Treatment of Customers

Conclusion: In compliance

7. Executive Limitations B7 – Communication to the Board

Conclusion: In compliance

Motion to accept the IGM monitoring report of December 15, 2015 with acknowledgement of non-compliance in sections noted:

Motion: Mona Harmon-Bowman

Second: Helene Bardinnet

All in favor

VIII. DISCUSSION/ACTION ITEMS

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A. Code of Conduct for Board Membership

A Board Member Code of Conduct form was distributed to all Board members and signed. Elisa will photocopy each form so that every Board member will have a copy of their signed Code of Conduct form.

B. Board Calendar (including Governance Calendar) for 2016

Tabled to next meeting.

C. Transport to CBLD 101 in Keene, NH

Ellen, Helene, Mona, and Danny will meet Susan Zimmerman at the park and ride off 395, exit 11 (old exit 80) at 6 a.m. on Saturday morning and they will all carpool with Susan to the event.

IX. CLOSINGS

A. Review tasks, assignments

Wynston will report to staff on the extension of her contract.

Wynston will provide the names of the two new GM Search Committee staff members along with one alternate.

Elisa will solicit a bio from Ellen Clinesmith for Amelia to use on the Board flyer.

Elisa will photocopy signed Code of Conduct forms to be returned to Board members.

B. Meeting checklist.

A meeting checklist was conducted

C. Adjournment

Motion to adjourn at 8:37 p.m

Motion: Mona Harmon-Bowman

Second: Helene Bardinet

All in favor

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Draft minutes prepared for submission to board by Danny Spurr/Elisa Giommi on January 11, 2016.

Minutes approved by vote of the Board on January 19, 2016 and put into final form by Danny Spurr/Elisa Giommi on January 23, 2016.