

FIDDLEHEADS BOARD OF DIRECTORS
Minutes of Board Meeting of February 16, 2016
105 Huntington Street, New London
(Approved by the Board on March 15, 2016)

I. CALL TO ORDER, ATTENDANCE, ANNOUNCEMENTS

A. Call to Order

Susan Phillips called to order a monthly meeting of the Fiddleheads Board of Directors at 6:30 p.m. on Tuesday, February 16, 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 (arrived at 6:33 p.m.)
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
Sheila Herbert, Staff and GM Search Committee (left at 7:07 p.m.)
Katie Blanchard, Staff and GM Search Committee (left at 7:07 p.m.)

C. Agenda Review

It was decided that personnel matters that were scheduled to be discussed at the upcoming special meeting on Saturday, February 20 would be discussed at this meeting instead, as Wynston will not be available on Saturday. The following items were moved to Saturday's agenda:

1. The Board Monitoring Report C8 and Board Budget Actuals items in the Consent Agenda
2. All Discussion/Action items with the exception of the NFCA Annual Meeting and Cooperative Cafe items
3. All Committee/Task Force items

D. Owner Comments

There were no owner comments.

II. MINUTES

Approval of the minutes from January 19, 2016 was tabled to the February 20, 2016 Special Meeting.

III. MANAGER'S UPDATE REPORT

A. Staff Update

Fiddleheads has hired a new bookkeeper, Jessica MacMahon. Bev Gipson has officially retired in her independent bookkeeper capacity. Laura Natusch will be working as front end coordinator. Rachel Hutchins will be replacing Amelia Lord as the Community Connections Coordinator, as Amelia is moving on to pursue personal professional pursuits. A "Fond Farewell" piece will be going out to

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owners informing them of where many recently departed staff have gone.

B. Lease negotiation

We are ready to execute the lease but are waiting on a Certificate of Appointment for the Executor of the Estate and a letter of assurance from Attorney Kanabis that the lease will be valid.

C. Refrigeration failure

The recent loss of dairy inventory will not be covered by insurance as a maintenance agreement is required by the insurance company. A maintenance agreement is currently being drafted with our refrigeration company to avoid future uncovered inventory losses.

D. D & O Insurance

An application has been submitted for Directors and Officers Insurance.

E. Cafe Hours and Guidelines

New Cafe guidelines have been implemented that limit cafe use by patrons to two hours per day. This is to prevent overuse of the space by a few patrons preventing access of the space to other patrons. There have been difficulties implementing the policy, but it will hopefully allow for more access to the cafe for all owners and patrons.

IV. CONSENT AGENDA

A. Owner Equity Refund Requests

Motion to approve the Owner Equity Refund requests of Janelle Leroux (\$75) and Lena Thorton (\$175):

Motion: Susan Zimmerman
Second: Helene Bardinet
All in favor

V. EXECUTIVE SESSION

The purpose of this executive session is to approve the minutes of the executive session of January 19, 2016, receive the IGM monitoring report on Global B (unlawful, imprudent, or policy violating activities) discuss conformity with Global B in future activities and discuss personnel matters.

Motion to enter into Executive Session:

Motion: Mona Harmon-Bowman
Second: Ellen Clinesmith
All in favor

Executive Session was entered into at 6:52 p.m. And exited at 8:22 p.m.

Confidential minutes were taken in executive session.

Approval of the Executive Session Minutes for January 19, 2016 was tabled.

A vote was taken to offer a permanent General Manager contract to Alexandra Juhre.

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VI. IGM MONITORING REPORT

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

Conclusion: Reasonable progress towards accomplishment

Ends A3 – Sense of Community- Fiddleheads exists so that shoppers and members have a strong sense of community

Details of the birthday party were discussed. Sales were roughly the same as last year, with the exception of Friday, as the weather was quite inclement. There was approximately \$2,400.00 in owner equity paid in during the weekend. Everybody did a great job! There is a review being conducted of successes and improvements for next year.

Conclusion: Reasonable progress towards accomplishment.

Executive Limitations B Global Executive - 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

Conclusion: Reasonable progress toward accomplishment.

Fiddleheads staff and managers work with our inspectors to insure proper compliance with local, state and federal retail food regulations.

The Board has been advised of compliance concerns in executive session.

Executive Limitations B1 – Financial Condition and Activities

The GM shall not :

1) Allow sales to decline or be stagnant.

Conclusion: In compliance.

a. The Data Statement was in error. It should read “Operationally the Co-op has shown positive sales growth for the first month of the year.”

b. Product systems are continuing to be improved to help grow sales.

2) Allow operations to generate an inadequate net income.

Conclusion: Not in compliance -- plan in place

Net income may appear positive for January, but is still inadequate. Losses from the dairy cooler malfunction reduced net income. Inventory will continue to be monitored and managed to help increase net income.

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

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Conclusion: In compliance

Current ratio of 1.40:1 is in compliance, though Fiddleheads continues to struggle with its cash position. An unplanned for end of year payroll adjustment and dairy cooler losses have not helped in this regard. It was suggested that we should be able to spread the the end of year payroll adjustment throughout the year. Wynston will look into this possibility further.

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

Conclusion: In compliance

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

Conclusion: In compliance

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

Conclusion: Not in compliance -- plan in place

There are Accounts Payable that are beyond terms and four owner loans are overdue. Plans to improve sales will help to become current. The IGM is working with Attorney Finizio and owner lenders on loan repayment or renewal.

E. Executive Limitations B2 – Business Planning and Financial Budgeting

A budget and year end financial review are in the works.

Conclusion: In compliance

F. Executive Limitations B3 – Asset Protection

Conclusion: In compliance

G. Executive Limitations B4 – Membership Rights and Responsibilities

Conclusion: In compliance

The transition to the new owner incentive program has gone smoothly and there have been no complaints so far. Membership rules and practices are now in compliance with the Fiddleheads charter and bylaws.

H. Executive Limitations B7 – Communication to the Board

Conclusion: In compliance

Motion to accept the IGM monitoring report of February 16, 2016 with changes noted and with acknowledgment of non-compliance in sections noted:

Motion: Helene Bardinet

Second: Mona Harmon-Bowman

All in favor

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VII. DISCUSSION/ACTION ITEMS

A. NFCA Annual Meeting

Sue Phillips and Susan Zimmerman will be attending the NFCA Annual Meeting on March 5th.

B. Cooperative Cafe

Carolyn Wilson, Helene Bardinet and Susan Zimmerman will be attending the Cooperative Cafe on March 12th. Sue Phillips will forward the information to Wynston in case any staff or members are interested in attending.

IX. CLOSINGS

A. Review decisions, tasks, and assignments

1. Elisa will assemble the agenda for the February 20, 2016 special meeting to be posted and emailed to the Board. The meeting will be at 10AM. The February 16, 2016 Board packet will be used.
2. Sue Phillips will inform Alexandra Juhre of the GM contract offer.

B. Meeting Checklist

The meeting checklist has been eliminated.

C. Adjournment

Motion to adjourn:

Motion: Danny Spurr

Second: Susan Zimmerman

All in favor

Meeting adjourned at 8:51 p.m.

Draft minutes prepared for submission to board by Danny Spurr/Elisa Giommi on February 18, 2016.

Minutes approved by vote of the Board on March 15, 2016 and put into final form by Danny Spurr/Elisa Giommi on March 23, 2016.