

FIDDLEHEADS BOARD OF DIRECTORS
Minutes of Board Meeting of September 27, 2016

105 Huntington Street, New London
(Approved by the Board on October 18, 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, September 27, 2016 at 105 Huntington Street, New London, CT.

B. Attendance

The following Board members were present:

Susan Phillips, President
Helene Bardinet, Vice-President
Danny Spurr, Secretary
Susan Zimmerman, Treasurer
Carolyn Wilson
Ellen Clinesmith
Kelleen Giffin
Rachel Black

The following Board member was absent:

Mona Harmon-Bowman

The following additional persons were present:

Lexa Juhre, General Manager
Elisa Giommi, Board Administrator

C. Check-in

There was an event at the South County Food Co-op in Wakefield, RI on Thursday that people were invited to attend. There was a brief report on Helene and Susan Zimmerman's visit to the Blue Hill Co-op in Maine, where former Fiddleheads Interim GM, Wynston Estis is currently Interim GM.

D. Agenda Review

The Workflow table, and the revised B1 Q2 report were tabled. Scheduling of a field trip to the Willimantic Food Co-op was added to the Closings section of the agenda.

E. Owner Comments

No owner comments

II. MINUTES OF AUGUST 16, 2016 BOARD OF DIRECTORS MEETING

Motion to approve the minutes of the August 16, 2016 Board of Directors Meeting with amendments noted:

Motion: Susan Zimmerman

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Second: Helene Bardinet

All in favor with Carolyn Wilson abstaining

III. CONSENT AGENDA

There were three member equity requests from Katie Baldrige, Ernestine Cosenza, and Elizabeth Gonzalez.

Motion to approve the Consent Agenda:

Motion: Susan Zimmerman

Second: Ellen Clinesmith

All in favor

V. EXECUTIVE SESSION

There was no motion to enter Executive Session. The minutes of the Executive Session of June 21, 2016 were approved in regular session.

Motion to approve the Executive Session minutes of June 21, 2016:

Motion: Helene Bardinet

Second: Rachel Black

All in favor with Ellen Clinesmith abstaining

VI. DISCUSSION OF NEXT STEPS POST BOARD RETREAT

A summary of September 10, 2016 Board Retreat Generated Data was passed out to the Board at the meeting with some of the brainstormed Ends activities and next steps.

After some productive discussion, it was generally agreed that a strategic planning process needed to begin, but that patience would be needed while the new GM settled into her role and Co-op finances were solidified. Many of the Ends activities related owner education, such as posting the store's ends, can be implemented operationally. There was interest in conducting an owner event where owners could engage in the KJ technique, as was conducted at the Board retreat, to find alignment regarding Ends.

Next steps in the Strategic Planning process:

Discussing the Strategic process with CDS consultant, Jade.

Potentially conducting a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis.

Speaking with Willimantic Food Co-op regarding involving owners in the strategic planning process.

Further discussion at the next Board meeting.

VII. GM MONITORING REPORT

Lexa noted that it may be a challenge to complete both B2 and B6 monitoring reports for October.

A. B1-Q2 Financial Condition Report - tabled

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B. B7- Board Communication

Global Policy: Executive Limitations B7 - Communication to the Board

The General Manager shall not cause or allow the Board to be uninformed or unsupported in its work.

1) The GM will not submit monitoring reports that are untimely or inaccurate, or that lack operational definitions and verifiable data directly related to each section of the policy.

Conclusion: Not in compliance, plan in place

All reports have been submitted on time, but the May, June, July, and August reports all required additional work or correction before being accepted by the Board. All revised reports were very positively received by the Board. These compliance issues can be attributed to the new GM becoming better acquainted with monitoring process and she is working to increase the accuracy and clarity of her reports.

2) The GM will not fail to report any actual or anticipated noncompliance with any Board policy, with a plan for reaching compliance, in a timely manner.

Conclusion: In compliance

3) The GM will not allow the Board to be unaware of relevant legal actions, media coverage, trends, public events of the Cooperative, or internal and external changes.

Conclusion: In compliance

4) The GM will not withhold his/her opinion if the GM believes the Board is not in compliance with its own policies on Governance Process (Policy C1) and Board-Management Delegation (Policy D3) particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the GM.

Conclusion: In compliance

5) The GM will not deal with the Board in a way that favors or privileges certain Board members over others except when responding to officers or committees duly charged by the Board.

Conclusion: In compliance

6) The GM will not fail to supply, for the Board's consent agenda, all decisions delegated to the GM yet required by law, regulation, or contract to be Board approved.

Conclusion: In compliance

Motion to approve the GM monitoring report B7- Board Communication, with acknowledgment of non-compliance in sections noted:

Motion: Ellen Clinesmith

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Second: Kelleen Giffin
All in favor

C. B8- Board Support

Executive Limitations B8 - Board Logistical Support

The General Manager shall not allow the Board to have inadequate logistical support.

1) The GM will not provide for insufficient staff administration to support governance activities and Board communication.

Conclusion: In compliance

2) The GM will not allow Board Members to be without an updated copy of the Policy Register and the Bylaws.

Conclusion: In compliance

3) The GM will not provide inadequate information and notice to members concerning Board actions, meetings, activities and events.

Conclusion: In compliance

4) The GM will not allow insufficient archiving of board documents

Conclusion: Not in compliance, plan in place

Board archives are not currently maintained and administered by the GM or the co-op's System Administrator. Lexa will work with the Board Secretary and Board to relocate and secure Board documents on the Co-op's administered system.

A meeting will eventually be organized with Lexa, Danny, Susan Phillips, Susan Zimmerman, and Elisa to discuss securing confidential documents.

Motion to approve GM monitoring report B8- Board Support, with acknowledgment of non-compliance in section noted:

Motion: Susan Zimmerman

Second: Kelleen Giffin

All in favor

VIII. COMMITTEE/TASK FORCE

A. Nominations Committee

The after action survey will be sent our Thursday or Friday. It will be sent out to the Board, all Board candidates, former IGM Wynston Estis, and Lexa, who can provide it to staff as necessary.

B. Annual Meeting Committee

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A draft charter was provided to the Board. The Board provided input and some revisions to the draft charter. An amended charter will be brought to the next meeting for approval. The proposed date for next year's Annual Meeting is Sunday, May 21, 2017, but this date has not been finalized.

C. Member Engagement Committee

This committee no longer exists.

Motion to Eliminate the Member Engagement Committee:

Motion: Ellen Clinesmith

Second: Carolyn Wilson

All in favor

IX. DISCUSSION/ACTION ITEMS

A. Board Budget

The Board Budget for 2016 totaled \$28,765. And there was a proposed Budget number for 2017 of \$25,000. The benchmark for a Board Budget is 0.5% to 1.0% of sales, both Budget numbers fall within this range. There was a discussion of Annual meeting expenses as well as how many Board members should be budgeted for attending CCMA. In discussing the \$25,000 figure for next year's budget, \$25,000 could potentially be too little, but \$30,000 was seen as too much. There was also a discussion of whether director discounts could be tracked and whether this should show up as a Board expense. Lexa would be able to generate these numbers, though it was generally concluded that, though it may be useful to be aware of these numbers, they probably should not be included in the Board Budget.

Motion to accept Board Budget reconciliations for 2016:

Motion: Kelleen Giffin

Second: Rachel Black

All in favor

B. Bylaw Revision Committee

It was decided that Board energy would be better spent on other issues at this time.

C. Annual Financial Review

On recommendation from Lexa it was concluded that an Annual review and observed inventory would be conducted at the end of 2016, but that an Internal controls assessment was premature at this time and would be more appropriate after Quarter 1 of next year. These steps should allow for a potential audit at the conclusion of 2017.

Motion to conduct an Annual review and preparation of tax returns by Wegner CPAs at the end of 2016 and an observation of inventory at the end of 2016:

Motion: Danny Spurr

Second: Carolyn Wilson

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All in favor

D. Starting 2017 Annual Calendars

There was discussion about whether to eliminate the owner engagement row of the calendar, as there was nothing current to put on that line. It was agreed that the line would be kept and regular communication with members should be a goal. It was also suggested that the calendar be kept up to date and that updates to the Board Calendar be dated, so that Board members can be assured they are using the current version of the calendar.

Elisa will help Susan Phillips in developing the 2017 Board Calendar.

E. Board Monitoring Reports

It was noted that the calculated averages on the reports were incorrect [scores noted in these minutes are corrected]. It was requested that potential actions or plans to address policy adherence be reflected in the minutes.

1. Board Monitoring Report C2- The Board's Job

C2.I Create and sustain a meaningful relationship with member-owners.

Adherence to policy score (1 to 5 scale, ascending): 2.88

Results of the report showed a need to improve in this area. It was noted that Board-owner relations are currently being discussed as part of the Board's strategic planning process.

C2.II We will hire, compensate, delegate responsibility to, and hold accountable a General Manager. (See D. Board GM Relationship Policies)

Adherence to policy score (1 to 5 scale, ascending): 4.25

C2.III We will use a strategic process to establish the value of GM compensation, and complete this process in a timely manner.

Adherence to policy score (1 to 5 scale, ascending): 3.6

There was some confusion about how this strategic process was to be conducted, as many Directors have not gone through this process before. It was noted that the Board will have better clarity on this issue when it conducts its GM evaluation in January.

C2.IV We will have expectations in the form of written governing policies that realistically address the broadest levels of all organizational decisions and situations. We will write these policies in the form of Ends (Policy A1), Executive Limitations (Policy B, et seq.), Board Process (Policy C, et seq.) and Board-Management Relationship (Policy D, et seq.), as described in the Policy Governance principles.

Adherence to policy score (1 to 5 scale, ascending): 4.14

C2.V We will assign responsibility in a way that honors our commitment to empowerment and clear distinction of roles.

Adherence to policy score (1 to 5 scale, ascending): 3.71

There was some clarity sought on the distinction of roles. It was noted that this policy applies to committees, or anyone else to which the Board assigns responsibility, as well as the GM.

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C2.VI We will rigorously monitor operational performance in the areas of Ends and Executive Limitations, and Board performance in the areas of Board Process and Board- Management Relationship.

Adherence to policy score (1 to 5 scale, ascending): 3.85

There was some clarity sought on what “rigorously” meant.

C2.VII We will perpetuate the Board’s leadership capacity using ongoing education, training and recruitment.

Adherence to policy score (1 to 5 scale, ascending): 4.13

C2.VIII We will perform other duties as required by the bylaws or because of limitations on GM authority.

Adherence to policy score (1 to 5 scale, ascending): 3.75

There was a general lack of understanding as to what this policy entailed. It was noted that this policy could be understood as a due diligence policy covering legal loose ends for areas potentially not covered in the policy manual. It was also noted that it would be helpful to come up with a non-exhaustive list of duties which may fall under this policy.

Motion to approve Board Monitoring Report C2- The Board's Job:

Motion: Rachel Black

Second: Helene Bardinnet

There was a discussion about whether Board Monitoring reports should be approved and what approval would mean. It was decided they do not need to be approved, but that the minutes would reflect that the report had been discussed.

Motion withdrawn.

Board Monitoring Report C2 was discussed.

2. Board Monitoring Report C3- Agenda Planning

Board Monitoring Report C3 was discussed.

C3-Global [C3-1 in Board Packet] We will follow a strategic multi-year work plan and annual agenda that focuses our attention upward and outward.

Adherence to policy score (1 to 5 scale, ascending): 2.29

This policy was not clearly understood. It was noted that the Board's Strategic Plan discussion has given some clarity to this policy, and compliance with this policy will further develop as this discussion is continued in future meetings.

C3.I [C3-2 in Board Packet] We will create, and modify as necessary, an annual calendar that includes tasks and events related to our multi-year workplan, membership meetings, Board training schedule, monitoring schedule, and the GM evaluation and compensation decisions as outlined in our Board-Management Relationship policies (Policy D, et seq.).

Adherence to policy score (1 to 5 scale, ascending):3.86

There was a general consensus that the annual calendar could be better kept up to date with updated versions being dated. The Board has started the process of creating a multi-year work plan, though

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this will develop slowly, as the new GM settles in and the Co-op's finances continue to be put in order.

C3.II [C3-3 in Board Packet] Throughout the year, we will attend to consent agenda items as expeditiously as possible.

Adherence to policy score (1 to 5 scale, ascending): 3.57

C3.III [C3-4 in Board Packet] We will limit the amount of meeting time taken up by Executive Limitations monitoring reports, discouraging discussion unless the reports indicate policy violations, or the policy criteria themselves need review.

Adherence to policy score (1 to 5 scale, ascending): 2.88

This was seen as an area that could use improvement. The issue of expediting Board meetings was discussed at the Board's retreat, and measures are being taken to improve in this area, such as Director self-discipline in staying on topic, timing Agenda items, and resolving "weeds" issues outside of the meetings.

X. CLOSINGS

A. There is no NFCA fall gathering this year.

B. A field trip to Willimantic Food Co-op can be organized and a tour provided for those interested. Lexa has already been up with Susan Zimmerman to visit with their GM Alice. Rachel, Helene, and Lexa expressed interest in going. Interested people should bring some dates they are available to the Financial Training next week or Elisa can potentially send out a doodle.

C. Next Tuesday's Financial Training will start at 6 p.m. with food and proceed to the training at 6:30 p.m. Sue Phillips will look into potentially ordering food from Jasmine Thai for the event.

D. Two CBLD web events will be held on October 12th and October 19th both at 1 p.m. ET and are open to all Board members. Rachel and Susan Zimmerman are available on the 12th. Sue Phillips is available on the 19th.

E. No CDS call scheduled

F. Review decisions, tasks, and assignments

Schedule Willimantic Field Trip (Rachel, Helene, Lexa)

Meeting Agenda (Sue and Elisa)

Draft Minutes of September 27, 2016 Meeting (Danny & Elisa)

Member Equity Refund Request (as needed) (Lexa)

Retreat Next Steps (Sue)

Monitoring Report Decision Tree (Elisa)

GM Monitoring Report Policies B2, B6 (Lexa)

Committee Notes/Minutes

Nominations – Post Process Review (Mona)

Annual Meeting – Proposed Charter and Date (Danny/Carolyn/Lexa)

Output for Board Monitoring of Policy C4 – Governing (Helene and Elisa)

2017 Board Calendar (Sue and Elisa)

2017 Board Budget Draft (Susan Z.)

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Draft Agenda for November 15, 2016 meeting (Elisa)

G. Adjournment

Motion to adjourn:

Motion: Ellen Clinesmith

Second: Rachel Black

All in favor

Meeting adjourned at 8:57 p.m.

* * * * *

Draft minutes prepared for submission to the board by Daniel Spurr/Elisa Giommi on October 3, 2016.

Minutes approved by vote of the Board on October 18, 2016 and put into final form by Danny Spurr/Elisa Giommi on October 24, 2016.