



# **FIDDLEHEADS NATURAL FOODS COOPERATIVE**

## **BOARD OF DIRECTORS MEETING PACKET**

**Meeting date:  
June 21, 2016**

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# Agenda

**AGENDA**  
**FIDDLEHEADS BOARD OF DIRECTORS MEETING**  
**June 21, 2016**  
**6:30-8:30 PM**  
**105 Huntington Street, New London**

<b>Time</b>	<b>Topic</b>	<b>Resource</b>	<b>Action/Outcome</b>	<b>Leader</b>
6:30	<b>Meeting Preamble</b> <i>Each of us is a member of the coop community and has been elected to be a leader 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> <b>Welcome New Board Members!!</b>	Agenda	Convene/Focus	President
	<b>Agenda Review</b>	Agenda	Make any needed adjustments	President
	<b>Owner Comments</b>		Listen	President
6:35	<b>Approve Draft Minutes</b> <ul style="list-style-type: none"> <li>• May 17, 2016</li> </ul>	Packet	Approve	
6:40	<b>Consent Agenda</b> <ul style="list-style-type: none"> <li>• Member Equity Refund Requests (as needed)</li> <li>• Board Monitoring Report D3 Delegation to GM</li> <li>• Board Monitoring Report D4 Monitoring GM Performance</li> <li>• Board Monitoring Report Global C</li> <li>• Board Monitoring Report Global D</li> </ul>	Each item in packet	Approval	President GM
	<b>Discussion of Items removed from Consent Agenda</b>	See above	Discuss/Approve	TBD
6:45	<b>Discussion/Action Items</b> <ul style="list-style-type: none"> <li>• Election of Board Officers</li> <li>• Scheduling Retreat/Financial Training Part II</li> <li>• Discussion of Board Monitoring Reports</li> </ul>	In Packet	Election Confirm 10/4 Discuss	President President Treasurer
7:15	<b>GM Monitoring Report (B5 Consumers)</b>	In Packet		GM
7:45	<b>Committee/Task Force</b> <ul style="list-style-type: none"> <li>• Nominations <ul style="list-style-type: none"> <li>◦ Accept Minutes</li> </ul> </li> <li>• Annual Meeting <ul style="list-style-type: none"> <li>◦ Accept Minutes</li> <li>◦ Board feedbacks thoughts for next year</li> <li>◦ Review Charter - GM committee?</li> </ul> </li> <li>• Owner Communications <ul style="list-style-type: none"> <li>◦ Any updates (should get charter for next meeting)</li> </ul> </li> </ul>			
8:40	<b>Member Comments</b>			
	<b>EXECUTIVE SESSION</b> <ul style="list-style-type: none"> <li>• To approve minutes of April 19, 2016, Executive Session</li> <li>• Personnel matters (GM Monitoring/Transition)</li> </ul>	Minutes To Be Provided		Secretary President
8:45	<b>Closings</b> <ul style="list-style-type: none"> <li>• SCHEDULE CDS CALL!</li> <li>• Review tasks for next meeting and other dates</li> <li>• Adjourn Meeting</li> </ul>			President

**BOARD PACKET CONTENTS (listed on next page)**

**BOARD PACKET CONTENTS:**

- Meeting Agenda (Elisa)
- Draft Minutes of May 17, 2016 Meeting (Danny & Elisa)
- Committee Notes/Minutes
  - Nominations Minutes (Mona/Helene)
  - Annual Meeting Minutes (Carolyn)
- Member Equity Refund Request (as needed) (Lexa)
- Executive Session Minutes of April 19, 2016 – (circulated confidentially/brought to meeting by Danny)
- GM Monitoring Report (Lexa)
- Draft Agenda for July 19, 2016 meeting (Elisa)



## **Minutes**

May 17, 2016

# **Meeting Minutes**

**FIDDLEHEADS BOARD OF DIRECTORS**  
**Minutes of Board Meeting of May 17, 2016**  
**105 Huntington Street, New London**  
(Approved June 21, 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 6:32 p.m. on Tuesday, May 17, 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  
Kelleen Giffin

**The following additional persons were present:**

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

**C. Agenda Review**

There was a question regarding the suspension of Board Monitoring Reports. Helene is working on modifying the current Board Monitoring format. It was decided to continue conducting Board Monitoring Reports using the old format while a new format is being developed. The Board will discuss Board monitoring reports at their next CDS call.

**D. Owner Comments**

No owner comments

**II. MINUTES OF APRIL 19, 2016 BOARD OF DIRECTORS MEETING**

It was noted that Helene, Lexa, and Susan Z. have not yet discussed the Board Budget.

**Motion to approve the minutes of the April 19, 2016 Board of Directors Meeting with edit noted:**

Motion: Carolyn Wilson  
Second: Ellen Clinesmith  
All in favor

**III. CONSENT AGENDA**

There were no items on the Consent Agenda

**IV. DISCUSSION/ACTION ITEMS**

**FIDDLEHEADS BOARD OF DIRECTORS**  
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Year End Financial Review 2015

A discussion was conducted with Bruce Mayer and Elizabeth Heins-Van der Weide of Wegner CPA via phone conference regarding their financial review of Fiddleheads Food Co-op.

Bruce and Elizabeth summarized the financial report noting that the co-op's current ratio, debt to equity ratio, and gross profit were all in line with co-op benchmarks of similar sized co-ops and that there was no evidence of the co-op being out of compliance with GAAP accounting standards, though an audit would be necessary to fully determine GAAP compliance.

There was a question about the "Prepaid expenses" line under Assets on the balance sheet. This referred to the online ordering system. There was also a question as to whether this should properly be listed as a current asset, as it makes the current ratio seem better than it may actually be. It was noted that this amount had already been paid and was not an outstanding debt. Lexa noted that it is a service contract not an asset.

Wegner explained the losses for tax purposes on the income tax statements. The CT income tax is the minimum tax based on the co-op's assets. The deferred tax benefit is the value of the loss from 2015 deferred to a future tax year. The total net operating loss carryforward for federal tax purposes is based on reported losses from 2013-2015 totaling \$147,000.

There was a question regarding how many year end adjustments were made, and it was noted that all adjustments were documented. It was also noted that better bookkeeping practices have led and will lead to fewer year end adjustments in the future.

The Path Forward

Wegner CPA noted that similar sized co-ops usually conduct an audit every 3 to 5 years. They could provide an audit or an assessment of readiness for an audit, though Fiddleheads may be ready for an audit. It was also noted that an observation of the beginning of the year inventory would not necessarily be needed for the purposes of an audit.

Lexa would like to conduct an informal assessment and internal review before recommending a course of action regarding an audit, with a decision being made by the end of summer or beginning of fall.

There was a question regarding how reliable the co-op's financial information is from previous years. Lexa noted that this would be assessed as part of the internal financial systems assessment.

There was a question regarding Policy B-Global compliance issues and it was determined that we are currently in compliance. Lexa will report any future findings regarding compliance with B-Global.

**Motion to authorize Lexa Juhre to file income taxes prepared by Wegner CPA:**

Motion: Helene Bardinnet

Second: Ellen Clinesmith

All in favor

A short break was taken.

**V. GM MONITORING REPORT (B1 FINANCIAL CONDITION Q1)**

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Lexa was congratulated on her first monitoring report. It was noted that it might be useful to modify the amount and formatting of the information provided in future reports. It was noted that the reporting format is a work in progress and Lexa will play with the level of detail provided in future reports.

Executive Limitations B1 – Financial Condition and Activities

The GM shall not

1) Allow sales to decline or be stagnant.

Conclusion: In compliance.

Sales growth was favorable compared to the peer median group.

There was a question as to how many co-ops were used to determine the peer median. There were 16 co-ops in the peer group and the peer group was defined by similar sales volume. Lexa will define the peer median in future reports. Lexa expressed confidence in last year's data for the purposes of comparison.

2) Allow operations to generate an inadequate net income.

Conclusion: In compliance

Net income compared favorably to to the CoCometrics benchmark of 3%, though the net income may look more favorable than it actually is due to year end adjustments. Next quarter's number should be more accurate. The co-op's net income was compared to the benchmark rather than the peer median, as the peer median for Q1 was negative. Lexa will show both comparisons in future charts, for the purpose of consistency.

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

Conclusion: In compliance

Our current ratio exceeds the Co-op metrics benchmark of 2. It was noted the benchmark number is 2, but a current ratio above 1 is satisfactory.

4) The GM shall not allow solvency (the relationship of debt to equity) 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 was a question regarding the co-op's CFNE line of credit and the final payment on the line of credit being due or in need of renegotiating by December 2019. There was a question about possibly rolling some of this into a longer term loan. It was determined that these questions would



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be addressed when developing a strategic plan for the co-op.

6) The GM will not acquire, encumber or dispose of real estate.

Conclusion: In compliance

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

Conclusion: In compliance

Payroll taxes are handled through a third party (Paymaster), but records of these tax payments may be requested. The Board requested that these payments be confirmed by the co-op.

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

Conclusion: Not in compliance- plan in place

Accounts Payable are now within terms and are currently compliant, though they were out of compliance for parts of Quarter 1.

The Co-op is working with owner lenders on loan repayment or renewal. Payments have not been made during this time.

9) The GM will not use restricted funds for any purpose other than that required by the restriction.

Conclusion: In compliance

There is no record of there being any restricted funds.

10) The GM will not allow financial record keeping systems to be inadequate or out of conformity with Generally Accepted Accounting Principles (GAAP).

Conclusion: Not in compliance

The co-op's financial review found nothing to suggest non-conformity with GAAP standards, but did not certify GAAP compliance.

11) The GM will not allow growth in ownership and owner paid-in equity to be insufficient.

Conclusion: In compliance

New owner numbers and owner paid in equity numbers are strong. Lexa will develop an ownership growth benchmark in addition to an owner equity growth benchmark.

**The GM monitoring report will be edited consistent with decisions about sections 8 and 10 and submitted to the President and Vice-President for approval.**

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The corrected packet and subfolder will be archived.

**VI. COMMITTEE/TASK FORCE**

**A. Nominations Committee**

**Motion to approve the Nominations Committee minutes of April-May 2016:**

Motion: Ellen Clinesmith

Second: Danny Spurr

All in favor

**B. Annual Meeting Committee**

The Annual Meeting Party is this Saturday at 4PM! The Annual Meeting Minutes from last year's meeting have not yet been posted, though they are available online. Elisa will post the minutes and the store will bring printed copies of the minutes to the Annual Meeting Party.

Susan Zimmerman volunteered to record the minutes for the Annual Meeting.

An agenda was determined for the business portion of the Annual Meeting. Sue Phillips will give the introductory remarks and introduce the Board, guests from Willimantic, the GM (Lexa), and potentially former IGM Wynston. Lexa will give a state of the co-op address.

Kelleen and Mona will coordinate with Wynston regarding her potentially speaking at the event.

Both the Nominations Committee and Annual Meeting Committee will hold post-Annual Meeting debriefings and discussion of these committees will be on a future Board agenda.

**Motion to accept the Annual Meeting Committee minutes:**

Motion: Mona Harmon-Bowman

Second: Helene Bardinnet

All in favor

**VII. EXECUTIVE SESSION**

Tabled until next month

**VIII. CLOSINGS**

**A. CDS call**

The CDS call is tentatively scheduled for Thursday, May 26, 2016 at 4:30PM.

**B. Review decisions, tasks, and assignments**

Lexa will submit the GM monitoring report with modifications to section 8 and 10 to the President and Vice-President for approval. Elisa will archive the corrected packet and subfolder (with final version of GM monitoring report).

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Elisa will post last year's Annual Meeting minutes.

The co-op will bring printed copies of last year's Annual Meeting minutes to the Annual Meeting.

Helene will work on developing an alternative Board monitoring report system.

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

Kelleen and Mona will coordinate with Wynston regarding her potentially speaking at the Annual Meeting.

Everyone will vote and attend the Annual Meeting Party on Saturday.

**C. Adjournment**

**Motion to adjourn:**

Motion: Susan Zimmerman

Second: Mona Harmon-Bowman

All in favor

Meeting adjourned at 8:44 p.m.

\* \* \* \* \*

Draft minutes prepared for submission to the board by Daniel Spurr/Elisa Giommi on May 20, 2016.

Minutes approved by vote of the Board on June 21, 2016 and put into final form by Danny Spurr/Elisa Giommi on July 12, 2016.



# Consent Agenda

- **Member Equity Refund Request**
- **May Board Monitoring Report D3**
- **May Board Monitoring Report D4**
- **June Board Monitoring Report Global C**
- **June Board Monitoring Report Global D**



(/)

### Equity Refund Request Form

Dear Fiddleheads Food Co-op,

I,

Name: ERIK D. SMITH

Address: 11305 MCKINLEY ST  
TAYLOR, MI 48180

Phone Number: 860-222-1383

Email address: ecom332@yahoo.com

Owner Number: 41000001293

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:

ERIK SMITH  
11305 MCKINLEY ST.  
TAYLOR, MI 48180

Reason: (Optional) MOVED

Member-Owner Signature: Erik D Smith 6-1-2016

For Office Use Only

Received: 6/8/16 Initials: EH

Equity Paid \$ 175<sup>00</sup>

Added to Consent Agenda for BoD Meeting - emailed Elissa 6/8/16  
(MM/YY) \_\_\_\_\_

Processed through Catapult and Logged

Date Refunded: \_\_\_\_\_ Amount

Refunded (Equity paid) \_\_\_\_\_

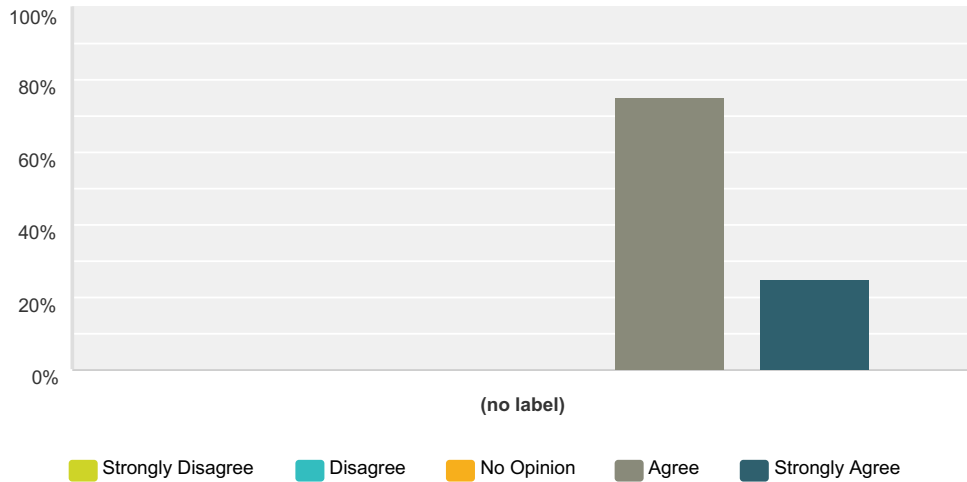
Check # \_\_\_\_\_ Account # 41000001293

Amount \$ \_\_\_\_\_

Adjustment Completed

**Q1 As long as the GM uses any reasonable interpretation of the Board's Ends and Executive Limitations policies, the GM is authorized to establish all further policies, practices and plans for the cooperative.**

Answered: 8 Skipped: 0

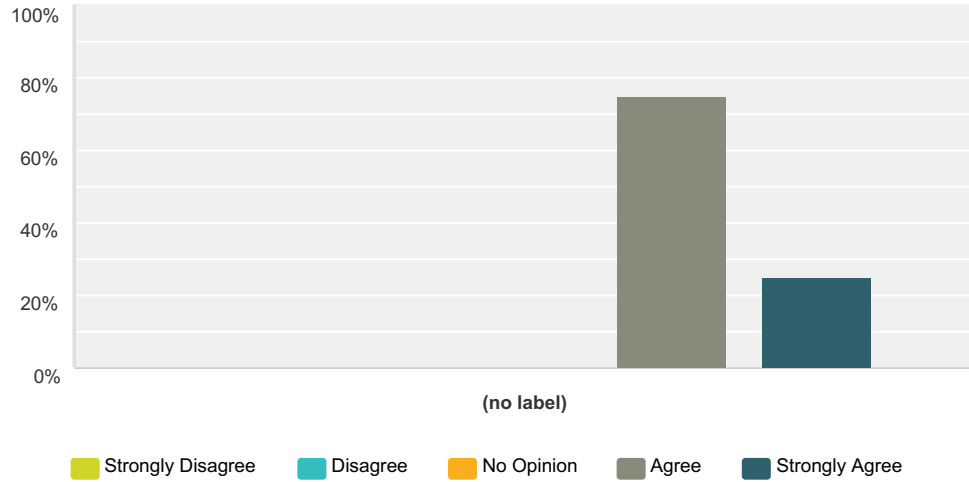


	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	0.00% 0	75.00% 6	25.00% 2	8	4.25

#	Other (please specify)	Date
1	HB- can we spend a couple of minutes to ensure that our new director, new GM and each one of us has the same understanding of this statement.	6/1/2016 5:14 PM

**Q2 The Board will respect and accept the GM's choices as long as those choices are based on reasonable interpretations of Board policies.**

Answered: 8 Skipped: 0

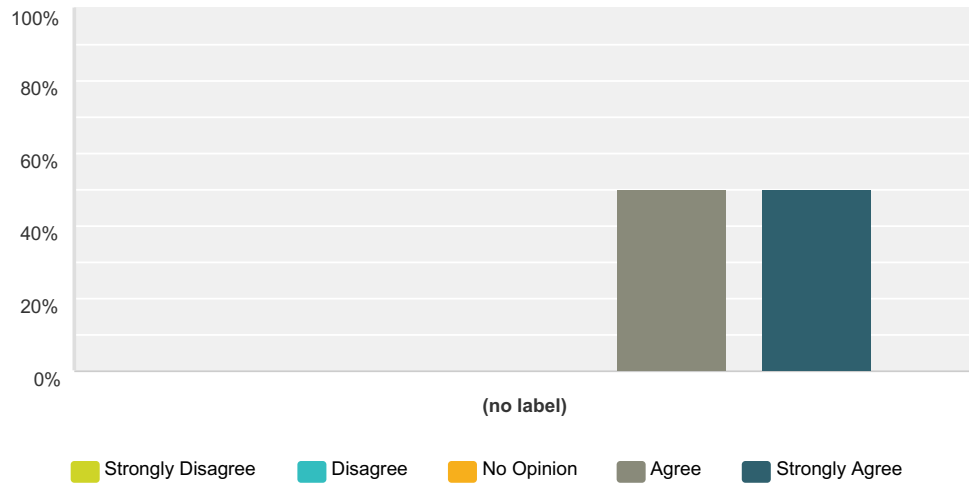


	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	0.00% 0	75.00% 6	25.00% 2	8	4.25

#	Other (please specify)	Date
1	MHB The Board may choose to discuss/to better understand the GM's choice prior to accepting.	6/1/2016 5:35 PM
2	HB -as long as we are given a "heads up" whenever possible.	6/1/2016 5:14 PM

**Q3 If the Board changes an Ends or Executive Limitations policy, the change only applies in the future.**

Answered: 8 Skipped: 0



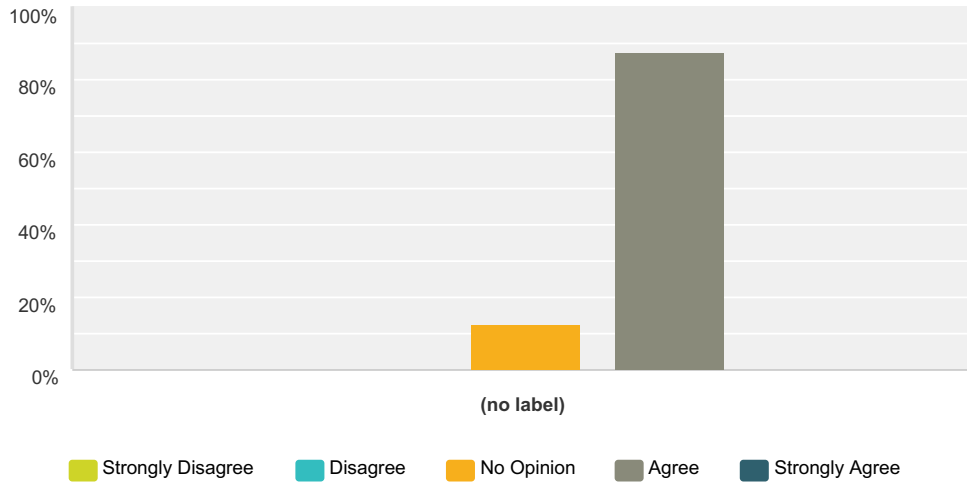
	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	0.00% 0	50.00% 4	50.00% 4	8	4.50

#	Other (please specify)	Date
1	MHB I am assuming that this, too, would require Board discussion with the GM to ensure her/his understanding.	6/1/2016 5:35 PM



**Q1 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: 8 Skipped: 0

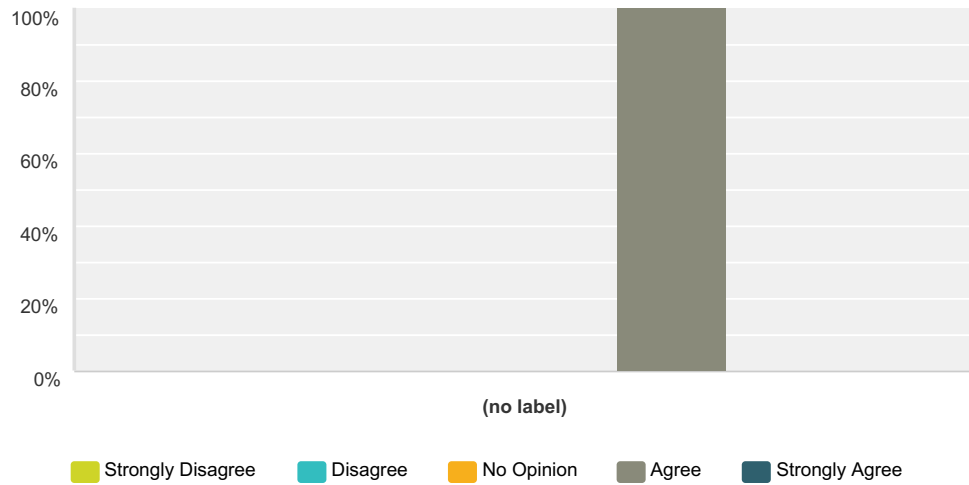


	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	12.50% 1	87.50% 7	0.00% 0	8	3.88

#	Other (please specify)	Date
1	HB- i strongly agree with this, provided that we review/update/adapt our policies on a regular basis. Can we set up a schedule and task force to accomplish that?	5/30/2016 7:33 PM

**Q2 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: 1

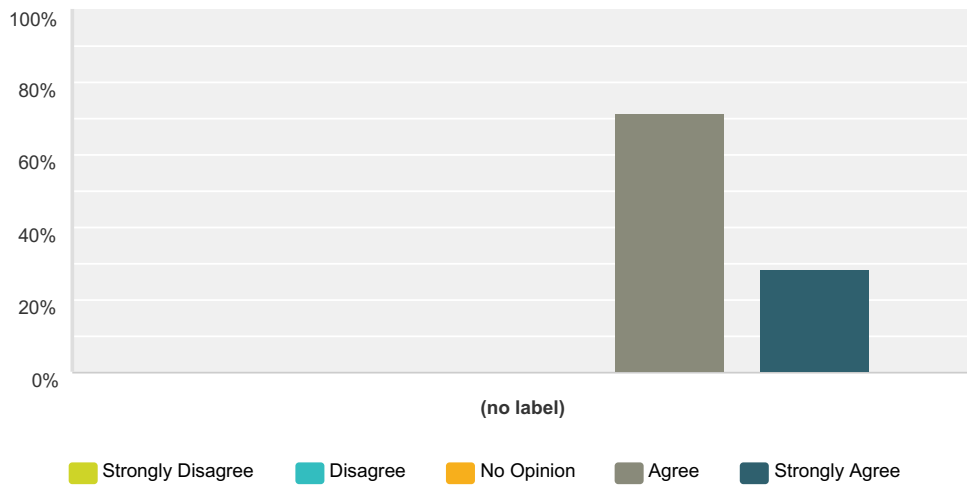


	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	0.00% 0	100.00% 7	0.00% 0	7	4.00

#	Other (please specify)	Date
1	HB - in my short time on the board, i haven't experienced any other form of monitoring than the internal type. Right now may not be the right time to start but we should set up a timetable of regular external and board committee assessments	5/30/2016 7:33 PM

**Q3 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: 1

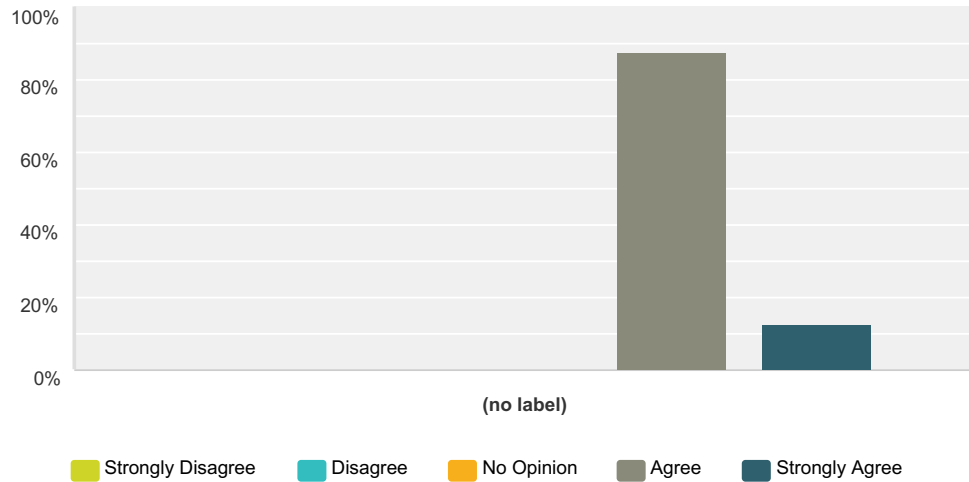


	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	0.00% 0	71.43% 5	28.57% 2	7	4.29

#	Other (please specify)	Date
1	MHB I would like to have a Board discussion and agreement on how we define "reasonable person". It would be good to have had this agreement in case we need it in the future.	6/14/2016 10:03 AM

**Q4 The GM is compliant with a policy if he/she presents a reasonable interpretation and adequate data that demonstrate accomplishment of that interpretation.**

Answered: 8 Skipped: 0

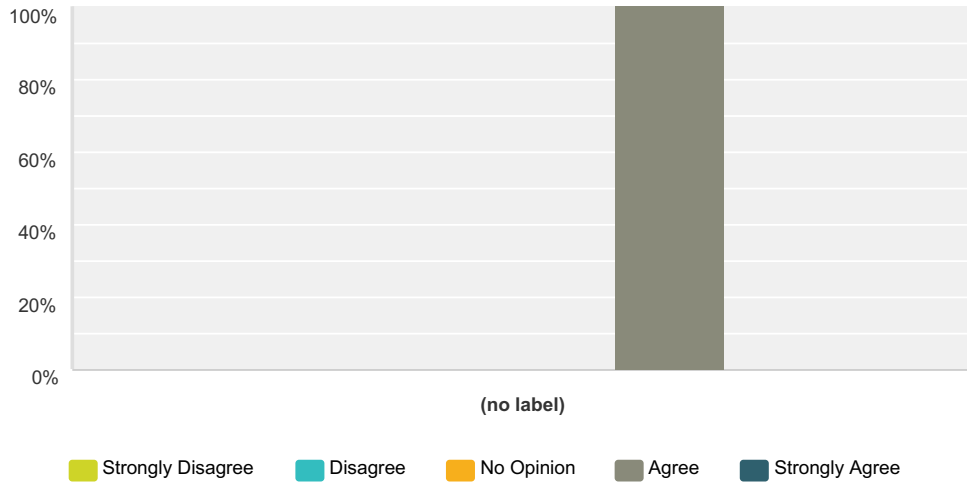


	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	0.00% 0	87.50% 7	12.50% 1	8	4.13

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

**Q5 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: 1

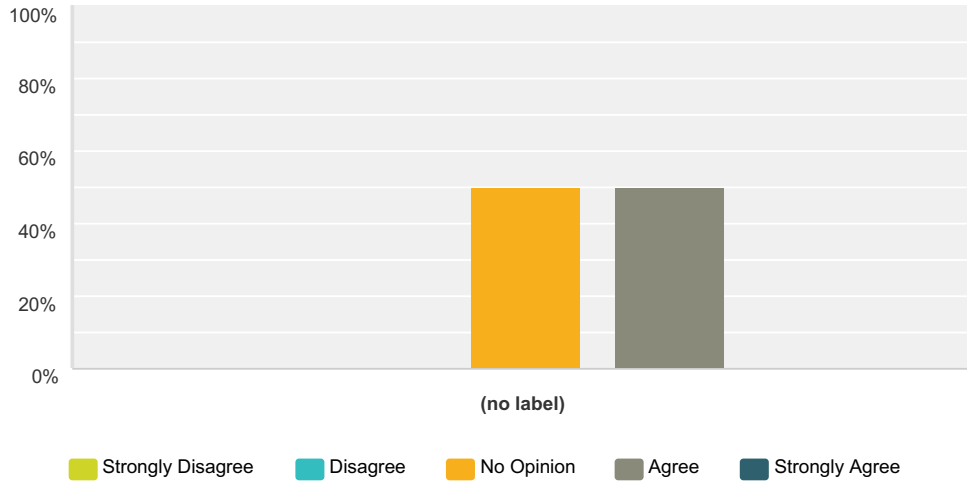


	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	0.00% 0	100.00% 7	0.00% 0	7	4.00

#	Other (please specify)	Date
1	MHB I like having the Board's choice and flexibility to "monitor any policy at any time by any method listed above".	6/14/2016 10:03 AM
2	HB - do we have a set of criteria that would make us deviate from the schedule we have agreed on? How much notice should our GM expect in this event?	5/30/2016 7:33 PM

**Q6 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: 6 Skipped: 2

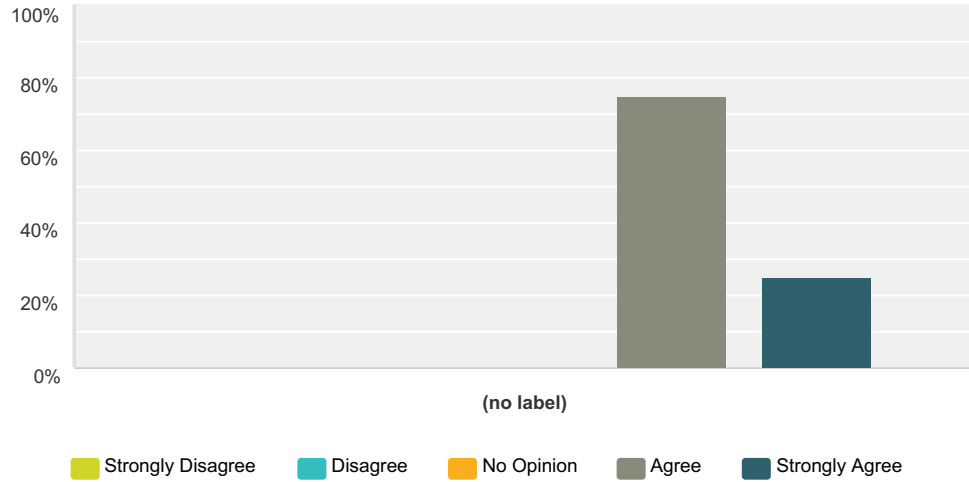


	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	50.00% 3	50.00% 3	0.00% 0	6	3.50

#	Other (please specify)	Date
1	MHB The Board should allot ample time for an in-depth discussion of the GM's annual review. An executive session?	6/14/2016 10:03 AM
2	SZ I did not answer this question because we have not completed an annual evaluation of the GM.	6/1/2016 8:34 AM
3	We should probably vote to move this date for this year, as we will have only two monitoring reports. -Danny	5/31/2016 10:43 PM
4	6 HB - who is handling the summary of monitoring reports? if we are to follow CDS' recommendation for GM evaluation as described in <a href="http://library.cdsconsulting.coop/wp-content/uploads/CG-Evaluating-the-GM-by-Colter-and-Goehring.pdf">http://library.cdsconsulting.coop/wp-content/uploads/CG-Evaluating-the-GM-by-Colter-and-Goehring.pdf</a> , can we start working on this so we will be able to have an adequate evaluation in 2017?	5/30/2016 7:33 PM
5	Timing may not be consistent with Board members leaving and new members joining the Board due to elections - KG	5/22/2016 4:27 PM
6	I believe that website has amended policy that changes eval cycle to be Jan - Dec -- please discard old version and replace with new version form website: 6) The Board's annual evaluation of the General Manager, based on a summary of monitoring reports received from (January) through (December), will be completed by (January 30). The Board will make its decisions concerning the evaluation and the employment contract, if any, no later than (February 28).	5/18/2016 8:25 AM

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

Answered: 8 Skipped: 0

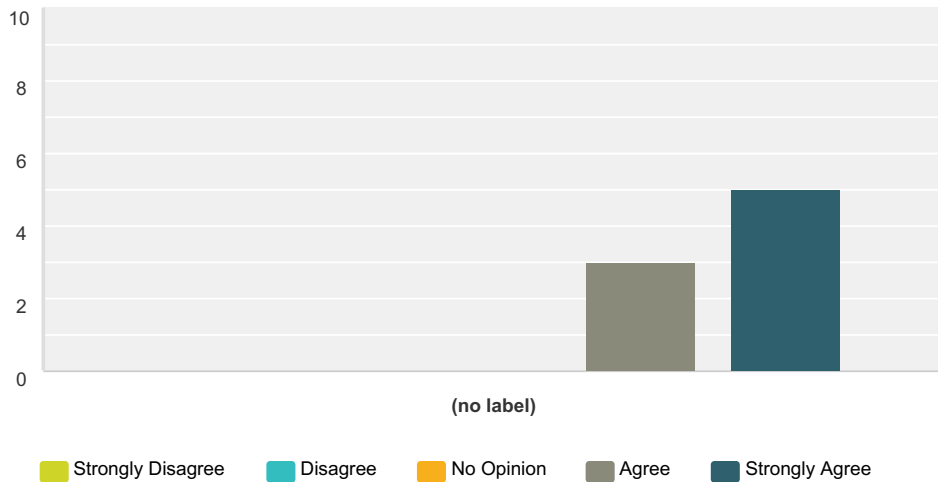


	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	0.00% 0	75.00% 6	25.00% 2	8	4.25

#	Other (please specify)	Date
1	We are greatly improving in this area. -Danny	6/7/2016 3:10 PM
2	MHB Looking forward to more in-depth feedback from our owners to ensure that we are acting on their behalf.	6/7/2016 9:12 AM

### 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	No Opinion	Agree	Strongly Agree	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	0.00% 0	37.50% 3	62.50% 5	8	4.63

#	Other (please specify)	Date
1	We have been learning to do a better job of this and have had helpful GM guidance. -Danny	6/4/2016 10:29 PM
2	HB - i find this statement to be generally very reasonable. However there are instances that require interaction between board and staff (i.e. nomination's committee corresponding with staff to ensure that new board member is included in the "board" group email. Board member to check that she can update the board web page without interfering with her ongoing work...) can we agree on what level of minutiae we must abide by? i.e. handle each interaction via email and CC the GM every time.	5/30/2016 7:44 PM





## **Discussion/Action Items**

- **Board Monitoring Report Changes**

## Board Monitoring Report "Revamp"

06/14//2016

To Fiddleheads BoD

I have found our board monitoring method to be not very effective and have been searching how other Co-ops handle their Board Monitoring Reports. I was also fortunate to attend this year's CCMA and as luck would have it, one of the first session was "Assessing Your Board's Strengths: Using the Four Pillars of Cooperative Governance and Other Tools". I would like to use this and other material and work on this over the summer with any board member interested (Board Monitoring revision task force?)

The accompanying document is one of the possible reporting format applied to our June 2016 Board Monitoring report.

A question that has come up on several occasion was: should the Board Monitoring report be anonymous. I would like to know what each one of you think about that

If you are interested, please go through the following material:

-Article from the 2010 September issue of Cooperative Grocer:

"Making ourselves Accountable" by Rose Mary Klee who led the CCMA session.

-<http://library.cdsconsulting.coop/doc/4-pillars-of-cooperative-governance-self-assessment-tool/>

Yours in Co-operation,

Helene

Directors	Global C - Acting on behalf of our owners, the Board ensures that our cooperative produces benefit and value, while avoiding unacceptable actions and situations.	Global D - The Board's sole official connection to the operations of the cooperative will be through the General Manager.
1	4	4
2	4	0
3	4	5
4	5	5
5	4	5
6	5	5
7	4	4
8	4	4
9	0	0
<b>Average</b>	<b>4.29</b>	<b>4.00</b>

**Do you have any comments/thoughts about our performance relative to this policy?**

Global C    Danny    We are greatly improving in this area.  
                  Mona    Looking forward to more in-depth feedback from our owners to ensure that we are acting on their behalf.

Global D    Danny    We have been learning to do a better job of this and have had helpful GM guidance.

**Is this the policy we want? if not, do you have any comments or suggestions on potential revisions?**

# Making Ourselves Accountable

*Board self-evaluation fosters reflection, constant improvement*

BY ROSE MARIE KLEE

**B**oard of directors' self-evaluation is the act of reflecting upon the past in order to constantly improve. It is rooted in a sincere commitment to providing high-quality governance as trustees of an organization. When a board practices periodic evaluation, each director comes to better understand the expectations for individual directors, as well as the entire board, and to hold themselves and each other accountable for their performance.

Clearly articulated expectations are the foundation for coherent evaluation. In the absence of mutually agreed-upon goals for group processes and products, attempts at self-evaluation seem to reduce to a debate about what *we think we ought to be doing*. As the board undertakes self-evaluation, it may be important to examine how the discussion takes shape: Is the conversation focused on evaluating achievement, interpreting stated goals, or debating what the goals actually are? The direction that evaluation discussions take may indicate that expected outcomes need to be more clearly stated, better understood by directors, or updated to better reflect desired goals.

Self-evaluation can and should be conducted at appropriate time intervals and with proportionate levels of intensity and formality. For example, a brief and informal evaluation can be conducted within a few minutes at the end of each board meeting, allowing the group to reflect on its performance overall or on specific targets, such as director meeting preparedness or group discipline with timekeeping. In contrast, an annual self-evaluation might involve asking each director to complete a detailed survey with metrics that capture a general summary of stated goals, then compiling statistical results summaries for extended group discussion.

At Wheatsville Co-op (Austin, Texas), the board has adopted two primary mechanisms for conducting formal self-evaluation. As a board practicing Policy Governance, we maintain policies that apply to our governance process/products and to our board-general manager relationship. (We also maintain ends and executive limitations policies, but these are not considered here within the context of board self-evaluation.) Over the course of a year, we monitor the entire policy register—typically one or two policies per month—and in keeping with the spirit of constant improvement, our monitoring process has evolved over time. Policy monitoring is our primary formal method of self-evaluation.

In the past, we asked one or more directors to



write a monitoring report for each policy for action at each meeting, typically as a discussion item. (The report approach was similar to that of the general manager/monitoring executive-limitations policies: providing interpretation, supporting data, and statement of compliance.) There was great variation in the quality and caliber of monitoring reports, depending on the level of effort and the author's level of knowledge. Furthermore, there was great variation in the level of engagement, as well as the level of burden upon directors: some policies are longer or more detailed than others, and developing the policy interpretation and supporting data requires thoughtful reflection. There is a significantly different level of engagement required for writing a monitoring report than for reading one!

## By the numbers, with input from all

Because our ultimate goal with policy monitoring is to assess our performance relative to stated expectations as efficiently and effectively as possible, we have moved to a system of having *all* directors evaluate each policy using a numerical scale. As directors read each subpolicy, submit their assessment, and have the opportunity for additional comments, they are engaged in understanding and internalizing our process and goals. Our administrative assistant uses Survey Monkey ([www.surveymonkey.com](http://www.surveymonkey.com)) to solicit board input, and then compiles the results (typically a one-page table) for the board meeting packet. Directors can easily see how each of us has rated our performance on any given item and can quickly identify strengths and areas for improvement.

It is extremely beneficial (and perhaps more rigorous) to have direct input from *all* directors.

As board president, I determine whether, based on results and written comments, the report should become a consent agenda item or a discussion item. I also look for any questions posed or information that would indicate the need for additional learning. At times, clarification can be provided in an email or during some other portion of the meeting (such as our “closing items” or “administrative update” or even during “open time” if there are no other speakers).

Don Kreis, current V.P. and past president of Hanover Consumer Cooperative Society, explains his board's transition to a similar policy-monitoring process by observing that when directors write full monitoring reports, the monitoring process tends to take up a disproportionate amount of meeting time: “The discussions were at the expense of time devoted to important, ends-related board business. They tended to focus on whether the author of the report had done a good job in drafting it, as opposed to the substantive questions of what we expect of each other and whether we are meeting those expectations.”

Our second method of formal evaluation is undertaken using a form that summarizes our stated expectations, and which was developed based on board policy. The form includes four broad categories (with subcategories):

- Members (membership accountability, governance)
  - Management (board/management relations)
  - Internal board operations (individual directors; board leadership; board organization and meetings; board performance)
  - Business overview (finances; planning)
- Each subcategory has four to eight points of

evaluation (such as, “I am thoroughly familiar with the background material sent to me prior to board meetings” and “The board ensures that capital and operating budgets are established annually and in a timely fashion”). Directors use a numerical scale to rate performance, and our administrative assistant makes a statistical compilation of results. We typically conduct this evaluation annually, toward the end of our board year, and this method allows us to get a high-level overview of our performance, be reminded of the big-picture context of our obligations, and set goals for improvement in the coming year. Some years, we have added a midyear evaluation to ensure that we can respond and course-correct in a more timely manner.

The annual self-evaluation tool helps isolate specific areas for improvement. For example, in response to weaker performance on items related to financial understanding, the board has provided additional learning opportunities on finances. As president, I have a secondary interpretation of the evaluation results (in addition to a literal message such as :need to increase learning opportunities on finances”). The evaluation results help me to understand how directors perceive and understand our work, and it shows me where I might challenge us to improve.

For example, last year we ranked our amount of learning and training relatively low. By my reckoning (and intention in setting the meeting agendas over the course of that year), we spent around 15 percent of our 33 hours of regular meeting time focused on learning and held an additional 16–20 hours of training (full-board orientation, annual retreat, finance workshop, etc). Furthermore, we had two directors attend Cooperative Board Leadership (CBL) 101 training (one day) and three directors attend the CCMA conference (three days). Hence, my interpretation of the evaluation results was that the board as a whole was not recognizing the learning component of much of our discussion. Further, it seemed that directors should be encouraged to take more individual initiative with independent learning. We have adapted current practice by emphasizing the learning component of our educational topics, asking CBL 101 attendees to speak about the highlights of their experience during the meeting following their travel, and having the secretary send information and reminders to the board about learning opportunities such as CDS webinars (<http://cdsconsulting.centraldesktop.com/cbld/doc/3154572/w-Library>).

### Fostering reflection and constant improvement

Self-evaluation can prove to be treacherous territory when individual directors feel attacked, unfairly criticized, or evaluated based upon criteria that they did not agree to, or when expectations are unrealistic—especially given the voluntary nature of our work. Likewise, self-evaluation discussions can be weakened if directors are too timid or overly sensitive. It is also important to distinguish between the idea of learning from every experience and “protecting the level of the bar”—we do not do our best work if we brush off unacceptable performance and lack of earnest effort without recognizing this fundamental difference.

The act of self-reflection is rooted in caring about outcomes, which is distinct from caring about the work. Ultimately, fostering a culture of reflection and constant improvement is a powerful tool, which can elevate acts of self-evaluation from the routine to the sublime. A culture of self-evaluation promotes inspired thought on the part of each individual director, and it allows the board to easily share observations and ideas without confrontation or drama.

In keeping with the spirit of cooperatively organized entities, it is my firm belief that we are working toward creating more supportive environments for realizing our awesome potential. By explicitly setting our ends and means (board products and processes), checking our assumptions, and assessing our progress, we ensure continued progress on that path toward achieving the dreams and ideals that have inspired us to become part of the cooperative movement in the first place! Conscientious self-evaluation can ensure that we treat each other with the kindness and respect we all deserve, while pushing us to become the best that we can be and truly achieve our potential. ■



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# Committee/Task Force

- **Nominating Committee**

## **Nominations Committee Meeting Minutes: May 20, 2016**

Helene Bardin, Kelleen Giffin, Mona Harmon-Bowman

### Agenda:

Review of Nominations Committee process for establishing 2016 Board candidate list.

### Next steps:

- Board Candidate roles with GM
- After Action Review (AAR) data gathering process.
- Board review and input on AAR process
- Using CDS article [Nominating Board Candidates](#)

Why conduct an After Action Review: Purpose: to improve the candidate selection process for next year and answer the questions,

“If the Nominations Committee did not exist, what would not be getting done?”

“What should the Nominations Committee do more of; less of, and keep the same?”

In 2016, 3 candidates stepped forward from 15 respondents to Nomination Committee communications and 6 meet and greet events.

### Proposed After Action Review 2016 Candidate Nomination Process:

#### 1. Possible Categories to assess:

- Timeline
- Communications
- Candidate Sourcing
- Candidate Interactions (Meet & Greet, Board Meeting Attendance, One-on-One)
- Handoff to GM/Staff
- Support for On-boarding

#### 2. Nominees:

- Developing profile
- Determine availability to do work
- Co-op membership
- Skills and abilities they bring to the Board

#### 3. Potential providers of feedback:

- Board
- Candidates/Information Seekers
- GM's – Lexa & Wynston
- Staff



# **GM Monitoring Report June 2016**

B5 Treatment of Customers





## FIDDLEHEADS MONITORING REPORT, BASED ON CBLD TEMPLATE POLICY

MONTHLY MONITORING REPORT, JUNE 14, 2016

**Policy: B5 – Treatment of Customers, Last revised: June 18, 2013**

The General Manager shall not be unresponsive to customer needs.

The GM will not:

- 1) Operate without a system for soliciting and considering customer opinion regarding preferences, product requests, complaints and suggestions.
- 2) Allow an unsafe shopping experience for our customers.

**I report compliance with all parts of this policy except:**

- 1) Operate without a system for soliciting and considering customer opinion regarding preferences, product requests, complaints and suggestions.

This is a policy update which will include any information about actual or anticipated non-compliance for all aspects of the B5 policy.

Unless indicated otherwise, all data in this report is for YTD 2016 and is accurate as of June 15, 2016.

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

Signed Alexandra Juhre, General Manager  
Alexandra Juhre

### **Global Policy**

The General Manager shall not be unresponsive to customer needs.

### **Interpretation:**

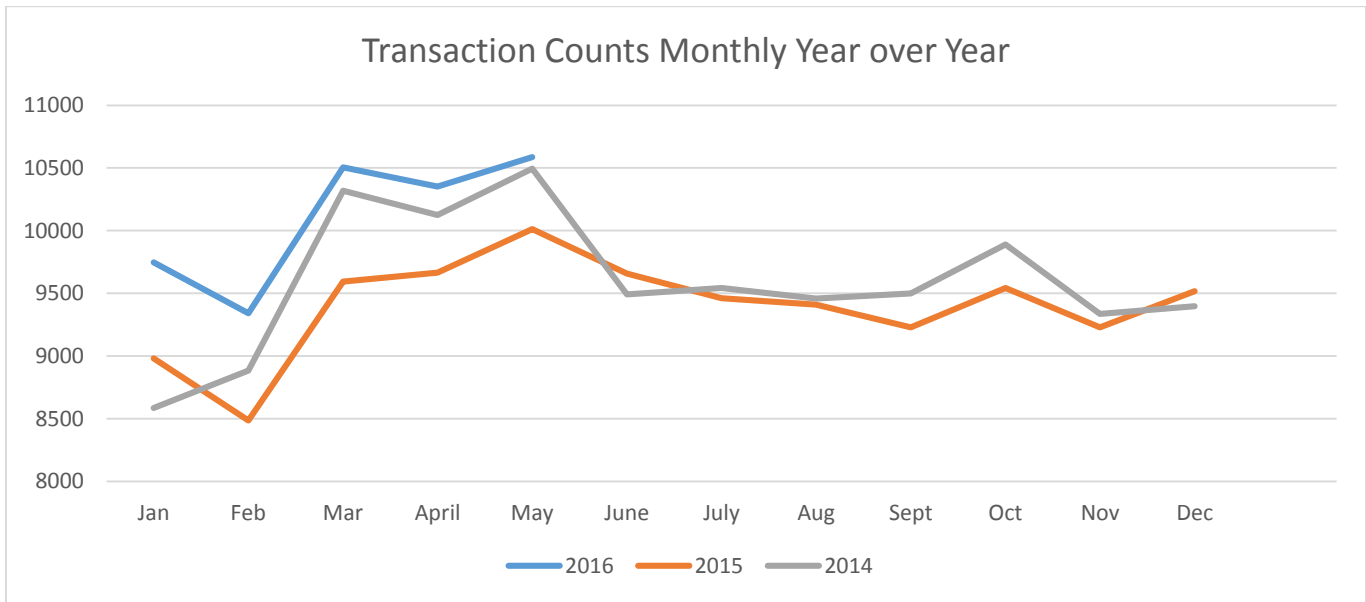
As a retail grocery, the co-op exists to meet customer (owner and community) needs. In the sub-policies below, the board specifies particular ways the co-op should meet customer needs. The overall result of all activities designed to meet customer needs should result in a growing number of customer transactions, and a growing percentage of those customers that express satisfaction with their co-op experience.

### **Operational Definitions:**

- Customer transaction count will grow from year to year.
- *Net promoter score will be greater than 50%. (future)*

**Data**

Customer transactions are showing positive growth. Actual counts appear below. The data reflects that for 2016 year to date in 2016, transaction counts are up 8.18% above 2015 and 4.71% over 2014.



	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2016	<b>9747</b>	<b>9341</b>	<b>10505</b>	<b>10353</b>	<b>10586</b>							
2015	<b>8982</b>	<b>8488</b>	<b>9595</b>	<b>9666</b>	<b>10013</b>	<b>9659</b>	<b>9462</b>	<b>9411</b>	<b>9229</b>	<b>9544</b>	<b>9230</b>	<b>9518</b>
2014	<b>8586</b>	<b>8885</b>	<b>10320</b>	<b>10125</b>	<b>10495</b>	<b>9492</b>	<b>9543</b>	<b>9459</b>	<b>9499</b>	<b>9890</b>	<b>9337</b>	<b>9398</b>

YO Year	8.52%	10.05%	9.48%	7.11%	5.72%	8.18%	average YTD over 2015
YO 2Yrs	13.52%	5.13%	1.79%	2.25%	0.87%	4.71%	average YTD over 2014

1) **The GM will not operate without a system for soliciting and considering customer opinion regarding preferences, product requests, complaints and suggestions.**

**I report out of compliance.**

**Interpretation:** Customers should have a mechanism to provide Management with input on their experience in the store and how the shopping experience might be improved.

**Operational definition:** The system will include a visible suggestion box physically in the store, as well as opportunities to submit suggestions electronically via email. This system shall be distinct from the product request/special order book.

**Observations:**

I was informed that Fiddleheads had removed the suggestion box some time ago from the Front End. Upon investigation, I learned that this decision was largely the result of not having a system to review or act on suggestions, and that there was a perception that the box was used only infrequently.

**Solutions proposed:**

I am choosing to reinstate the Suggestion Box to provide the customer with a formal mechanism to express impressions to Management. This will be in place by the end of June 2016. We have developed a short form that includes space for a customer to record any impressions, whether kudos or criticism, along with an assurance that management will review these submissions on a timely basis and an option to request a direct response. On the back side is a short survey which includes a question along the lines of a net promoter score: e.g. "Based on your experience today, would you recommend Fiddleheads Food Co-op to a friend or family member?" Results will be incorporated in future B5 monitoring reports.

**2) The GM will not allow an unsafe shopping experience for our customers.****I report compliance.**

**Interpretation:** Customers should expect to be reasonably safe while on our premises and while using products or eating food purchased from our co-op.

**Operational definition:**

- The co-op will pass all health inspections.
- The co-op will take reasonable precautions to prevent accidents or injury to customers.
- No customer will incur injury or illness as a result of purchasing any recalled product from the co-op.

**Data:**

- On 5/10/2016 the State Health Inspector (Ledgelight District) gave our store a score of 100, well above the passing score (80).
- Accidents/Injuries reported Year-To-Date 2016 = 0
- Injury or illness reported as a result of purchasing a recalled product from the co-op = 0

## Tell us how we're doing!

We value your feedback and your support.



Fiddleheads' staff is attentive, knowledgeable & helpful:

Poor     Fair     Good     Very Good     Excellent

Fiddleheads' product selection meets my needs:

Poor     Fair     Good     Very Good     Excellent

Checkout at Fiddleheads is accurate and timely:

Poor     Fair     Good     Very Good     Excellent

Fiddleheads offers me good value.

Poor     Fair     Good     Very Good     Excellent

I am likely to recommend Fiddleheads to a friend or family member:

Unlikely     Rarely     Likely     Very Likely     Definitely

What's one thing we could do to create a better experience for you?

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## Comments & Suggestions

We want to put *you* at the center of everything we do.

Thank you for your feedback and your support!



Date \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_ Time \_\_\_\_\_

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I would appreciate if someone from Fiddleheads would follow up with me.

Name: \_\_\_\_\_ Phone \_\_\_\_\_

Email \_\_\_\_\_

-o-o-o-c-o-o-o-o-o-a-v -

## *Tell us how we're doing!*

We value your feedback and your support.

Fiddleheads' staff is attentive, knowledgeable & helpful:  Poor  Fair  Good  Very Good  Excellent

Fiddleheads' product selection meets my needs:  Poor  Fair  Good  Very Good  Excellent

Checkout at Fiddleheads is accurate and timely:  Poor  Fair  Good  Very Good  Excellent

Fiddleheads offers me good value.  Poor  Fair  Good  Very Good  Excellent

I am likely to recommend Fiddleheads to a friend or family member:  Unlikely  Rarely  Likely  Very Likely  Definitely

What's one thing we could do to create a better experience for you?

## *Comments & Suggestions*

We want to put you at the center of everything we do. Thank you for your feedback and your support!

Date - / / Time

I would appreciate if someone from Fiddleheads would follow up with me.

: Name: Phone

: Email -

- -



## **Next Meeting Agenda**

# DRAFT

**AGENDA**  
**FIDDLEHEADS BOARD OF DIRECTORS MEETING**  
**July 19, 2016**  
**6:30-8:30 PM**  
**105 Huntington Street, New London**

Time	Topic	Resource	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 a leader 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> <b>Welcome New Board Members!!</b>	Agenda	Convene/Focus	President
	<b>Agenda Review</b>	Agenda	Make any needed adjustments	President
	<b>Owner Comments</b>		Listen	President
6:35	<b>Approve Draft Minutes</b> <ul style="list-style-type: none"><li>• June 21, 2016</li></ul>	Packet	Approve	
6:40	<b>Consent Agenda</b> <ul style="list-style-type: none"><li>• Member Equity Refund Requests (as needed)</li><li>• Board Monitoring Report C1</li></ul>	Each item in packet	Approval	President GM
	<b>Discussion of Items removed from Consent Agenda</b>	See above	Discuss/Approve	TBD
6:45	<b>Discussion/Action Items</b> <ul style="list-style-type: none"><li>• Scheduling Retreat/Financial Training Part II</li><li>• Discussion of Board Monitoring Reports</li></ul>	In Packet	Discuss	President Treasurer
7:15	<b>GM Monitoring Report (A Ends)</b>	In Packet		GM
7:45	<b>Committee/Task Force</b> <ul style="list-style-type: none"><li>• Nominations<ul style="list-style-type: none"><li>◦ Accept Minutes</li></ul></li><li>• Annual Meeting<ul style="list-style-type: none"><li>◦ Accept Minutes</li><li>◦ Board feedbacks thoughts for next year</li><li>◦ Review Charter - GM committee?</li></ul></li><li>• Owner Communications<ul style="list-style-type: none"><li>◦ Any updates (should get charter for next meeting)</li></ul></li></ul>			
8:40	<b>Member Comments</b>			
	<b>EXECUTIVE SESSION</b> <ul style="list-style-type: none"><li>• To approve minutes of June 21, 2016, Executive Session</li><li>• Personnel matters (GM Monitoring/Transition)</li></ul>	Minutes To Be Provided		Secretary President
8:45	<b>Closings</b> <ul style="list-style-type: none"><li>• SCHEDULE CDS CALL!</li><li>• Review tasks for next meeting and other dates</li><li>• Adjourn Meeting</li></ul>			President

**BOARD PACKET CONTENTS (listed on next page)**

# DRAFT

## BOARD PACKET CONTENTS:

- Meeting Agenda (Elisa)
- Draft Minutes of June 21, 2016 Meeting (Danny & Elisa)
- Committee Notes/Minutes
  - Nominations Minutes (Mona/Helene)
  - Annual Meeting Minutes (Carolyn)
- Member Equity Refund Request (as needed) (Lexa)
- Executive Session Minutes of June 21, 2016 – (circulated confidentially/brought to meeting by Danny)
- GM Monitoring Report (Lexa)
- Draft Agenda for August 16, 2016 meeting (Elisa)