



**FIDDLEHEADS NATURAL FOODS  
COOPERATIVE**

**BOARD OF DIRECTORS  
MEETING PACKET**

**Meeting date:  
January 19, 2016**



# Agenda

**FIDDLEHEADS**  
**BOARD OF DIRECTORS MEETING**  
**January 19, 2016**  
**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	<b>Meeting Preamble</b> <i>Each of us is a member of the co-op community and has been elected to be leaders in serving our owners. May we conduct this meeting by empowering each other, treating each other with kindness, and maintaining an atmosphere of mutual respect.</i> <b>Check-in</b>	Agenda	Convene/Focus	President
6:30	<b>Agenda Review</b>	Agenda	Make any needed adjustments	President
	<b>Owner Comments</b>		Listen	President
6:35	<b>Minutes</b> (Board Packet) <ul style="list-style-type: none"> <li>January 5, 2016</li> </ul>	Packet	Approve Minutes	
6:40	<b>Managers Update Report – TBD</b> <ul style="list-style-type: none"> <li>Lease negotiations</li> <li>Owner 2% discount program transition status</li> <li>Other items as appropriate</li> <li>Update on owner loan inventory and clarification process</li> </ul>	Oral	Q&A	IGM
6:55	<b>Consent Agenda</b> <ul style="list-style-type: none"> <li>Board Monitoring Report C7-Committee Principles</li> <li>Owner Equity Refund Requests</li> </ul>	Each item in packet	Approval Application	President Pres/VP/IGM
6:55	<b>Discussion of Items removed from Consent Agenda</b>	See above	Discuss/Approve	TBD
7:00	<b>EXECUTIVE SESSION</b> <ul style="list-style-type: none"> <li>To approve minutes of January 5, 2016, Executive Session</li> </ul>	Minutes To Be Provided		Secretary
7:45	<b>Discussion/Action Items:</b> <ul style="list-style-type: none"> <li>Code of Conduct-Potential Conflicts of Interest (distribute signed copies)</li> <li>CBLD Q4 Status</li> <li>2016 Calendar</li> </ul>	To be distributed In Packet In Packet	Distribute Discuss Discuss/Approve	Admin President President
TBD	<b>Committee/Task Force</b> <ul style="list-style-type: none"> <li>Governance <ul style="list-style-type: none"> <li>*Confirm committee membership/calendar</li> <li>*Discuss candidates for board vacancy</li> </ul> </li> <li>GM Search <ul style="list-style-type: none"> <li>*Process going forward</li> <li>* Notes of Jan 12 meeting</li> </ul> </li> <li>Annual Meeting <ul style="list-style-type: none"> <li>*Any updates</li> </ul> </li> <li>Owner Communications <ul style="list-style-type: none"> <li>*Any updates</li> </ul> </li> </ul>	Notes in Packet	Approve	President
8:15	<b>GM Monitoring Report</b>	In Packet		IGM

8:40	<b>Owner Comments</b>			
8:45	<b>Closings</b> <ul style="list-style-type: none"> <li>● SCHEDULE CDS CALL!</li> <li>● Review decisions, tasks, assignments</li> <li>● February 16th draft agenda</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>● Adjourn Meeting</li> </ul>		Review Evaluate meeting process: what worked and what needs improvement	President

**BOARD PACKET:**

- Meeting Agenda
- Draft Minutes of January 5, 2016 Meeting (Danny & Elisa)
- Board Monitoring Report C7
- IGM Update Report (Wynston - may be oral)
- Copies of Code of Conduct Agreements (handouts-Elisa)
- CBLD Q4 Status
- GM Search Minutes of 1/12/2016
- 2016 Board Calendar
- Member Equity Refund Request (Wynston)
- Executive Session Minutes of January 5, 2016 – (to be brought to meeting by Danny)
- IGM Interim Monitoring Report
- Draft Agenda for February 16, 2016 meeting



# **Meeting Minutes**

## **January 5, 2016**

Minutes

# FIDDLEHEADS BOARD OF DIRECTORS

## Board Meeting of January 5, 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 the Board regular 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

**FIDDLEHEADS BOARD OF DIRECTORS**  
**Board Meeting of January 5, 2016**

**Motion to accept minutes of November 17, 2015 with changes to section V. 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.

# **FIDDLEHEADS BOARD OF DIRECTORS**

## **Board Meeting of January 5, 2016**

### **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. Wynston could set qualifications if she wished, but otherwise was advised to pull names of interested candidates out of a hat.

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.*



# FIDDLEHEADS BOARD OF DIRECTORS

## Board Meeting of January 5, 2016

### **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 30<sup>th</sup> and Sunday January 31<sup>st</sup> from 10 a. m. to 12 noon. There will be bagging and non-bagging as desired. 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

## **FIDDLEHEADS BOARD OF DIRECTORS**

### **Board Meeting of January 5, 2016**

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 to become 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**

**FIDDLEHEADS BOARD OF DIRECTORS**  
**Board Meeting of January 5, 2016**

**A. Code of Conduct for Board Membership**

A Board Code of Conduct form was distributed to all Board members and were 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 bring 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

\* \* \* \* \*

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

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

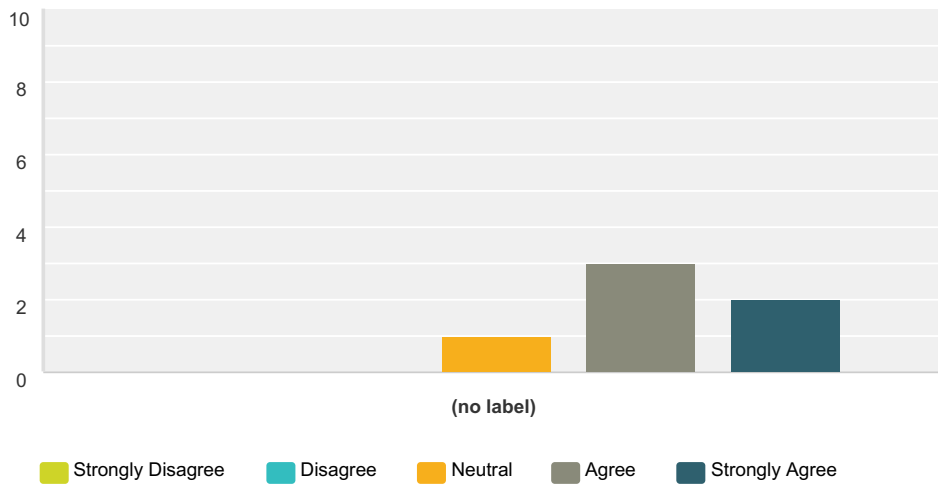


# **Board Monitoring Report C7 Committee Principles January 2016**

Consent Agenda  
Item 1

### Q1 We will use Board committees only to help us accomplish our job.

Answered: 6 Skipped: 0

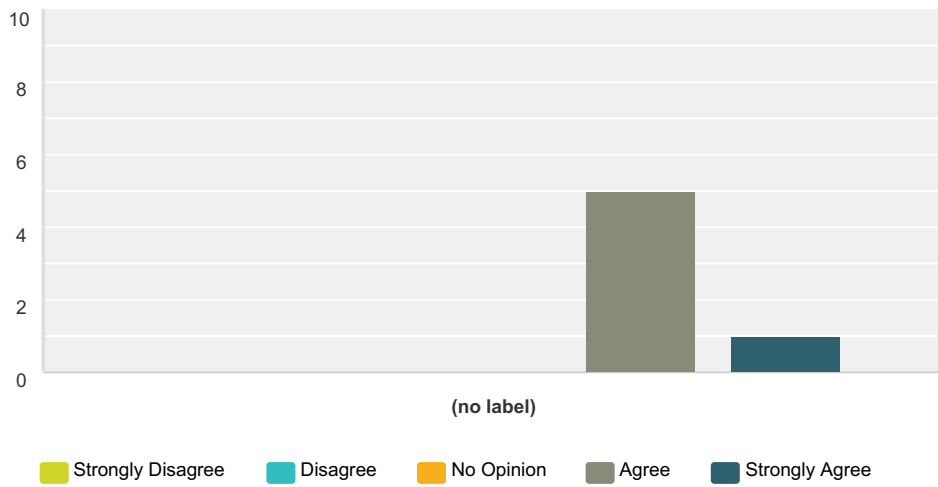


	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	16.67% 1	50.00% 3	33.33% 2	6	4.17

#	Comment	Date
	There are no responses.	

## Q2 Committees will reinforce and support the wholeness of the Board.

Answered: 6 Skipped: 0

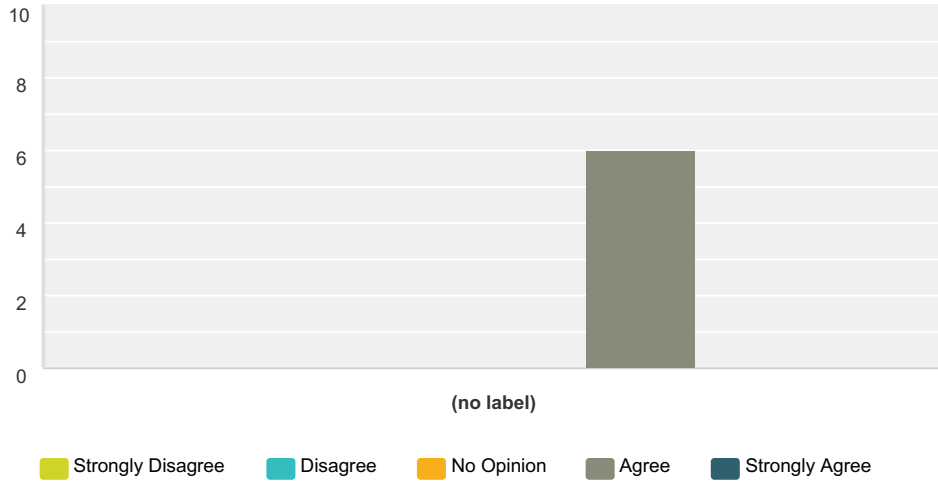


	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	0.00% 0	83.33% 5	16.67% 1	6	4.17

#	Other (please specify)	Date
	There are no responses.	

### Q3 Committees help the whole Board move forward when they research alternatives and bring back options and information.

Answered: 6 Skipped: 0

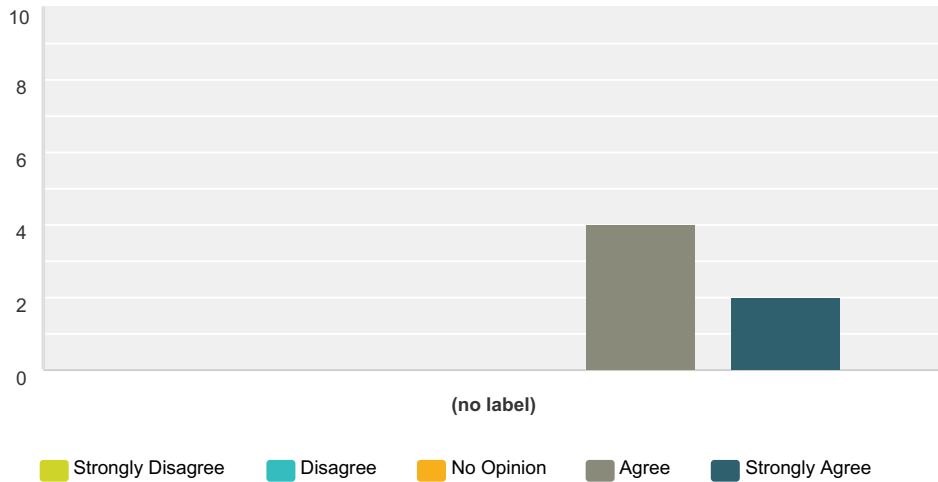


	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	0.00% 0	100.00% 6	0.00% 0	6	4.00

#	Other (please specify)	Date
	There are no responses.	

**Q4 Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes.**

Answered: 6 Skipped: 0



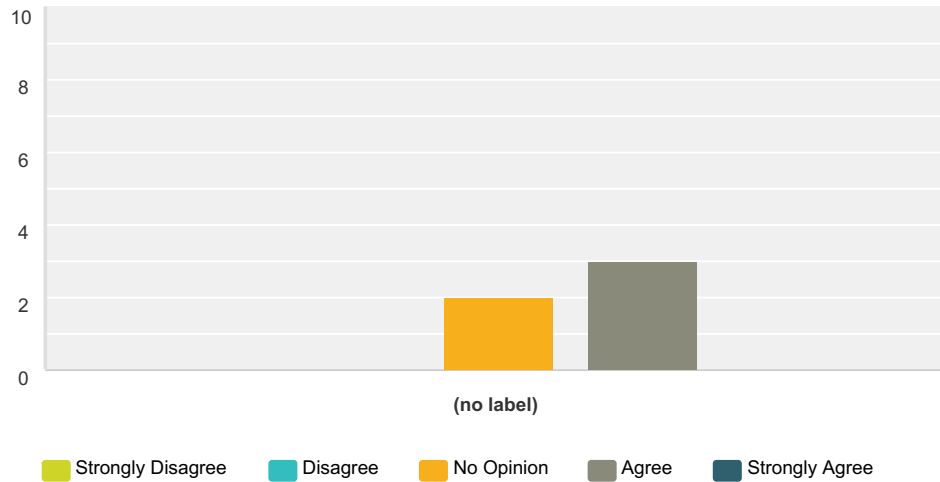
	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	0.00% 0	66.67% 4	33.33% 2	6	4.33

#	Other (please specify)	Date
	There are no responses.	



**Q5 The Board will establish, regularly review and control committee responsibilities in written committee charters.**

Answered: 5 Skipped: 1

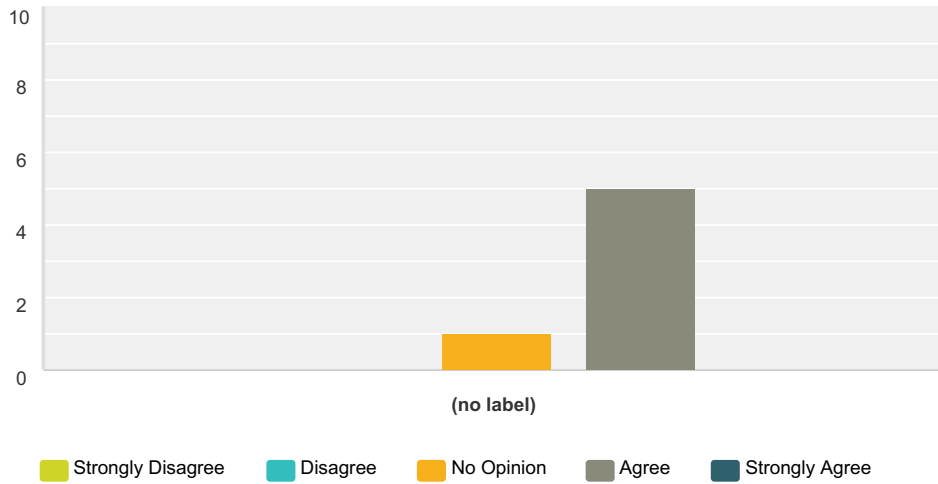


	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	40.00% 2	60.00% 3	0.00% 0	5	3.60

#	Other (please specify)	Date
1	We have a mixed record of establishing and reviewing committee responsibilities. An area for future improvement.	1/13/2016 8:50 AM
2	We may need to examine/establish charters for some committees. -DS	1/11/2016 12:49 PM
3	I agree with that statement but i don't think we have been reviewing the chat ers of our committees on a "regular" basis. Could we add this to our yearly calendar under "Admin Agenda Item" ... In November? HB	1/8/2016 4:01 PM

**Q6 We will carefully state committee expectations and authority to make sure they do not conflict with authority delegated to the GM.**

Answered: 6 Skipped: 0



	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	16.67% 1	83.33% 5	0.00% 0	6	3.83

#	Other (please specify)	Date
1	Again this is an area where we can improve.	1/13/2016 8:50 AM



# **CBLD**

## **plus Emailed Questions**

Discussion/Action Items  
Item 2



## Fiddleheads Food Co-op

Q4-2015

1/8/2016

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Thanks for a wonderful 2015. It has been such a pleasure working with you over the last 4 years!

### Ongoing Support:

Hours Utilized (of 15.00)      **26**                                      Hours Remaining      **-11.00**

Do we have an established pattern of contact?    **yes**

On track for balanced use of hours for the year?    **no**

### Quarterly Note:

We had good contact this quarter and hopefully a strong foundation is laid for a smooth transition to 2016 & your new consultant.

**Board Retreat:**                      Sunday July 12, 2015

### In-Person Event Attendance

CBL 101:	<b>2</b>
Leadership Training:	<b>2</b>
Cooperative Cafe:	<b>12</b>

**Joel Kopischke, CBLD Consultant**  
**CDS Consulting Co-op | CBLD Program**



The Newest Resources Available to You on the [CDS CC Library](#)

[Four Pillars Self-Assessment Tool](#)

[Video: The Food Co-op as Third Space](#)

[Video: Intro to the Four Pillars](#)

And [dozens of short video recordings](#) from the Cooperative Cafes focused on thriving in the new competitive landscape.

New Connections Articles -- from the [Connections Archive](#)

[Co-op Cafes Inspire Teamwork and Connect](#)

November, 2015

['Co+op Forest' Offsets Carbon Emissions](#)

November, 2015

[GMO Labeling: Consumer Right to Know at Risk](#)

August, 2015

[Board's Role in Cooperative Growth](#)

June, 2015



**CBLD**  
cooperative board  
leadership development



THE  
**Cooperative  
Café**



**2016 SCHEDULE OF IN-PERSON SESSIONS**

Attend the event closest to home or the one that fits your schedule the best!

	<b>CBL 101</b>	<b>Leadership Training</b>	<b>Cooperative Cafe</b>
<b>Who should attend?</b>	Newly elected directors, candidates, GMs and successors	Board leaders, GMs and others looking to develop their leadership skills	Directors, GMs, managers, staff and anyone interested in the co-op's relationship with members and the community
<b>EASTERN CORRIDOR</b>	<b>Northeast</b> January 9 Keene, N.H.	January 9 Keene, N.H.	March 12 Keene, N.H.
	<b>Mid-Atlantic</b> July 9 Buffalo, N.Y.	July 9 Buffalo, N.Y.	November 5 Philadelphia, Penn.
	<b>Southeast</b> January 23 Asheville, N.C.	January 23 Asheville, N.C.	March 19 Asheville, N.C.
<b>CENTRAL CORRIDOR</b>	<b>Minnesota/Wisconsin</b> January 9 & September 24 Minneapolis, Minn.	January 9 Minneapolis, Minn.	March 5 Madison, Wisc.
	<b>Greater Michigan</b> May 14 Mt Pleasant, Mich.	May 14 Mt Pleasant, Mich.	October 22 Ann Arbor, Mich.
	<b>Checking for interest!</b> January 23 - Austin, Tex. July 9 - Chicago, Ill.		
<b>WESTERN CORRIDOR</b>	<b>Northwest</b> March 19 Portland, Ore.	March 19 Portland, Ore.	October 8 Hood River, Ore./Provender
	<b>California</b> September 24 Sacramento, Calif.	September 24 Sacramento, Calif.	February 27 Sacramento, Calif.
	<b>Southwest</b> January 23 Albuquerque, N.M.	January 23 Albuquerque, N.M.	October 29 Albuquerque, N.M.

Add to agenda for "discussion topic" please.

Sue

----- Forwarded message -----

From: Susan Zimmerman <[susanpzimmerman@sbcglobal.net](mailto:susanpzimmerman@sbcglobal.net)>

Date: Jan 12, 2016 7:57 AM

Subject: Re: [board] Fwd: CBLD Q4 FID

To: susan phillips <[phillipssusan@sbcglobal.net](mailto:phillipssusan@sbcglobal.net)>

Cc: F-Heads Board <[board@fiddleheadsfood.coop](mailto:board@fiddleheadsfood.coop)>, Carolyn Wilson <[carolynwilsoncrm@yahoo.com](mailto:carolynwilsoncrm@yahoo.com)>

Would like to see the questions as an agenda item so we could have the discussion rather do by email?

Sent from my iPhone

On Jan 12, 2016, at 7:13 AM, susan phillips <[phillipssusan@sbcglobal.net](mailto:phillipssusan@sbcglobal.net)> wrote:

This does not seem to have e been sent to everyone, so here it is.

Questions may be worth thinking about. And seeing if we have alignment on priorities/goals for 2016. For me it is:

\*hiring a permanent full time GM

\*having best annual meeting yet

\*developing pool of board candidates and planning board leadership succession

Good news is that we have structures and processes in place to make those things happen!

Sue

----- Forwarded message -----

From: Joel Kopischke <[joelkopischke@cdsconsulting.coop](mailto:joelkopischke@cdsconsulting.coop)>

Date: Jan 11, 2016 3:52 PM

Subject: CBLD Q4 FID

To: SUSAN PHILLIPS <[phillipssusan@sbcglobal.net](mailto:phillipssusan@sbcglobal.net)>, Susan P Zimmerman

<[susanpzimmerman@sbcglobal.net](mailto:susanpzimmerman@sbcglobal.net)>, wynston estis <[wynston.estis@gmail.com](mailto:wynston.estis@gmail.com)>

Cc:

Happy New Year!

Attached is the Q4 status report for our CBLD relationship. Thanks for the opportunity to serve you in 2015!

I encourage you to reflect on the past year and look forward as well.

- What were the board's greatest accomplishments in 2015?
- 
- What contributed to those successes?
- 
- What are the board's biggest goals for 2016?
- 
- What will help us achieve these?
- 

These questions could be a great discussion topic for your next board meeting!

Also, if 2016 is anything like 2015, your board as a whole and each individual director probably has a busy year ahead. Be sure you've got the CBLD [in-person events](#) on your calendar.

Thank you again and here's to a prosperous 2016!

Peace.

Joel

Joel Kopischke  
Owner/Member, CDS Consulting Co-op  
[414.803.6725](tel:414.803.6725)  
[JoelKopischke@CDSConsulting.coop](mailto:JoelKopischke@CDSConsulting.coop)



# 2016 Calendar

Discussion/Action Items  
Item 3



## FIDDLEHEADS BOD 2016 CALENDAR

Item	January	February	March	April	May	June	July	August	September	October	November	December
<b>Board Education</b>	CBL101 9th Keene  Financial Tng 23rd		Training  Cooperative Cafe 12th			CCMA Conf 9-11		Conference		NFCA Fall Gathering	Yearly Reflection	Yearly Review and Update of next year's education plan
<b>Owner Engagemen t Newsletter Articles</b>			Article about Policy Governance	Article about BoD Elections, Candidate Bios	Annual Meeting May 21  Article for Annual Report							
<b>Admin Agenda Items</b>			Review GM Compen- sation Proposal	Deadline BoD Candidate information for ballots  Review Owner Meeting Agenda and assignments	Board Elections Farewell to departing directors  Welcome new directors Orientation meeting for new board members	Election of Board Officers	Finalize GM evaluation	BoD Retreat?	Board Retreat follow-up  Start 2017 calendar	BoD Budget finalized		Review calendar for next year
<b>Admin Board Monitoring</b>	C7: Committee Principles	C8: Governance	D1: Unit of Control	D2: GM Accountabilit y	D3: Delegation to GM D4: Monitoring GM	C: Global Governance D: Global BoD-Mgmt	C1: Governing	C2: Board's Job	C3: Agenda Planning	C4: Meetings	C5: Code of Conduct	C6: Officers
<b>GM Monitoring</b>	B4: Membership B9: Succession	B1: Financial Condition	B1: Annual Financial Condition	B6: Staff	B1: Financial Condition	B5: Consumers	A: Ends	A: Ends Continued B1: Financial Condition	B7: Board Communicat ion B8: Board Support	B2: Planning & Budgeting	B1: Financial Condition	B: Global Constraint B3: Asset Protection



Consent Agenda  
Item 2

# Owner Equity Refund Requests



13 Broad Street New London, CT 06320 860 701-9123

Equity Refund Request Form

Dear Fiddleheads Food Co-op,

I, Ross Peter Hemphill

Name:

Owner Number: 41000001930

Request my equity be refunded. I understand that all owner equity refunds must be approved by the Fiddleheads Food Co-op Board of Directors per FFC bylaws which delays processing my request until after the next scheduled Board of Directors meeting. I understand that approved equity refunds are usually refunded within two weeks of the Board of Directors meeting.

Please mail my refund to the following address: 39 Ash Dr, Unit 27  
Gales Ferry, CT 06335-1708

Reason: (Optional) moving west

Member-Owner Signature: [Handwritten Signature]

For Office Use Only

Received: 1/9/13 Initials: mit Equity Paid \$ 70<sup>00</sup>  
Date Refunded: \_\_\_\_\_ Amount Refunded (Equity - \$7.00 fee =) \_\_\_\_\_  
Check # \_\_\_\_\_ Account # \_\_\_\_\_ Amount \$ \_\_\_\_\_  
Adjustment Completed By: \_\_\_\_\_ DATE: \_\_\_\_\_



# **GM Search Committee Meeting Minutes January 12, 2016**

Committee/Task Force  
Item 2

**Fiddleheads GM Search Committee**  
**Meeting Notes: January 12, 2016**

Committee Members Present: Susan Phillips, Katie Blanchard, Sheila Hebert

Committee Members Absent: Carolyn Wilson

Also Present: Elisa Giommi Board Administrator

- 1) GM Search Committee has been reconfigured for a renewed search in light of last year's candidate withdrawing from consideration. Carolyn and Sue continue to serve as Board member volunteers and new staff volunteers appointed by IGM are Katie and Sheila.
- 2) Reviewed process and staff role – staff participate in committee decision making and recommendation process but final decision about extending offer and terms and conditions of any offer remain with the board.
- 3) Both staff volunteers have been given copies of the Hiring a GM Toolbox and the resources used last year will be emailed to both:
  - Job summary
  - Screening matrix
  - Questions for phone interview by committee
- 4) All committee members will also be given Carolee's phone screening notes from both conversations with two candidates that she recommends the committee interview.
- 5) Elisa will place ad on glassdoor.com (cost \$100) with link to job summary.
- 6) We will meet again as a committee on Tuesday January 26<sup>th</sup> to discuss the two interviews that will take place next week. At that time we will also discuss whether to place some additional advertisements on either the internet or in actual publications.

Submitted to Board on 1/19/2016.



GM Monitoring Report

# **IGM Monitoring Report January**

January 2016 Fiddleheads Policy Monitoring Report  
January 12, 2016  
Wynston Estis

**Ends A2 – Thriving Local Economy** (Adopted January 6, 2014) *All reports*  
*Fiddleheads exists to make Southeastern Connecticut a thriving, locally based economy*  
I report reasonable progress towards accomplishment.

We continue to focus our purchases through as many local vendors as availability and sales will allow.

Our most recent efforts include:

- Expanding catalogs from several local providers
- Using local contractors for all maintenance and repair
- Retaining local legal counsel

**Ends A3 – Sense of Community** (Adopted January 6, 2014) *All reports*  
*Fiddleheads exists so that shoppers and members have a strong sense of community*  
I report reasonable progress towards accomplishment.

Steps we are taking to improve our visibility and presence in the community:

- A robust communication plan was implemented to support the change in owner benefits
  - Letters of explanation and support from Fiddleheads BoD, IGM, Owner, and Staff
  - New Owner & Benefits 2016 FAQ provided to staff, customers, and owners
  - Savings chart developed for new owner benefits for a range of scenarios
  - In store flyers and display posted to promote awareness of the change
- Fiddleheads Co-op staff are planning the Co-op's eighth birthday which is a big celebration of the ownership and community at large including:
  - Local Band for Owner reception Friday evening that is open to all
  - Local products featured and sampled all weekend long for owners, an added 10% off all owner specials. Non-Owners will get the owner sale price on owner promotions (not the added 10% on top though)
  - Press releases about the Birthday for New York Times CT section, The Day, Chamber of Commerce, Patch, Main Street as of this writing
- Revised focus and training on maintaining the Co-op Website 'Look, Feel, and Content'
- Communication and marketing materials are posted on the retail floor for owners that do not follow the Co-op online

**Ends A4 – Growing Co-op Model Use** (Adopted January 6, 2014) *January Report*  
*Fiddleheads exist so that Southeastern Connecticut has a growing use of the Co-op model.*  
I report reasonable progress towards accomplishment

Stabilizing the Fiddleheads Co-op as an anchor business in your community supports this end. By preserving the Co-op in this sector, improving its operations, and positioning it for growth we will create greater awareness through your community's first-hand experience of Co-ops of their value to the community.

**Ends A5 – Food and Health Knowledge** (Adopted January 6, 2014) *January Report*  
*Fiddleheads exist so that Southeastern Connecticut is knowledgeable about food systems, and personal and environmental health.*

I report reasonable progress towards accomplishment

The Fiddleheads staff is the primary way we educate our owners. Our staff stay informed about all aspects of our industry through various channels.

- Manufacture representatives host talks and product demonstrations
- Distributer representatives on site visits
- Trade magazines and publications
- NCG weekly updates

**Ends A6 – Workplace** (Adopted January 6, 2014) *January Report*  
*Fiddleheads exist so that Southeastern Connecticut has meaningful work opportunities in a supportive environment*

I report reasonable progress towards accomplishment

Staff moral appears good and we continue to make progress as an ever improving team. Cohesiveness in operations is a goal we are galvanizing around, once we have met everyone has a part of the solution they are responsible for. This planning allows staff autonomy in fulfilling their jobs.

Bi-weekly meetings have been established:

- Department Heads to plan operations
- Promotion team to plan events and ads
- POS and departments to review register and product system efficiencies
- Ad team to plan ads and copy

The Advocacy is seated and has updated the holiday policy through the processes they outline in their charter. They will meet twice a month to review and update the Employee Handbook.

**Executive Limitations B- Global Executive** (Revised June 18, 2015) **December**  
*The General Manger 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*

**Executive Session\_ Legal** (tabled to February meeting)



**Executive Limitations B1 – Financial Condition and Activities (Revised June 18, 2013)  
December**

Sections 1,2,3,5,7, and 8 *All reports*

This report uses data as of December 31, 2015 except as noted. Quarter 4 results are now included.

The GM shall not

- 1) Allow sales to decline or be stagnant.

*Data = Operationally the Co-op underperformed in sales showing a negative sales growth compared to the same quarter prior year in the last two quarters.*

	Q1	Q2	Q3	Q4	YTD
Sales (before discounts) 2014	\$821,869.70	\$872,751.00	\$836,332.00	\$867,257.00	\$3,398,209.70
Sales (before discounts) 2015	\$833,438.96	\$865,964.28	\$807,506.86	\$829,526.60	\$3,336,436.70
Percent difference	1.39%	-0.78%	-3.57%	-4.55%	-1.85%

Conclusion: Not in compliance.

Plan: Here is what we are doing to grow sales.

- Product systems
  - Established consistent weekly order routine for Grocery staff to improve customer shopping experience through consistent product availability
  - Expanded promotion programs for Owners
  - Restructured Equity payment system to facilitate easier explanation and administration as well as to make it more affordable annually
  - Promotion planning systems
    - Promotion planning tool is organized by POS prior to product selection to contain shelf prices and sale price margin achievement calculations

- Refine use of product planners and endcap planners
- Post sale flyers in store
- Post sale information on Co-op website is planned for February
- Staff training
  - Front End and Produce Manager to shadow Willimantic counter parts on the 20<sup>th</sup>
  - New hires are being trained to perform their jobs per industry standards
- Customer service
  - Staff are trained to greet the customers in the aisles
  - Cashiers are coached to bag for each other to expedite the checkout experience
- Media use
  - Website will now have a skilled staff member working to update it for two – four hours a week depending on needs. Initial clean up will take appx 16 hours.
  - Ad planned in The Day for Birthday party
  - Press release planned for New York times Connecticut section, Chamber of Commerce, Main Street New London, and Patch

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

*Data = Current ratio as of 3/31/15 was 2.15:1. Current ratio as of 6/30/15 is also 2.2:1. Current ratio as of 09/30/2015 was 1.69:1. Current ratio as of 12/31/2015 was 1.65:1 Minimum acceptable is 1.25: 1*

Conclusion: In compliance

We have been challenged to improve our position due to several issues some that could have been avoided and some which were beyond management's control.

- There were three payrolls in the month of December
- We paid out two departed senior staff members paid time off accruals over the month of December that were substantial and kept payroll elevated although they were no longer on staff.
- Staff to replace the staff above were hired and added to the payroll while we paid down the benefits for departed staff
- A missed rent payment was discovered during our lease negotiations. The Co-op was advised to become current so that negotiations could be started clearly and cleanly. The rent was applied to the correct quarter of the missed payment but the cash came out of current funds.

3) Allow operations to generate an inadequate net income.

Data = Net Income was 1.6 first quarter and 1.43 in the second quarter. Third quarter came in at -7.08. Fourth quarter -0.76 and YTD 1.13

Conclusion: Not in compliance

Plan to improve net income performance

Sales (before discounts) 2014	Sales (before discounts) 2015	Sales Growth	Profit 2015
\$3,398,209.70	\$3,336,436.70	1.82%	-1.16%

We are moving forward with replacing the owner incentive / reward of a 2% discount on all purchases effective as of February 2016. Owner purchases are roughly 50% of gross sales and non-owners and owners that are not current on their equity make up the rest of the sales for the Co-op. By removing the 2% flat discount we should see improved margin and income performance. We will have to assess the impact of these new programs as we move through the year to insure that they are improving our financial performance. Given their monthly rotation we will be able to adjust them as needed going forward, allowing owner benefits through dynamic promotions is improvement over the static discount.

Preliminary inventory reporting shows significant reduction in the bulk and general merchandise departments. These departments were higher in inventory than necessary. This tied up cash in cost of goods that were not generating revenue. The cash that was made available by this target inventory reduction effort has gone to support the new Owner discount programs stock acquisition.

I expect to complete the FY 2016 budget in the next few weeks after we have closed 2015. This data will help me to plan for our expenses.

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

Data = *The IGM has not incurred any new debt other than trade payables*

Conclusion: In compliance

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

Data = *The following taxes were paid in a timely manner*

Personal Property tax, bi-annually next payment due July 2016

Sales tax, monthly on the 20<sup>th</sup> of the month for the previous month based on sales

Conclusion: In compliance

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

Data: *Payroll obligations have been met in a timely manner. Loan payments are current as of 01/07/2016 Our accounts payable are not current as we have \$1345.00 in AP's over 61*

*days with AP's over 31 days of \$2460.00 and due within the next 30 days of 55,000k some of which are beyond terms.*

*We have 4 owner loans that are overdue by various dates.*

Conclusion: Not in compliance

Plan: We were making good progress on our aging schedule but the past due rent that we brought current and the extra payroll week in December have diminished our progress. We are paying in partial payments for some creditors which will make removing the debt from accounts payable take longer than the vendors preferred terms but it also means that we are putting as much toward retiring them as we can.

Owner loan plan: We are working with those owners to repay or renew the loans, whichever the lender prefers. We have two of the overdue loans planned for and have two left to revise. Attorney Finizio has been retained to draft an updated agreement letter to insure all the protections and notifications for the Co-op and the lender are in place.

**Executive Limitations B2 – Business Planning and Financial Budgeting** (Adopted June 18, 2013) *All reports*

I report compliance

We are moving forward with the production of a budget and conducting a year end review with Wegner CPAs for fiscal 2015.

Refer to Executive Limitation B1

**Executive Limitations B3 – Asset Protection** (Adopted June 18, 2013) *All reports*

I report compliance

The Front end manager is developing his monitoring metrics this month. We also have a plan for improved performance on this metric detail in prior reports that focuses on our physical plant security, data and information security, Payment Card Compliance, and an upgrade to our firewall in the course of the upcoming year.

**Executive Limitations B4 – Membership Rights and Responsibilities** (Adopted June 18, 2013) *By exception All reports*

Conclusion: Not in compliance

Plan to come into compliance by Co-op's birthday in 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.

**Executive Limitations B7 – Communication to the Board** (Adopted June 18, 2013)

I report compliance

I am in frequent communication with the board regarding the status and concerns of the Co-op.

Indicator	What is it	Where to find it	What to look for	General Benchmark	Preferred Trend	Red Flag	Great Stuff	Q1	Q2	Q3	Q4	2015 YTD
Sales	Total revenues collected through operation of normal business activities	Income statement	Has the historic level of business activity changed? Look at past years as well as quarter to quarter fluctuations.	At least 3% Growth	Increasing	Decreasing	10%	\$833,438.96	\$865,964.28	\$807,506.86	\$829,526.60	\$3,336,436.70
Sales growth	Total revenues collected through operation of normal business activities	Income statement	How do growth trends vary from season to season? How does growth compare to local competitors, to other co-ops, and to your goals?	At least 3% Growth	Increasing	Decreasing	10%	1.39%	-0.78%	-3.57%	-4.55%	0.00%
Gross Margin	Difference between cost of goods sold and sales. This is the money you will pay for all expenses (labor, rent, supplies, etc.)	Income statement	Gross margin as a percent of sales is one of the most important pieces of financial data that the board should monitor. Gross margin is the most difficult aspect of the retail food business to manage and control. A gross margin that is a few percentage points off its goal will have very negative effects on profitability	Varies depending on the market and product mix_ in general 34-38%	Consistently meets targets	Unplanned and/or unexplained decreasing margin	38% (36.5% in 2009)	35.68%	35.48%	36.46%	36.99%	35.86%
Expenses	Total amount paid for operating expenses (wages, rent, utilities, insurance, supplies, advertising, cleaning, equipment, etc.)	Income statement	Percentage of various key expenses (personnel, marketing, etc.) should be monitored for period to period, as well as compared to industry standards	At least 0.50% less than gross margin	At budget or less	Significantly over budget	37% (36.17% in 2009)	29.59%	33.39%	40.59%	34.47%	34.05%
Net Income (profit)	Difference between gross margin and total expenses	Income statement	This number will vary, depending on the Co-op's goals. Are you trying to build some reserves to prepare for an expansion, or to lower prices and accept less profit to provide better value to members? Compare numbers to previous reporting periods to see if things are improving or not	At least 0.50%	Meets budget or better	Losing money or in the red (unplanned)	0.85% (.23% in @009)	1.59%	1.44%	-7.08%	2.52%	-1.26%
Cash and days of cash on hand	Money in the bank or readily available to pay operating expenses, including the purchase of goods for sale	Balance sheet	Compare cash balance to total purchases and expenses in a period to find the total days of cash. A week's worth of cash is workable. With more than two weeks' worth, cash should be invested rather than kept for the immediate access	10 or more days	Increasing with more than 20 days	Decreasing with less than 10 days	16.53	29.50	29.77	9.23	8.21	
Current ratio	Ratio of current assets to current liabilities ( divide current assets by current liabilities)	Balance sheet	Provides a comparison of assets available to cover short-term debt and financial obligations. Less than 1:1 can be trouble (not enough cash to meet current obligations).	1.25 (or \$1.25 in current assets for each \$1. in liabilities)	Steady at 1.25	Less than 1	3	2.15	2.20	1.69	1.65	
Member shares	The percentage of total assets financed by member investment	Balance sheet	Answers the question, "How much of this co-op has been financed by member - owners?"	20-30%	Over 30%	Less than 20%	25%	8.03%	7.88%	8.37%	8.39	
Debt-to-equity ratio	Ratio showing the relationship between total debt and total equity (capital)	Balance sheet	Acceptable ratios vary depending on the situation. A range of 1:1 to 2:1 is realistic for most food co-ops. A ratio closer to 1:1 is advisable if the co-op is experiencing instability	2:1	Decreasing with less than 2:1	Increasing and more than 2.5:1	1.25	1.14	1.06	1.30	1.31	



## **Next Meeting Agenda**

**FIDDLEHEADS**  
**BOARD OF DIRECTORS MEETING**  
**February 16, 2016**  
**6:30-8:30 PM**  
**105 Huntington Street, New London**

Time	Topic	Resource	Board Action/ Outcome	Leader
6:30	<b>Meeting Preamble</b> <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> <b>Check-in</b>	Agenda	Convene/Focus	President
6:30	<b>Agenda Review</b>	Agenda	Make any needed adjustments	President
	<b>Member Comments</b>		Listen	President
6:35	<b>Minutes</b> (Board Packet) <ul style="list-style-type: none"> <li>January 19, 2016</li> </ul>	Packet	Approve	
6:40	<b>Managers Update Report – TBD</b> <ul style="list-style-type: none"> <li>Lease negotiations</li> <li>Other items as appropriate</li> </ul>	Packet or Oral	Q&A	IGM
6:55	<b>Consent Agenda</b> <ul style="list-style-type: none"> <li>Board Monitoring Report C8-Governance</li> <li>Member Equity Refund Requests (as needed)</li> </ul>	Each item in packet	Approval	President IGM
6:55	<b>Discussion of Items removed from Consent Agenda</b>	See above	Discuss/Approve	TBD
7:00	<b>EXECUTIVE SESSION</b> <ul style="list-style-type: none"> <li>To approve minutes of January 19, 2016, Executive Session</li> <li></li> </ul>	Minutes To Be Provided		Secretary
7:45	<b>Discussion/Action Items:</b> <ul style="list-style-type: none"> <li></li> <li></li> </ul>			
TBD	<b>Committee/Task Force</b> <ul style="list-style-type: none"> <li>Governance <ul style="list-style-type: none"> <li>*Confirm committee membership</li> <li>*Discuss candidates for board vacancy</li> </ul> </li> <li>GM Search <ul style="list-style-type: none"> <li>*Process going forward</li> <li>*Minutes Jan 26 meeting</li> </ul> </li> <li>Annual Meeting <ul style="list-style-type: none"> <li>*Any updates</li> </ul> </li> <li>Member Communications <ul style="list-style-type: none"> <li>*Any updates</li> </ul> </li> </ul>	In Packet	Approve	President
8:15	<b>GM Monitoring Report</b>	In Packet		IGM



8:40	<b>Member Comments</b>			
8:45	<b>Closings</b> <ul style="list-style-type: none"> <li>● SCHEDULE CDS CALL!</li> <li>● Review decisions, tasks, assignments</li> <li>● March 15th draft agenda</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>● Adjourn Meeting</li> </ul>		Review Evaluate meeting process: what worked and what needs improvement	President

**BOARD PACKET:**

- Meeting Agenda
- Draft Minutes of January 19, 2016 Meeting (Danny & Elisa)
- Board Monitoring Report C8
- GM Update Report (Wynston)
- GM Search Minutes
- Member Equity Refund Request (as needed) (Wynston)
- Executive Session Minutes of January 19, 2016 – (to be brought to meeting by Danny)
- IGM Interim Monitoring Report
- Draft Agenda for March 15, 2016 meeting