

FIDDLEHEADS BOARD OF DIRECTORS
Minutes of Board Meeting of April 19, 2016
105 Huntington Street, New London
(Approved May 17, 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 6:38 p.m. on Tuesday, April 19, 2016 at 105 Huntington Street, New London, CT.

B. Attendance

The following Board members were present:

Susan Phillips, President
Susan Zimmerman, Vice-President (via Skype)
Helene Bardinnet, Treasurer (arrived at 6:42 p.m.)
Danny Spurr, Secretary
Carolyn Wilson
Mona Harmon-Bowman
Ellen Clinesmith
Kelleen Giffin

The following additional persons were present:

Lexa Juhre, General Manager
Elisa Giommi, Board Administrator
Scott Damask, Owner
Carol Connell, Owner

C. Check-in

Copies of Susan Zimmerman's list of Board accomplishments were passed out. Lexa passed out copies of the updated GM monitoring report.

D. Agenda Review

The Executive Session was moved to the end of the meeting.

E. Owner Comments

The two owners in attendance, who are prospective Board candidates, introduced themselves.

II. MINUTES OF MARCH 15, 2016 BOARD OF DIRECTORS MEETING

Motion to approve the minutes of the March 15, 2016 Board of Directors Meeting with edits noted:

Motion: Carolyn Wilson
Second: Ellen Clinesmith
All in favor

III. CONSENT AGENDA

All three items were pulled off the consent agenda.

A. Board Monitoring Report D2- GM Accountability

It was noted that we should include the Global statement in our monitoring questions.

FIDDLEHEADS BOARD OF DIRECTORS
Minutes of Board Meeting of April 19, 2016
105 Huntington Street, New London
(Approved May 17, 2016)

There was a question as to the “neutral” response to Q1: “The General Manager is the Board's only link to operational achievement and conduct.” There was no clarification of this response.

There was a question as to how Q3: “The Board will not instruct or evaluate any employee other than the GM.” relates to the Board Administrator. It was suggested that this question be raised at the next Board support call.

It was expressed that the current Survey Monkey format could be improved, possibly having Board members give worded responses instead of 1 thru 5 rankings. This also was suggested as a topic for the next Board support call and will be put on a future agenda.

A question was asked about printing reports so that each question did not require a single page.

Motion to approve Board Monitoring Report D2- GM Accountability:

Motion: Danny Spurr

Second: Ellen Clinesmith

All in favor

B. Owner Equity Refund Request

Lexa stated that the store has the funds to approve the request.

Motion to approve Owner Equity Refund Request for Elenore Andrews (\$25):

Motion: Ellen Clinesmith

Second: Mona Harmon-Bowman

All in favor

C. Electronic Communication Policy

There were some corrections noted to the policy.

There was a question raised about the new Google Business email accounts issued to the Board and how much access the GM or network administrator has to these accounts. It was clarified that the administrator may create and delete accounts and may reset passwords, but would not be able to access email content without resetting the password.

It was suggested that the board@fiddleheadsfood.coop email list should contain only board members to avoid confusion. Emails that need to be sent to the Board and to other parties (such as the GM or Board administrator or Board Consultant) may simply have the other parties addresses added to the recipient line.

Motion to approve Electronic Communications Policy with edits noted:

Motion: Helene Bardinnet

Second: Mona Harmon-Bowman

All in favor

IV. DISCUSSION/ACTION ITEMS

A. Board Budget Actuals 2016

Helene met with Jessica (Co-op's bookkeeper) and Wynston to align the Board budget categories with the chart of accounts in Quickbooks. There are still some categories that may need to be shifted

FIDDLEHEADS BOARD OF DIRECTORS
Minutes of Board Meeting of April 19, 2016
105 Huntington Street, New London
(Approved May 17, 2016)

around, such as the different CBLD and CDS categories and travel expense categories.

There was a question raised about the amount budgeted to the GM Search Committee for 2016. The Search Committee came in under budget, but this is not reflected in the Board budget.

It was noted that we have already used 2/3 of our 15 annual CDS consultant hours in just the first quarter.

Helene, Susan Zimmerman, and Lexa will meet to discuss the Board Budget further.

Approval of the Board budget was tabled for further potential revision.

B. Annual Review Using CBLD questions

Board members gave input on the four annual review questions posed by CBLD.

1. What were the board's greatest accomplishments in 2015?

- Improved working together-note 2015 retreat feedback that this was the best our consultant had seen us work together
- Started formalized process to recruit board candidates
- Hired IGM and restarted GM search
- Introduced cooperative café concept for staff and member-owners
- Embraced policy governance

2. What contributed to those successes?

- Effectively using our board consultant
- Better understanding of board process
- Leadership succession
- 21 meetings
- Board unity
- Hiring an IGM

3. What are the board's biggest goals for 2016?

- Hiring a permanent GM- and providing GM support during the transition
- Understanding the finances
- Communicating with member-owners
- Finding good Board candidate
- Building our skills
- Having the best Annual Meeting (Party) ever!
- Strategic planning and examining our ends
- Exploring expansion and relocation possibilities

4. What will help us achieve these?

- Continuing our CBLD contract
- Training opportunities
- Good agenda planning
- Robust discussion at board meetings
- Examining ends

C. Guidelines for Electronic Communications

FIDDLEHEADS BOARD OF DIRECTORS
Minutes of Board Meeting of April 19, 2016
105 Huntington Street, New London
(Approved May 17, 2016)

Discussed in the Consent Agenda.

V. COMMITTEE/TASK FORCE

A. Nominations Committee

The Committee charter was revised to include “up to 3 owners” instead of “2-3 owners” and the Committee name was corrected from “Nominating” to “Nominations” Committee.

The Board felt that the Committee should keep a list of potential Board candidates and that they can provide this list to the GM should the GM be interested in owners for a GM task force or other volunteer opportunity.

It was noted that there are still term limit and other election/bylaw issues to resolve. It was determined that these issues did not need to be resolved prior to the upcoming election, but should be addressed in the upcoming year by a bylaw revision committee. It was suggested that this topic be discussed at the next Board support call.

It was also noted that there is no process for appointing Board Directors to fill vacancies. It was suggested that the Board ask Jade at the next support call if other co-ops create a formal interim appointment process.

Motion to approve the Nominations Committee minutes of May-April 2016 and the revisions to the Nominations Committee charter:

Motion: Ellen Clinesmith
Second: Helene Bardinet
All in favor

B. Annual Meeting Committee

There was some discrepancy as to whether the date of the Annual Meeting Party was on May 21st or 22nd. The date of the Annual Meeting Party was confirmed as May 21st 2016.

There was a question about the estimated attendance figure for the Annual Meeting Party. The estimate was of total attendees not total households. There was also a question as to the number of Fiddleheads owners there are and when this number is used for the purpose of calculating a quorum. It was suggested that the number of owners at the time voting begins has been used in the past.

It was suggested that Board candidate speeches be eliminated from the meeting, as most owners will have already voted. Nominations Committee will look into potentially having a candidate meet and greet prior to the Annual Meeting.

It was noted that the Committee should clarify who will be recording the minutes for the Annual Meeting prior to the meeting date.

In discussing the Annual Meeting Committee charter, the committee determined that it is more appropriately a GM planning committee that includes Board members, as much of the committee duties are operational in nature, though the bylaws prescribe certain duties to the Board.

Motion to accept the Annual Meeting Committee minutes:

Motion: Mona Harmon-Bowman

FIDDLEHEADS BOARD OF DIRECTORS
Minutes of Board Meeting of April 19, 2016
105 Huntington Street, New London
(Approved May 17, 2016)

Second: Kelleen Giffin
All in favor

C. GM Search Committee

The Search Committee was congratulated for coming in under budget.

Motion to approve GM Search Committee budget:

Motion: Ellen Clinesmith
Second: Kelleen Giffin
All in favor

VI. GM MONITORING REPORT

The monitoring report in the Board packet was incomplete- an updated packet was passed out at the meeting.

Ends A2 – Thriving Local Economy- Fiddleheads exists 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

Conclusion: Reasonable progress towards accomplishment.

There are many co-op events in April for the Co-op community to participate in.

There was a question about how successful the events have been. Some events have been better attended than others, but the success of the events is hard to measure. The Veggie Passport program is planned for this year.

Executive Limitations B1 – Financial Condition and Activities

The GM shall not

1) Allow sales to decline or be stagnant.

Conclusion for fiscal year 2015: Not in Compliance

Conclusion for fiscal 2016 1st quarter: In compliance.

Sales were down in 2015, but sales are up in the 1st quarter of this year.

Event and thematic focused promotions are in place to grow sales. Price comparisons have been conducted to make sure the co-op is competitive based on price. Product and store appearance procedures continue to be improved

A question was asked about how employee sales fit into the sales figures. This will eventually show up as both a part of sales and an employee expense.

2) Allow operations to generate an inadequate net income.

Conclusion: In compliance

FIDDLEHEADS BOARD OF DIRECTORS
Minutes of Board Meeting of April 19, 2016
105 Huntington Street, New London
(Approved May 17, 2016)

Strong sales paired with managing expenses accounted for positive net income in March. Customer counts are also up compared to 1st quarter 2015.

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

Conclusion: In compliance

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

Conclusion: In compliance

There is a plan to borrow money from our CFNE account for a new produce compressor. Purchase of a produce misting system has been deferred.

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

Accounts Payable are close to being paid entirely within terms. Improved sales will help to become current and there is a goal to become current in the 2nd quarter of 2016.

The Co-op is working with owner lenders on loan repayment or renewal.

Executive Limitations B2 – Business Planning and Financial Budgeting

Conclusion: In compliance

A budget and year end financial review should be ready soon. Inventory for 1st quarter has been completed. The new discount program is being monitored.

Executive Limitations B3 – Asset Protection

Conclusion: In compliance

Fiddleheads is working with INET to upgrade Co-op security systems

Executive Limitations B4 – Membership Rights and Responsibilities

Conclusion: In compliance

There was a question as to how many owners Fiddleheads has currently. Lexa will find this figure for the Board.

Executive Limitations B7 – Communication to the Board

Conclusion: In compliance

Motion to accept the GM monitoring report of April 19, 2016 with acknowledgment of non-compliance in sections noted:

Motion: Kelleen Giffin

FIDDLEHEADS BOARD OF DIRECTORS
Minutes of Board Meeting of April 19, 2016
105 Huntington Street, New London
(Approved May 17, 2016)

Second: Carolyn Wilson
All in favor

VII. EXECUTIVE SESSION

The purpose of this executive session is to approve the minutes of the executive session of March 15, 2016 and discuss personnel matters.

Motion to enter into Executive Session:

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

Executive Session was entered into at 8:13 p.m. and exited at 8:48 p.m.

Confidential minutes were taken in executive session. **The minutes of the Executive Session of March 15, 2016 were approved. The CISD item was tabled.**

VIII. CLOSINGS

A. Owner Comments (prior to executive session)

The two owners in attendance, who are prospective Board candidates, were impressed with how the Board conducted itself.

B. CDS call

The CDS call will be scheduled online. Next Tuesday evening was suggested as a potential day.

C. Financial Training

The financial training scheduled for April 29th has been postponed. It will be rescheduled for some time after the new Board has been seated.

D. Review decisions, tasks, and assignments

Lexa will speak with Andrea about making the Board group email address contain only Board members.

Helene, Susan Zimmerman, and Lexa will meet to discuss the Board budget.

Nominations Committee will look into the possibility of a Board Candidate meet and greet.

Lexa, Sue Phillips, and an additional Board officer will meet for an informal check-in before assembling the agenda for the next Board meeting.

Sue Phillips will schedule a CDS call.

E. Adjournment

Motion to adjourn:

Motion: Mona Harmon-Bowman

FIDDLEHEADS BOARD OF DIRECTORS
Minutes of Board Meeting of April 19, 2016
105 Huntington Street, New London
(Approved May 17, 2016)

Second: Kelleen Giffin
All in favor
Meeting adjourned at 8:51 p.m.

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Draft minutes prepared for submission to the board by Daniel Spurr/Elisa Giommi on April 24, 2016.

Minutes approved by vote of the Board on May 17 2016, and put into final form by Danny Spurr/Elisa Giommi on May 23, 2016.

Confidential