

**FIDDLEHEADS NATURAL FOODS
COOPERATIVE**

**BOARD OF DIRECTORS
MEETING PACKET**

**Meeting date:
September 27, 2016**

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Agenda

AGENDA
FIDDLEHEADS BOARD OF DIRECTORS MEETING
September 27, 2016
6:30-8:30 PM
105 Huntington Street, New London

Time	Topic	Resource	Action/Outcome	Leader
6:30	Meeting Preamble <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> Check-in	Agenda	Convene/Focus	President
	Agenda Review	Agenda	Make adjustments	President
	Owner Comments		Listen	President
6:35	Approve Draft Minutes of August 16, 2016	Packet	Approve	
6:40 (5)	Consent Agenda <ul style="list-style-type: none"> ● Member Equity Refund Requests (as needed) ● Revision of Monthly Workflow Document 	Each item in packet	Approval	President GM
	Discussion of Items removed from Consent Agenda	See above	Discuss/Approve	TBD
6:45 (5)	Executive Session To approve minutes of June 21, 2016, Executive Session	Minutes To Be Provided		Secretary
6:50 (20)	Discussion of Next Steps Post Board Retreat	Potential action items in packet	Discuss/Decide	President
7:10 (15) (5) (5)	GM Monitoring Reports <ul style="list-style-type: none"> ● B1–Q2 Financial Condition (carry over from Aug) ● B7–Board Communication ● B8–Board Support 	B7 and B8 in Packet -- B1 to be deferred	Discuss/Approve	GM
7:35 (10) (10) (10)	Committee/Task Force <ul style="list-style-type: none"> ● Nominations <ul style="list-style-type: none"> ○ Post-Process Eval ● Annual Meeting <ul style="list-style-type: none"> ○ Review Proposed Charter ○ Set Date ● Member Engagement <ul style="list-style-type: none"> ○ Report on Board Support Call ○ Proposed Charter ○ Suggested Activities 	In packet In packet Discussion	Discuss Discuss/Approve Discuss	Mona/Helene Danny/Carolyn Carolyn/Sue P.
8:05 (15) (5) (10) (10) (5)	Discussion/Action Items <ul style="list-style-type: none"> ● Board Monitoring – C2 (carry over from last month) and C3 ● Proposal to Create Bylaw Revision Committee ● Board Budget 2016 ● Annual Financial Review ● Starting 2017 Annual Calendar 	In packet Discussion In packet In packet 2016 Calendar in Packet	Discuss/Approve Discuss Discuss/Approve Discuss/Approve Discuss – Assign responsibility	Vice President President Treasurer GM President
8:45	Member Comments			
8:50	Closings <ul style="list-style-type: none"> ● Determine use of CDS call (if any) ● Assess interest in NFCA fall gathering ● Review tasks for next meeting and other dates Adjourn Meeting			President

BOARD PACKET CONTENTS:

- Meeting Agenda (Sue and Elisa)
- Draft Minutes of August 16, 2016 Meeting (Danny & Elisa)
- Member Equity Refund Request (as needed) (Lexa)
- Revised Board Workflow Document (Sue and Elisa)
- Retreat Next Steps (Sue)
- Monitoring Report Decision Tree (Elisa)
- GM Monitoring Report Policies B7 and B8 (Lexa)
- Committee Notes/Minutes
 - o Nominations – Post Process Review (Mona)
 - o Annual Meeting – Proposed Charter and Date (Danny/Carolyn/Lexa)
- Output for Board Monitoring of Policy C2 and C3 – Governing (Helene and Elisa)
- Board Budget (Susan Z.)
- Options Outline for Annual Financial Review (Lexa)
- 2016 Board Calendar (Sue and Elisa)
- Executive Session Minutes of June 21, 2016 – (circulated confidentially/brought to meeting by Danny)
- Draft Agenda for October 18, 2016 meeting (Elisa)

Preview of Future Agenda Topics:

October:

- CBLD Contract -- On-Line Events 10/12 and 10/19
- Implementation of Retreat Next Steps
- Board Budget and Board Calendar 2017

November

- Board Member Self-Evaluation



Minutes

August 16, 2016

Meeting Minutes

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FIDDLEHEADS BOARD OF DIRECTORS Minutes of Board Meeting of August 16, 2016 105 Huntington Street, New London

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, August 16, 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
Mona Harmon-Bowman
Ellen Clinesmith
Kelleen Giffin
Rachel Black

The following Board member was absent:

Carolyn Wilson

The following additional persons were present:

Lexa Juhre, General Manager
Elisa Giommi, Board Administrator

C. Check-in

The Board was apprised of recent travels and babies.

D. Agenda Review

Charter Bylaw Revision Task Force, Board Budget 2016, Annual Meeting Committee, and Owner Alignment Committee items were tabled. An item discussing rescheduling of the September meeting was added.

E. Owner Comments

No owner comments

II. MINUTES OF July 19, 2016 BOARD OF DIRECTORS MEETING

Motion to approve the minutes of the July 19, 2016 Board of Directors Meeting:

Motion: Ellen Clinesmith
Second: Mona Harmon-Bowman
All in favor with Susan Zimmerman abstaining

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FIDDLEHEADS BOARD OF DIRECTORS Minutes of Board Meeting of August 16, 2016 105 Huntington Street, New London

III. CONSENT AGENDA

There were no member equity requests.

IV. DISCUSSION/ACTION ITEMS

A. Board Monitoring Report (C2-Board's Job)

The new format was partially implemented. The new questions asked, but were presented in the old format. Helene forwarded a draft of the the presentation format to the Board. Input on the new format was solicited. After discussion, the following changes were made to the new question format:

1. Question 3 was changed from “Is this the policy we need?” to “Does this policy need:” with four options presented: “Discussion; Action; Revision; OK as is,” with Board members having the option to select multiple options.
2. The “Comment” box header in Question 2: “How well do you think we currently adhere to this policy?” was changed to “Do you have any thoughts or comments about our performance relative to this policy?” (SMP: I thought we were going to change N/A to Don't Know.)
3. The five answer scale was kept for Question 1: “Do you understand what this policy means?”, with the options “Yes” and “I'm an expert in this policy!” being changed to “Well” and “Very Well” respectively.

Board Monitoring Report C2 will be resent (in addition to the scheduled report: C3) to all Board members for next month's meeting, so that everyone will be able to answer the survey with the approved format.

B. Retreat outcomes

Susan Phillips presented a draft retreat outcome that will be sent to CDS consultant Jade Barker and solicited input:

*To develop an understanding of what a strategic planning process would look like— particularly how we can start with obtaining input from member-owners on ends policies.
(An example of this would be determining whether member-owners think some ends are more important than others. Also learning what degree of tolerance member-owners have for risk as we think about possible expansion.)*

Other Outcome: Learning how to develop a meaningful relationship between the board and member-owners generally.

Lexa is planning an owner drive/town hall meeting for the fall, which Lexa and the Board can use to start obtaining input from owners to inform the strategic plan.

C. Discuss Financial Review/Audit Options

Tabled.

IV. GM MONITORING REPORT

**FIDDLEHEADS BOARD OF DIRECTORS
Minutes of Board Meeting of August 16, 2016
105 Huntington Street, New London**

The Board found the operational definitions for A3 and A5 reasonable, noting how difficult it can be to operationalize the Ends in general. The Board was also pleased with the new grayscale friendly graph format.

A. Policy: A- Ends

Ends A – Global End- *Fiddleheads Natural Foods Cooperative exists so that Southeastern Connecticut is a healthy, robust and inclusive community.*

Lexa noted in the area of inclusivity that neither staff nor clientele reflects proportional diversity of the community (New London) ethnically or socioeconomically and Fiddleheads has little in the way of institutionalized practices to engage with full array of constituencies in the city of New London or New London County. Lexa proposes pursuing a more diverse and multilingual staff, increased engagement with local agencies and churches, and translation of all co-op materials into Spanish.

Ends A1 – Food Justice- *Fiddleheads exists so that Southeastern Connecticut is a model for achieving food justice for all.*

Lexa interpreted this to mean Fiddleheads should be a leader on the issue of overcoming food insecurity in our community to the extent that is practical within our food & product policy. The Pantry program currently underway will be assessed in the fall. The stalled Food for All program will be rebooted. Fiddleheads will engage in partnership with local groups focused on food justice issues. EBT sales have increased year over year.

Ends A2 – Thriving Local Economy- *Fiddleheads exists so that Southeastern Connecticut is a thriving locally based economy.*

Purchases from local vendors are increasing. Local products currently represent approximately 37% of the store's total sales.

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

Strategies to address this end include participating in and sponsoring events including social events and potentially work project parties and “town-meetings” to inform strategic planning, showcasing vendors and community partners, the Neighborly Nickel program, a clean, warm, inviting store with room for community interaction, and outreach and communication with owners. Lexa in addition to Customer count, Number of Owner events and money distributed through the Neighborly Nickel program will be used as data based metrics to measure success in this area.

Ends A4 – Growing Co-op Model Use- *Fiddleheads exists so that Southeastern Connecticut has a growing use of the co-op model.*

There was a question from the Board as to whether the intention of this end was growing the use of the co-op model beyond merely the co-op itself- but to partnering with and fostering co-ops in our area, as the interpretation of this end, though seen as reasonable, did not address growth of the co-op model beyond the store itself. It was generally agreed that this was the intent of the policy and that the Board may want to reflect on this policy in the future, though this end is not necessarily the highest

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priority of the six ends at this time.

Ends A5 – Food & Health Knowledge- *Fiddleheads exists so that Southeastern Connecticut is knowledgeable about food systems, and personal and environmental health.*

A variety of strategies were proposed to meet this end, including offering workshops and classes, in store consumer education, healthful practice incentives, and partnering with local groups. As a metric, Fiddleheads will seek to increase educational programming and related participation rates year over year.

Ends A6 – Workplace- *Fiddleheads exists so that Southeastern Connecticut has meaningful work opportunities in a supportive environment.*

Staff compensation is a high priority at this time. A staff survey was conducted last year, and a follow up survey may be conducted in a few months. The staff's Advocacy Committee continues to help update the employee manual.

Motion to accept the GM monitoring report (A- Ends):

Motion: Kelleen Giffin

Second: Ellen Clinesmith

All in favor

B. Executive Limitations B1 – Financial Condition and Activities (Quarter 2)

Lexa noted that due to adjustments made based on the store's Financial Review, indicators for sub-policies 2, 3, and 4, while still in compliance, have changed and Quarter 1 financial statements need to be restated. Lexa will provide a restated Q1 financial report, footnoting major changes. (ISMP: Is this correct? If it is restated then should be saved separately from one submitted in Board Packet as "restated." I know the Q2 is going to be resubmitted next month.)

B-Global: *With respect to the actual, ongoing financial conditions and activities, the General Manager shall not cause or allow the development of fiscal jeopardy or material deviation of actual expenditures for Board priorities established in Ends policies.*

Conclusion: In compliance

The GM shall not:

1) *Allow sales to decline or be stagnant.*

Conclusion: Data not sufficient

There was a question regarding the impact of the quarterly coupon as compared to prior years and the 2% member discount. It is really too early to tell and we will have more information after a few more quarters. There was also a question regarding the discrepancy between the sales growth number presented in the report and the number on the profit and loss sheet. The 5.8% number on the profit and loss statement was likely the correct figure, but Lexa will look into this. There were also questions related to discrepancies between numbers pulled from CocoFiSt versus numbers from

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QuickBooks. This is related to how each system handles certain bookkeeping areas differently. It was requested that future reports show QuickBooks numbers only, for consistency.

2) *Allow operations to generate an inadequate net income.*

Conclusion: Data not sufficient

Since the net income figure is related to the questionable sales number, Lexa will confirm the net income figure.

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

Conclusion: In compliance

There was a question as to why our current ratio was so high. Lexa noted that she was warned of a summer decline in sales, that was not as severe as expected, so the store has more cash on hand as a result. Also, staff compensation is not as high as it should be.

4) *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

6) *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 (SMP: I would change this to "Data not sufficient" as board specifically asked that representation be made of payment of payroll taxes and I believe Lexa intends to include this when it is resubmitted in September.)

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. Lexa noted that Personal Property tax will be filed on a differently next year.

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.

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Three owner loans are past due and are being renegotiated for extension.

There was a question as to the NCB loan that had previously been in default. A new loan schedule has been negotiated. There was also a question regarding the CL&P loan believed to be due in September of 2016. Lexa will look into this loan.

9) *Use restricted funds for any purpose other than that required by the restriction.*

Tabled

10) *Allow financial record keeping systems to be inadequate or out of conformity with Generally Accepted Accounting Principles (GAAP).*

Tabled

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

Tabled

GM monitoring report B1- Financial Condition (Q2) was tabled to next month so that accurate data can be provided on sub-policy 1 and 2. A revised report will be submitted for next month.

V. COMMITTEE/TASK FORCE

A. Nominations Committee

The Nominations Committee will be sending out a survey related to the election and nominating process in a couple weeks to the Board, Wynston, Lexa, candidates, and staff (at Lexa's discretion) as well as a link to CDS best practices related to these topics. It was noted that Helene will be stepping down from Nominations Committee after this election after action process.

VI. EXECUTIVE SESSION

Executive Session to approve the minutes of the June 21, 2016 executive session was tabled.

VII. CLOSINGS

A. CDS call

Sue Phillips, Carolyn, and Lexa will scheduled a CDS call to discuss the Member Owner Outreach Committee, Annual Meeting Committee and Bylaws Revision Committee..

B. Rescheduling of September Board Meeting

The monthly Board meeting of September 20, 2016 was rescheduled to September 27, 2016. This change will be posted on the events board and on the web page as the regular meeting of September

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20, 2016 being cancelled and a special meeting being scheduled for September 27, 2016, as per bylaws.

C. Review decisions, tasks, and assignments

- Make sure Lexa has the password to the Board's archive page on the Fiddleheads website- ELISA
- Schedule field trip to Willimantic Food Co-op- RACHEL, HELENE, LEXA, MONA, SUSAN Z.
- Schedule meeting between Alice of Willimantic Food Coop and Lexa- SUSAN Z.
- Schedule an Annual Meeting Committee meeting for August to discuss charter ideas, potential Annual Meeting date- CAROLYN, DANNY, ELLEN, LEXA
- Schedule Board support call with Jade: SUE P., CAROLYN, LEXA
- Post change in date of September meeting- ELISA
- Meeting Agenda (Elisa)
- Draft Minutes of August 16, 2016 Meeting (Danny & Elisa)
- Member Equity Refund Request (as needed) (Lexa)
- Monitoring Report Decision Tree (Elisa)
- Resend Board Monitoring Survey for Policy C2- The Board's Job: HELENE, ELISA
- Output for Board Monitoring of Policy C3 – Agenda Planning and C2- The Board's Job (Helene and Elisa)
- Options for Financial Review at end of 2016 - Lexa
- Board Budget (Susan Z.)
- Revised GM monitoring Report Policy B1- 2nd Quarter Financial Condition (Lexa)
- GM Monitoring Report Policy B7 – Board Communication (Lexa)
- GM Monitoring Report Policy B8 – Board Support (Lexa)
- Committee Notes/Minutes
 - Proposed Bylaw Revision Committee Charter
 - Nominations Minutes (Mona/Helene)
 - Annual Meeting Minutes (Carolyn)
 - Proposed Owner Alignment/Communications (Carolyn)
- Executive Session Minutes of June 21, 2016 – (circulated confidentially/brought to meeting by Danny)
- Draft Agenda for October 18, 2016 meeting (Elisa and Sue P.)

D. Adjournment

Motion to adjourn:

Motion: Mona Harmon-Bowman

Second: Ellen Clinesmith

All in favor

Meeting adjourned at 8:45 p.m.

* * * * *

Draft minutes prepared for submission to the board by Daniel Spurr/Elisa Giommi on August 21, 2016.

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**FIDDLEHEADS BOARD OF DIRECTORS
Minutes of Board Meeting of August 16, 2016
105 Huntington Street, New London**

Minutes approved by vote of the Board on _____ and put into final form by Danny Spurr/Elisa Giommi on _____.



Consent Agenda

- Equity Refund Requests
- Monthly Workflow



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

Equity Refund Request Form

Dear Fiddleheads Food Co-op,

I,

Name: Katie Baldrige

Address: 61 Mystic Rd.

N. Stonington, CT 06359

Phone Number: 860-934-5325

Email address: Kbaldrige06@yahoo.com

Owner Number: 41000000628

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:

61 Mystic Rd.

N. Stonington, CT 06359

Reason: (Optional)

Member-Owner Signature:

For Office Use Only

Received: 8/30/16 Initials: nt Equity Paid \$ 95.00

Added to Consent Agenda for BoD Meeting (MM/YY) Sept 2016

Processed through Catapult and Logged _____

Date Refunded: _____ Amount Refunded (Equity paid) _____

Check # _____ Account # _____ Amount \$ _____

Adjustment Completed By: _____ Date: _____



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

Equity Refund Request Form

Dear Fiddleheads Food Co-op,

I,

Name: Ernestine Cosenza

Address: 4176 Sterling Pointe Drive
Douglasville, Ga 30135

Phone Number: _____

Email address: Ernit53@Aol.com

Owner Number: 41000001207

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:

Ernestine Cosenza
4176 Sterling Pointe DR
Douglasville, GA
30135

Reason: (Optional) moved

Member-Owner Signature: _____

For Office Use Only

Received: 8/26/16

Initials: WH

Equity Paid \$ ~~85~~ \$110.00

Date Refunded: _____

Amount Refunded (Equity paid) _____

Check # _____

Account # _____

Amount \$ _____

Adjustment Completed By: _____

DATE: _____

Consent Agenda BOD: Sept 2016

Equity Refund Request Form

Dear Fiddleheads Food Co-op,

I,

Name: Elizabeth Gonzales

Address: 358 Poquonnock Rd.
GROTON, CT 06340

Phone Number: 860-534-0383

Email address: elizabeth.gonzales92@yahoo.com

Owner Number:

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: 9714 Magnolia View Court apt. 504
Riverview, FL 33578

Reason: (Optional)

Moved to FL

Member-Owner Signature:

For Office Use Only

Received: 8/30/16

Initials: EHG

Equity

Paid \$ 25.00

Added to Consent Agenda for BoD Meeting

(MM/YY) Sept 2016

Processed through Catapult and Logged

Date Refunded: _____

Amount Refunded (Equity

paid) _____

Check # _____

Account # 41000002383

Amount

\$ _____

Adjustment Completed By: _____

Date: _____

Monthly Work Flow

Approved November 17, 2015

- Meeting
 - Recording Secretary takes minutes and prepares draft minutes within 1 week of board meeting
- 7 days after meeting
 - Draft minutes distributed to GM and Board President
 - GM and Board President have 7 days to review minutes & send any comments to secretary
- 14 days after meeting
 - GM and Board President input on minutes complete
 - Directors (and owners) may submit agenda topics to Board President up to 14 days prior to monthly meeting*
- 12 days before meeting
 - GM and Board President meet to discuss agenda, et al.
 - Board President sets agenda (*submitting a topic does not guarantee it will be on the agenda)
- 10 days before meeting
 - Board Administrator to post Meeting Notice at co-op and send to all Directors
 - Draft agenda distributed including posting on website for member-owners
 - Short window to make adjustments to the agenda if needed
 - Any information for the board to consider delivered to the Board President at least 1 week prior to the next meeting so that it can be included on the board packet
- 7 days before meeting
 - All packet material sent to Board President
 - Board President compiles and distributes packet of material
- 5 days before meeting
 - Packet distributed
 - Directors have 5 days to read all packet material prepare for board meeting
 - Board President meets with facilitator to go over meeting agenda
- Meeting
 - Recording Secretary to bring 3-5 copies of agenda for member-owners who attend
 - Near the beginning of the meeting there is an agenda review to answer any questions or make any last-minute necessary changes
 - For each agenda item, directors are asked if they read the related documentation and are prepared for the topic; if directors are not prepared, the board decides whether to table the item or proceed, and if proceeding, whether unprepared directors should abstain from voting on any decision
 - At the end of the meeting, directors review the preliminary draft agenda of the next month's meeting, evaluate the meeting process, and determine any action items due in the interim before the next meeting



GM Monitoring Report

September 2016

B7 Board Communication
B8 Board Support



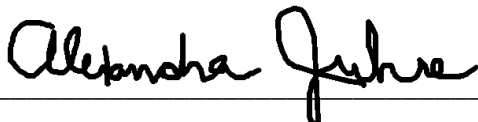
FIDDLEHEADS MONITORING REPORT,
B7 EXECUTIVE LIMITATIONS – BOARD COMMUNICATIONS
GM_MONITORING REPORT, SEPTEMBER 15, 2016

I report compliance with all parts of this policy except 7.1.

This is an annual update report on Communication to the Board and will include any information about actual or anticipated non-compliance for all aspects of the B7 policy.

Unless indicated otherwise, all data in this report is for April - August 2016 and is accurate as of September 15, 2016.

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

Signed , General Manager

Attachments: none

Global Policy: Executive Limitations B7 - Communication to the Board (Adopted June 18, 2013)

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

Interpretation:

In the context of this policy, the GM is responsible for ensuring that the Board has sufficient information to make Board decisions.

Operational Definitions:

- The Board has fully defined this policy in the sub-policies below. Please look there for further definitions.

Data:

- See data for each sub-policy.

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.

Interpretation:

The GM will submit monitoring reports to the Board according to the schedule defined in the Board Annual Calendar. These reports will be written in such a way that the Board can easily

determine whether or not the GM/Co-op is in compliance with the policy. When the finding is Out of Compliance, a plan for correcting the deficiency will be included with the Data. Board acceptance of these reports will indicate that the Board agrees the reports are accurate and understandable.

Operational Definition

- Compliance will be based on: all reports are submitted on time; and the board accepts the interpretation, operational definitions and data of all reports.

Data:

Monitoring Summary Table

Month	Ends	Submitted on-Time	Board Action at Mtg	Accepted on
May	B1 Financial	Yes	Revisions requested	6/21/2016
June	B5 Consumers	Yes	Accepted contingent upon one revision	6/21/2016
July	B7 Ends	Yes	Discussion extended & Revisions requested	8/16/2016
Aug	B1 Financial	Yes	Verification and corrections needed	TBD

Explanation:

As this is my first experience as a GM using policy governance, I am learning through trial and error, and I am also working to improve practices and data collection in several areas, so information is evolving. My reports for May, June and July were all determined to require some additional work or correction before they were acceptable to the Board, and August's still requires additional work.

In addition, between the May B1 and August B1 reports, the finance team and I identified that we had not been properly accounting for some prepaid expenses and depreciation costs, which led me to issue restated first quarter financial statements. The data in the May report was submitted in good faith, but some metrics were affected by the restating and updated numbers for the first quarter were incorporated into the Q2 report to update this information to the Board.

Plan for correction:

Once the journal entry problem was identified, the bookkeeper and I had a conference call with our CPA to clarify entries that needed to be made regarding depreciation and prepaid expenses. These changes, as recommended by the CPA, have now been made in Quickbooks for the entire fiscal year to ensure we are reporting these correctly.

I am working closely with the Board Treasurer as well as consultant, Joanne Todd to develop a strong format to present key financial information in a clear and consistent format.

I am working with Michael Healy of CDS as part of my GM coaching to improve the readability of reports and incorporate data metrics used in other co-ops.

The May, June and July reports have been amended and accepted by the Board, and I have received very positive feedback from the Board on the final results, which I interpret to reflect reasonable progress.

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.

Interpretation:

The GM is responsible for ensuring compliance with Board policies, as defined by GM operational interpretations, at all times. The Board will be informed of any actual or anticipated noncompliance items in writing at the first Board meeting following the GM's awareness of noncompliance.

Operational Definitions

- Regular monitoring reports will include notice of actual non-compliance as needed.
- Timely notice of anticipated and actual non-compliance will be supplied in a monthly narrative update as needed.
- In the case of a serious actual or anticipated non-compliant issue, the GM will inform the Board President immediately.

Data:

- Non-compliance issues noted in regular monitoring reports

<i>Date</i>	<i>Policy</i>	<i>Non-compliance issue</i>
5/25/16	B1.8	Late payment – member loans
5/25/16	B1.10	Conformance with GAAP
6/14/16	B5.1	Customer Suggestions/Input System

- Other notice of anticipated/actual non-compliance: The Board was advised in May that we are expected to be out of compliance as far as the conformance to GAAP through this fiscal year and until an audit is performed.
- Serious non-compliance issues noted immediately to Board President: None

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.

Interpretation:

The GM is responsible for ensuring that the Board has all the information it needs in order to make good decisions. This information is primarily about long-term, big-picture or high-impact information rather than the day-to-day details. Examples of significant operational changes

might include major shifts in product mix, operational policy or opportunity for store relocation – changes which materially affect customers’ and members’ perception of the Co-op. The GM is responsible for providing enough notice of such possible operational changes both to ensure that the Board is informed and so that the Board has time to consider whether and how to weigh in with changes to Board policy.

Because the typical annual reporting schedule of an executive limitations policy does not always adequately meet the needs of the Board in receiving timely information, the GM shall provide timely supplemental communications to the Board when such changes arise.

Operational Definitions:

- Regular monitoring reports will include historical and/or trend information when that information is available and possibly useful to the board.
- The Co-op Business Plan, annual plan or GM supplemental update report will include information about possible significant operational changes at least 6 months in advance of those changes whenever practical.
- In the case of confidential matters, the GM will report/counsel on these in Executive Session rather than in the written monthly report.
- In those cases when the Board needs to be informed about matters of a more urgent nature, the GM will contact the Board President or the entire board directly.

Data:

- Monitoring reports containing historical and/or trend information

<i>Date</i>	<i>Policy</i>	<i>Historical /trend data supplied</i>
5/25/16	B1.1	Sales growth
5/25/16	B1.11	Membership & Equity growth
6/14/16	B5.1	Customer Transaction Count growth
7/19/2016	A3	Customer Transaction Count
7/19/2016	A4	New Owners Per Month

- There is currently no written business or annual plan for Fiddleheads in place (after the relocation project to Parcel J was tabled). The Interim General Manager who preceded me did communicate to the Board about negotiations to extend the lease in a timely manner before I joined the co-op. No sweeping changes to operations are anticipated at this time, thus none have been communicated.
- In this period there have been no confidential matters to report that would require Executive Session.
- Monthly meetings with the Board President have focused mainly on checking in and did not include urgent matters for Board attention.

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.

Interpretation:

The GM is obligated to inform the board if in his or her opinion the Board is not acting in accordance with its board policies.

Operational Definitions

- In Board meetings and retreats, the GM may offer suggestions to better support the Board's work subject to the limits of time devoted to discussion.
- As needed, notes about the GM's opinion concerning Board behavior will be sent in a supplemental written report to the Board.

Data:

To date I have not seen any action on the part of the board or board members individually that shows that the board is not acting in accordance with policy.

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.

Interpretation:

The GM is responsible for helping the Board maintain its commitment to holism as expressed in Board policy D1 – Unity of Control. I recognize that only the Board as a whole has any authority, though I can interact with individual directors as I see fit, so long as I do not give that director any decision-making authority and as long as that director does not receive any benefit that is not accorded to all directors.

Operational Definitions:

- Compliance determined by directors and reported to the GM (or to Board President, who then informs the GM) of an out of compliance situation.

Data:

- No out of compliance situations reported.

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.

Interpretation:

By using a consent agenda, the Board “officially performs a ritual approval of actions for which it has already assigned authority to the [GM]. Thus, the outside authority is obeyed, but governance and management are not compromised.” (“Boards Should Have Their Own Voice,” pg 140, in *John Carver on Board Leadership*.)

Operational Definitions

- Each time that a member requests that the Co-op buy back their equity investment, this information will be presented to the board for approval, consistent with past practice.
- Other items requiring Board approval to satisfy the requirements of banks, insurance carriers, retirement plans, etc, will be presented to the Board as needed.

Data:

- In each of the past 3 months, the Board’s consent agenda included approval of repurchasing equity from members who wished to leave the co-op. A list of these members, along with the amount of their invested equity, was presented to the board as part of each meeting packet.
- At no other time since last report did the GM make a decision that was required by law, regulation, or contract, to be Board approved.



FIDDLEHEADS MONITORING REPORT,

Executive Limitations B8 Monitoring Report, September 15, 2016

Executive Limitations B8 - Board Logistical Support (Revised April 21, 2015)

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

I report compliance with all parts of this policy except 8.4.

This is an annual update report on Board Logistical Support and includes any information about actual or anticipated non-compliance for all aspects of the B8 policy.

Unless indicated otherwise, all data in this report is for April-August 2016 and is accurate as of September 15, 2016.

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

Signed Alexandra Fisher, General Manager

Attachments: None

Global Policy Executive Limitations B8 - Board Logistical Support (Revised April 21, 2015)
The General Manager shall not allow the Board to have inadequate logistical support.

Interpretation:

The GM is responsible for providing administrative support to the Board so that directors can focus on their governance role rather than on all the administrative work that keeps any good team functioning. Maintaining support will be the responsibility of the GM even if further delegation occurs.

Operational Definitions:

- The Board has fully defined this policy in the sub-policies below. Please look there for further definitions.

Data:

- See data for each sub-policy.

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

Interpretation:

The GM is responsible for ensuring that one co-op employee is designated as a Board Administrator. Though this employee will serve the needs of the board, he or she will always be supervised solely by the GM and may have other duties beyond board support.

Operational Definitions:

- One co-op employee will act as Board Administrator.
- The Board President and Secretary will affirm that administrative support is sufficient.

Data:

- *Elisa Giommi* has served as the Board Administrator throughout this reporting period.
- Results of questionnaire given to Board President and Secretary on Aug 24, 2016. A “yes” response means that the work was done adequately; a “no” response means the work was not done adequately. Compliance is achieved when both president and secretary answer “yes” to all items.

Board Administrator job duties and responsibilities for “sufficient governance support”	Board Pres	Board Secretary
Administrative support provided to Board President and Secretary on Board related matters (including research and correspondence)	Yes	Yes
Materials coordinated and disseminated for the Board so it is prepared for meetings and retreats.	Yes	Yes
Draft meeting minutes provided	Yes	Yes
Logistical support as directed for board meetings, retreats and Annual Meeting	Yes	Yes
Board calendar, task lists and other organizing tools maintained as needed	Yes	Yes
Information located and compiled for Board as requested	Yes	Yes
Reports and correspondence composed for Board as requested	Yes	Yes
Board records and archives maintained, including approved minutes, Bylaws and affected documents	Yes	Yes
Overall performance is supportive of Board activities	Yes	Yes

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

Interpretation:

The GM is accountable for maintaining a current edition of the Bylaws and Policy Register for Fiddleheads. Should these documents be revised by authorized means, the GM shall ensure that all changes are duly recorded and supplied back to the Board on a timely manner.

Operational Definitions:

- Current versions of the Policy Register and Bylaws will be posted on a public page of the co-op website, so are accessible to all Owners and Directors at any time (also new directors are provided with a Board notebook by a member of the Nominating committee which includes copies of the current Policy Register and Bylaws, before their first official board meeting).
- Should policies be amended by the Board, these changes will be reflected in the Board minutes. All directors will receive an electronic copy of any revised policies in the next meeting packet following approval of the revision.

Data:

- Links on the About Fiddleheads page of the co-op's website will connect you with the current Policy Register (rev. 8/18/2015) and the Bylaws (rev. May 4, 2014).
- No policies have been updated by the Board during this period

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

Interpretation:

The GM is accountable for ensuring that regular and special meetings of the Board and of the Membership are publicized in compliance with applicable regulations as well as Fiddleheads' own Bylaws.

Operational Definitions:

- Notice of the date, time, place and purpose of each meeting of the membership of the Membership shall be posted in a conspicuous place at the Cooperative and communicated to Member-Owners not less than four (4) weeks prior to the date of the meeting.
- The Board calendar of regular meetings shall be posted in a conspicuous place inside the store as well as on the Fiddleheads website.
- The time and place of all meetings shall be posted in a conspicuous place at the principal offices of the Cooperative not more than one (1) day after calling of the meeting.
- The GM shall also publicize other activities and events as directed by the Board.

Data:

- One meeting of the membership was conducted during this period, which was the Annual meeting. This meeting was promoted prominently in the store, on the co-op's website and in social media.
- The Board's calendar of regular meetings is posted on a bulletin board in the front end as well as on the co-op's website.
- The Board did cancel a September 20, 2016 meeting, postponing it until Sept 27th. Notice of this change was posted in the store and on the website on 8/17/16, the day after the Board reached this decision.
- The Board did not direct the GM to publicize any other events to the Members during this period.

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

The Fiddleheads Board of Directors desires mechanisms to securely archive critical governance documents past and present for internal use by future Boards which is separate and distinct from those documents which are available to the Owners and/or general public, such as current Bylaws and approved Board minutes.

Operational Definitions:

- Paper records will be kept in locked files.
- Electronic records shall be maintained in a designated archive on a secure server.
- The archive shall be created and managed by the co-op's System Administrator (SA) in such a manner that access to all documents is restricted to current members of the Board and their designee(s) such as the Board Administrator.
- Access to this archive shall be managed through encrypted passwords.

Data:

- Paper records are maintained in locked files. These have not been audited for completeness of the historical record.
- Currently the Board has a repository of electronic documents stored on the co-op's website, hosted on Weebly with redundant backups in the cloud.
- This archive is not being actively managed by the co-op's System Administrator nor is access strictly secured. Although these documents are linked to a hidden page, and neither the main page nor the documents linked therein can be found through the web site navigation, the documents themselves are not secured. (Note: These documents do not include minutes of executive or closed sessions of the Board.)
- Anyone with the URL can access these documents without the use of a password.

Proposal for Correction:

The Board Secretary and I will work with the Board to establish precisely which documents it wishes to be stored with secured protocols. Such documents to be archived for historical

purposes would be moved from the Weebly website to Google Drive associated with our Google Business account, and access would be managed through a Google group.

The advantage to using a Google group is that access permissions can be managed centrally, instead of at the document level. When folders and files are created in association with an individual user account, Google does not allow any document to be viewed by another user unless the document has been specifically shared with the other users, which can be administratively burdensome.

When the folders are created in association with a group account, as you add new members to a group, they automatically have access to content you previously shared with the group. Similarly, if you remove a member from a group, that person no longer has access to any content you shared with the group.

By using the Google platform for board communication and document storage, users have the security of support from a SA, security of regaining access to the account should they be locked out and the security of controlled/restricted access of selected users if needed with zero loss of critical information or other user access to documents. Also, the transparency of the shared document settings enables users to be confident that links to secure documents have not been shared.

Folder/File hierarchy to potentially be relocated (what is currently on the Board Weebly page):

- **Certificate of Incorporation**
- **Bylaws Past & Present**
- **Board Calendars**
- **Board Policy Manual (Past & Present)**
- **Approved Board Policies**
- **Board Budgets**
- **Task Force and Committee Reports**
- **Conference Reports**
- **Board Retreat info**
- **Financial Statements**
- **GM Monitoring reports**
- **Board Packets**
 - > Board Packets 2016
 - > Board Packets 2015
 - > Board Packets 2014
 - > Board packets 2013
- **CDS Consulting reports**
- **CDS Articles and Resources**



Committee/Task Force

- **Nominations Committee**
- **Annual Meeting Committee Charter**
- **Member Engagement**

Fiddleheads Board of Directors

June-September 2016 Nominating Committee Minutes

(Helene Bardinet, Kelleen Giffin, Mona Harmon-Bowman, Ellen Clinesmith)

The Nominations Committee completed the following tasks:

- Appointment of Ellen Clinesmith to Nominating Committee replacing Helene Bardinet who now serves as Board vice-president.
- July 31 meeting (Kellen, Helene, Mona) to design 2016 Review of Board Election process: questions to be asked; respondents to be surveyed (Board members, GMs, potential Board candidates, staff).
- September meeting (Kelleen, Mona) drafting questions and assembling packet of materials for Nominations Committee review.
- Suggested name change from “After Action Review” to “Improving the Fiddleheads Nominations Committee Process”
- September 18 handoff of draft survey packet to Nominations Committee and Helene Bardinet for final review

Annual Meeting Committee Charter **Draft**

8/22/16

The following are ideas for a draft charter based the experiences of the Annual Meeting Committee.

A. The GM would be operationally in charge of the event, with the Committee involved in the planning process to insure that the Board's obligations to the Annual Meeting, as defined in the Bylaws, are fulfilled.

B. The Committee would report progress on Meeting planning and bring important items to the Board for approval (budget, date and venue, etc.), with smaller items (food, entertainment, etc.) being handled by the GM with input and/or approval from the Committee.

C. The Board, in drafting a charter for the Annual Meeting Committee, is encouraged to examine this draft charter to determine if both the concepts and details contained therein are in alignment with the Board's conception of the Committee's purpose, and also, that it's duties compliment, but do not duplicate, those of the Nominations Committee.

Date Chartered: **September 2016**

End of Term: annual appointment after Board election

2016-2017 Chair: Daniel Spurr **or TBD**

Members: Carolyn Wilson, Ellen Clinesmith, Lexa Juhre, **or TBD**

The purpose of the Annual Meeting, as defined in the Bylaws, is to hear reports on operations and finances, to review issues that vitally affect the Co-operative, to elect Directors to the Board, and to transact such other business as may be properly come before the meeting (such as approving last year's minutes). This committee is charged with fulfilling this provision of the Bylaws.

Committee Structure

- The Committee is to be comprised of 2-3 Board members and the GM.
- The Committee shall have a chair who is a member of the Board and is responsible for scheduling meetings and setting an agenda.
- The GM shall be the point person for communication with outside persons or organizations (such as the venue, band, food suppliers) for the purpose of planning the event.
- The GM shall be in charge of operational planning for the meeting, with input from the Committee, and will report progress to the Committee.
- The GM may enlist the support of paid staff and recruit volunteers from the Committee, Board, or ownership to help in preparing and executing the Annual Meeting.

The Job of the Annual Meeting Committee will be to:

- Establish a schedule of deadlines for the Annual Meeting planning process.
- Draft an Annual Meeting budget for approval by the Board.
- Schedule the date and location of the Annual Meeting to be approved by the Board.
- Schedule and conduct regular meetings to fulfill the planning process and report back to the Board.

- Approve venue, food and drink and/or entertainment as proposed by the GM within budget.
- Establish a schedule of deadlines for the election in consultation with the Nominations Committee) and for the Annual Meeting planning process.
- Draft a meeting agenda for the Annual Meeting for approval by the Board.
- Secure a minutes taker for the Annual meeting.
- Ensure that notice of the Annual Meeting, including date, time, place, purpose is posted in a conspicuous place at the co-op and communicated to owners no less that 4 weeks prior to the Annual Meeting. The minutes of the previous Annual meeting shall also be posted no less than 4 weeks prior.
- Provide logistical support for the election process, working closely with the Nominations Committee

Election Schedule from last year (2016):

Important dates and deadlines

March 1 st	Mass email call for candidates
April 1 st	In-store call for candidates
April 17 th	Post AMP date, time and location online and in-store
April 23	Candidate statement deadline
May 1 st	Post candidate statements online and in-store
May 7 th	Voting begins
May 21st	Take uncounted ballots over to Hygienic
May 21st	Annual meeting last call for ballots, final ballot count

Bylaws addressing the Annual Meeting and election of directors

Annual Meeting.

A membership meeting shall be held each year at a time and place to be determined by the Board. The purpose of such meetings shall be to hear reports on operations and finances, to review issues that vitally affect the Cooperative, to elect Directors to the Board, and to transact such other business as may properly come before the meeting.

3.2 Special Meetings. The Board may call special meetings of the membership, either by decision of the Board or in response to a written petition of five percent (5%) of the Member-Owners. Notice of special meetings shall be issued to Member-Owners. In the case of a meeting called by petition, notice of the special meeting will be issued within ten (10) days after a presentation of the petition to the Board. No business shall be conducted at that special meeting except that specified in the notice of meeting. Decisions made at any special meeting are advisory only.

3.3 Notice of meetings. Notice of the date, time, place and purpose of each meeting of the membership shall be posted in a conspicuous place at the Cooperative and communicated to Member-Owners not less than four (4) weeks prior to the date of the meeting.

3.4 Voting. Voting shall be accomplished through methods and means established by the Board. Notice of the vote shall be posted in a conspicuous place at the Cooperative and communicated to Member-Owners not less than four (4) weeks prior to the end of the election period. Unless otherwise stated in the articles of incorporation, or these Bylaws, or required by law, all questions shall be decided by a vote of a majority of the Member-Owners voting

thereon. Proxy voting is allowed. A proxy holder may hold only one proxy and need not be a Member-Owner.

3.5 **Quorum.** At any meeting of the Member-Owners, or for any vote of the Member-Owners, a quorum necessary for decision-making shall be three percent (3%) of the total number of Member-Owners or twenty-five (25) Member-Owners, whichever is greater.

Bylaws addressing the election of Directors

4.2 **Terms and Elections.** Elections shall occur annually, in a manner prescribed by the Board. Directors shall serve a term of three (3) years and shall serve staggered terms so that approximately one-third (1/3) of the Board is elected each year. No Director may serve more than three (3) consecutive terms, but may be subsequently re-elected after a period of two years.

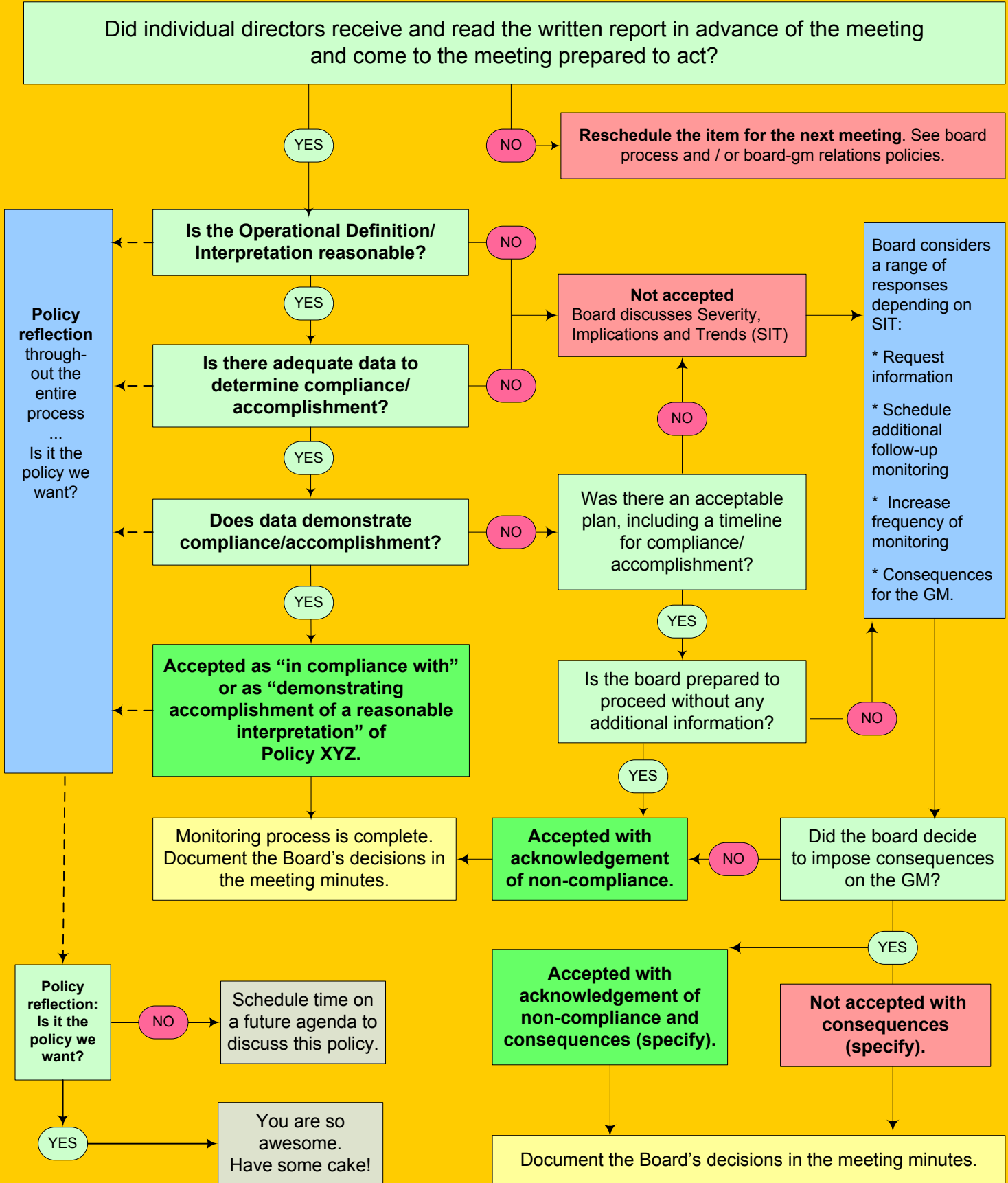
4.3 **Vacancies.** Any vacancy among Directors elected by the Member-Owners may be filled by appointment by the Board. At the next Annual Membership Meeting, the membership shall be asked to ratify the appointment. A Director so appointed and ratified shall complete the pertinent term.



Discussion/Action Items

- **Board Monitoring Report C2 (redone)**
- **Board Monitoring Report C3**
- **Charter Bylaw Revision Committee**
- **Board Budget 2016**
- **Annual Financial Review**
- **2017 Annual Calendar**

Decision Tree for Acting on Internal Monitoring Reports from the General Manager



09/06/16

Dear Board Members,

You are receiving the newly redesigned Board Monitoring Report (BMR). During our August meeting, we discussed and approved the survey questions which have been applied to the August Board Monitoring Report.

At the end of August I sent you a preview copy of the Survey Results template asking for comments and suggestions.

My intent is that the more focused questions and the updated results format will result in more meaningful and timely discussions.

There are 2 parts to the new Board Monitoring Report:

Part 1 - "Response Totals and Averages".

a. Responses are color coded as follows:

Q1	How well do you understand this policy					
	N/A	Not at all	Not really	A little	Well	Very Well
	N/A	1	2	3	4	5
Q2	How well do you think we currently adhere to this policy					
	I don't know	Not at all	Not really	A little	We're doing ok	We are doing GREAT!!
	0	1	2	3	4	5
Q3	Is this policy ok as is					
	No			Yes		
	N			Y		

[I have formatted Question 3 so that we will have the "Discussion, Action, Revision" option if we answer "No" to the question: "Do you think this policy is ok as is?". These responses will appear on the "Comments" page. The words we had chosen are not scalable in the same manner as "Not at all, A little, Well, Very well". We have not changed the wording we had agreed upon. We have only made the quantification of our answers possible.]

- b. The averages are calculated for Q1 and Q2. They should help determine the direction of our discussion. For the time being, any question with a total average of 3.5 or less should be up for discussion.
- c. Q3 total is a percentage of the number of persons who think the policy is "OK as is". For the time being, anything above 55% is a majority and consider the policy "ok as is"?

Part 2- The "Comments" page(s)

- d. Q1 and Q2 have ample room for comments
- e. Q3's comments will be limited to either "Discussion", "Action", "Revision".

In an effort to "focus our attention upward and outward," I would like to ask all of us to refrain from discussing during our board meeting the updated format from now on unless something seriously egregious has eluded Elisa, Danny or I. We are open to suggestions via email, phone or in person.

Sincerely,

Helene, Dan and Elisa

2016 August C2 The Board's Job

C2-1	In order to govern successfully, we will: Create and sustain a meaningful relationship with member-owners.
C2-2	We will hire, compensate, delegate responsibility to, and hold accountable a General Manager. (See D. Board GM Relationship Policies)
C2-3	We will use a strategic process to establish the value of GM compensation, and complete this process in a timely manner.
C2-4	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.
C2-5	We will assign responsibility in a way that honors our commitment to empowerment and clear distinction of roles.
C2-6	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.
C2-7	We will perpetuate the Board's leadership capacity using ongoing education, training and recruitment.
C2-8	We will perform other duties as required by the bylaws or because of limitations on GM authority.

Response Totals and Averages

		C2-1			C2-2			C2-3			C2-4			C2-5			C2-6			C2-7			C2-8			
		Q1	Q2	Q3	Q1	Q2	Q3	Q1	Q2	Q3	Q1	Q2	Q3	Q1	Q2	Q3	Q1	Q2	Q3	Q1	Q2	Q3	Q1	Q2	Q3	
Carolyn	Wil	4	4	Y	4	4	Y	4	4	Y	4	4	Y	4	5	Y	4	4	Y	4	4	Y	4	4	Y	4.06
Danny	Spu	4	3	Y	4	5	Y	3	4	N	5	5	Y	4	4	Y	4	4	Y	4	5	Y	2	4	N	4.00
Helene	Bar	3	2	N	4	5	Y	3	0	Y	4	4	Y	4	4	N	5	4	Y	5	4	Y	2	0	N	3.31
Kelleen	Giffi	4	2	N	4	4	Y	4	0	N	4	4	Y	4	4	Y	4	4	N	4	4	N	2	0	N	3.25
Mona	Har	2	2	N	4	4	N	2	2	N	4	4	N	3	3	N	3	0	N	4	4	N	4	0	N	2.81
Rachel	Bla	4	3	N	4	4	Y	2	0	N	3	0	N	3	0	N	4	4	N	4	4	Y	3	0	N	2.63
Sue	Phil	5	3	Y	5	4	Y	4	4	Y	4	4	Y	4	3	Y	4	3	Y	5	4	Y	5	3	Y	4.00
Susan	Zim	5	4	Y	5	4	Y	4	4	Y	5	4	Y	5	3	Y	5	4	Y	5	4	Y	5	4	Y	4.38
Average respons		3.67	3.00		4.00	4.67		3.33	2.67		4.33	4.33		4.00	4.33		4.33	4.00		4.33	4.33		2.67	2.67		3.79
		3.33			4.33			2.67			4.33			4.33			4.00			4.33			2.67			
Overall		44%			78%			44%			67%			56%			56%			67%			33%			

- Q1** How well do you understand this policy?
- Q2** How well do you think we currently adhere to this policy?
- Q3** Is this policy Ok as is?

Interpretation

- The C2 board monitoring survey: "The Board's Job" " indicates that:
- Policy C2-3 and C2-8 are not clearly understood.
 - We need to discuss our adherence to policies C2-1, C2-3 and C2-8.
 - Policies C2-1, C2-3, C2-5, C2-6 and C2-8 may need Discussion, Action or Revision (see Comments pages)

2016 August C2 The Board's Job - Comments Page 1

		How well do you understand this policy	How well do you think we currently adhere to this policy?	Does this policy need...
C2-1		Q1	Q2	Q3
<p>In order to govern successfully, we will: Create and sustain a meaningful relationship with member-owners.</p>	Carolyn Wilson			
	Danny Spurr	The Board and our members define what a meaningful relationship is. I don't think this means we have to go to an owner's daughter's Bat Mitzvah, but rather this relationship should be centered around the owners (as a whole) informing our decisions and the Board effectively communicating our decisions and process to the membership. This is not an easy thing to do for any coop, but it is very important to try to do.	We have in the past received input from owners through surveys and a cooperative cafe. We can do more to reach out to owners and to make sure our ends are informed by our owners. Also, we should make sure that any big decisions we are making are informed by owners. I think the potential survey/town meeting Lexa may have in the fall would be a good opportunity for this.	
	Helene Bardinnet	We need to define "meaningful relationship".		I look forward to the work of our Owner alignment (Communications) committee. Discussion, Action
	Kelleen Giffin	Definition: The way in which two or more people, groups, countries, etc talk to, behave toward, and deal with each other. I do not think we have much relationship.	I do not feel that we have much of a relationship with the owners.	Action
	Mona Harmon-Bo	The Board has not yet defined "meaningful relationship" with member-owners.	We have not directly focused on our member-owners other than through our GM and her communications to member-owners (weekly specials, co-op event announcements, etc.). The recent Board election process utilized communications to member-owners.	I'm expecting that we'll need to take additional time to conduct this Board business in addition to our monthly meetings. Discussion, Action
	Rachel Black		There are a few opportunities for exchanges between board members and member-owners but not enough. Further discussion is needed to understand how we can do better here.	Discussion, Action
	Sue Phillips			
	Susan Zimmerman			
C2-2		Q1	Q2	Q3
<p>We will hire, compensate, delegate responsibility to, and hold accountable a General Manager. (See D. Board GM Relationship Policies)</p>	Carolyn Wilson			
	Danny Spurr		We are doing a good job so far with our new leadership, but we will continue to be diligent.	
	Helene Bardinnet			
	Kelleen Giffin		Early times	
	Mona Harmon-Bo		In addition to our Board assessment, I'd suggest we include the GM's feedback/input on how well we're doing.	I would suggest a Board discussion and alignment on this GM governance topic. It may prove to be a brief discussion given that we're well into GM governance. Discussion
	Rachel Black		As far as I have seen, this is being done. I am not yet sure I can say how well we are doing it.	
	Sue Phillips			
	Susan Zimmerman		I think we still have work to do on the delegation of responsibility to the GM.	

2016 August C2 The Board's Job - Comments Page 2

	How well do you understand this policy	How well do you think we currently adhere to this policy?	Does this policy need...	
C2-3	Q1	Q2	Q3	
We will use a strategic process to establish the value of GM compensation, and complete this process in a timely manner.	Carolyn Wilson			
	Danny Spurr	Having not gone through this process yet, I understand it in theory, but not practice.	We will need to discuss what this strategic process is at some point. Discussion	
	Helene Bardinet	I haven't seen this process in action yet		
	Kelleen Giffin	I believe this means we should decide where we want our compensation level to fall on a general scale and use salary surveys/data for comparable roles both in the cooperative world and from the grocery industry to set our GM's compensation. And we should review the data on a regular cycle (1-3 years).	I have no idea.	Discussion
	Mona Harmon-Bo	Hoping this topic is covered in our 3-hour strategic session. If we do not have adequate time, we may need a work-group to take the topic off-line to clarify and bring back to the Board.	What strategic process are we currently utilizing?	To be covered in our 3-hour strategic meeting? Discussion, Action
	Rachel Black	I have not seen the details here so I cannot say how the value of GM compensation was derived. What is the strategic process?	See above	I would like to know more about this strategic process. Discussion
	Sue Phillips		It is hard to talk about adherence and how well we are doing until we have been through a complete monitoring cycle. I think it will be clearly to the whole board (and Lexal) after we go through the GM eval process at the beginning of 2017.	
	Susan Zimmerman		We have a strategic process worked out and now we have the opportunity to implement it.	
C2-4	Q1	Q2	Q3	
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.	Carolyn Wilson			
	Danny Spurr		We have a well developed written policy (that can always be improved) but are fairly thorough.	
	Helene Bardinet		As long as we adjust our policies as we grow, and we do not become complaisant, we are adhering to this policy	
	Kelleen Giffin		With acknowledgement for the need of review and revision.	Hard to decide on the action for this one.
	Mona Harmon-Bo	I could use a Board review in order to assess Board alignment. I "think" we're in agreement but do not a.s.s.u.m.e. we are without a review.	My only questions arise in the area of Board-Management Relationship e.g., supervision role; ongoing mentoring/coaching role, etc. Or, have we "all" agreed to turn this over to external consultants who have not asked for our input or provided ongoing feedback?	A Board discussion, please? Which will likely mean an additional meeting outside of our monthly Board meeting. Discussion
	Rachel Black	I am still learning about the board's policies.	I am not yet knowledgeable enough to answer this question fully.	It seems to me that this should be an ongoing discussion. Discussion
	Sue Phillips			
	Susan Zimmerman		The written governing policies exist on paper but we have yet to have alignment of all board members on understanding and implementing our policies.	

2016 August C2 The Board's Job - Comments Page 3

	How well do you understand this policy	How well do you think we currently adhere to this policy?	Does this policy need...	
C2-5	Q1	Q2	Q3	
We will assign responsibility in a way that honors our commitment to empowerment and clear distinction of roles.	Carolyn Wilson			
	Danny Spurr	We continue to improve in this area.		
	Helene Bardinet		Could we clarify:we will assign responsibility to the GM ... commitment to her/his empowerment...revision	
	Kelleen Giffin			
	Mona Harmon-Bo	I think I understand "empowerment" to our GM. I could use a Board discussion of the "clear distinction" of roles (Board/GM).		Board discussion of "clear distinction" of roles, please. Discussion
	Rachel Black	This policy is not entirely clear to me. Is responsibility being assigned to the GM? Other board members? I imagine the distinction of roles is between the board and the GM.	Wording of the policy is unclear to me.	Clearer wording is needed. Revision
	Sue Phillips		I think the board still has a tendency to get bogged down in things that either are or could be delegated to the GM or to committees. In other words, we do the delegation, but then we do not empower the GM or committee to act without board dissection of recommendations, decisions, or results.	I think it is premature to start changing policies until we have used this new monitoring process a little longer.
	Susan Zimmerman		When we have strong GM like Wynston, we are comfortable with assigning responsibility. And follow the GM's lead on the distinction of roles. When we have to work this out, as we are not with our new GM, then board members fall back on earlier confusion about roles.	
C2-6	Q1	Q2	Q3	
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.	Carolyn Wilson			
	Danny Spurr	We continue to improve in this area.		
	Helene Bardinet		Could we clarify:we will assign responsibility to the GM ... commitment to her/his empowerment...revision	
	Kelleen Giffin			
	Mona Harmon-Bo	I think I understand "empowerment" to our GM. I could use a Board discussion of the "clear distinction" of roles (Board/GM).		Board discussion of "clear distinction" of roles, please. Discussion
	Rachel Black	This policy is not entirely clear to me. Is responsibility being assigned to the GM? Other board members? I imagine the distinction of roles is between the board and the GM.	Wording of the policy is unclear to me.	Clearer wording is needed. Revision
	Sue Phillips		I think the board still has a tendency to get bogged down in things that either are or could be delegated to the GM or to committees. In other words, we do the delegation, but then we do not empower the GM or committee to act without board dissection of recommendations, decisions, or results.	I think it is premature to start changing policies until we have used this new monitoring process a little longer.
	Susan Zimmerman		When we have strong GM like Wynston, we are comfortable with assigning responsibility. And follow the GM's lead on the distinction of roles. When we have to work this out, as we are not with our new GM, then board members fall back on earlier confusion about roles.	

2016 August C2 The Board's Job - Comments Page 4

		How well do you understand this policy	How well do you think we currently adhere to this policy?	Does this policy need...	
C2-7		Q1	Q2	Q3	
We will perpetuate the Board's leadership capacity using ongoing education, training and recruitment.	Carolyn Wilson				
	Danny Spurr		We have attended conferences and CDS workshops, held trainings, and the Board has access to our consultant through monthly conference calls. We also have improved in our recruitment of new Board members, having a contested slate at our last election.		
	Helene Bardinet				
	Kelleen Giffin			Are there areas other than financial that we could look into? Discussion	
	Mona Harmon-Bo	I think every Board member has/or intends to take full advantage of the available education and training. Now, if each Board member commits to "recruitment", we have it!			Discussion to determine what Board recruitment looks like. Discussion
	Rachel Black		There have been several training opportunities already in my brief tenure.		
	Sue Phillips		I think we have the education and training piece, we are still having a hard time with recruitment (although this past year that has improved a lot as well!).		
	Susan Zimmerman		We are taking advantage of training opportunities although I think we need to do a better job of applying what we have learned. I think the job of recruitment is a work in progress where we have made lots of progress. And we have successfully transitioned to new board leadership.		
C2-8		Q1	Q2	Q3	
We will perform other duties as required by the bylaws or because of limitations on GM authority.	Carolyn Wilson				
	Danny Spurr	What are "other duties"? Are we responsible for all duties except those delegated to the GM or other parties? Occasionally there are duties that have been delegated to the GM that, according to state or federal statute, may not be under the GM's authority. Is this what this refers to? Or does it refer to specific tasks assigned to the Board in the bylaws such as picking a date and location for the Annual Meeting?		This may need to be clarified. Discussion, Revision	
	Helene Bardinet	Can we have examples of "other duties" and overall clarify this policy		Discussion	
	Kelleen Giffin				
	Mona Harmon-Bo	Some of the Board have previously performed "other duties". My rating is based on this history.	I think we're adhering to this policy but we've not needed to exercise it.	Review and discussion.	
	Rachel Black	Vague wording	see above	What duties exactly? Maybe someone just needs to point this area of the bylaws out to me. Discussion, Revision	
	Sue Phillips		I think at some point we would benefit from clear identification of the areas where the board is ultimately responsible and having a "list" available for reference as needed.		
	Susan Zimmerman				

2016 September C3 Agenda Planning - C3 Numbers

C3-1 We will follow a strategic multi-year workplan and annual agenda that focuses our attention upward and outward.

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.).

C3-3 Throughout the year, we will attend to consent agenda items as expeditiously as possible.

C3-4 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.

Response Totals and Averages

		C3-1			C3-2			C3-3			C3-4				
		Q1	Q2	Q3	Q1	Q2	Q3	Q1	Q2	Q3	Q1	Q2	Q3		
Carolyn	Wilson	4	2	Y	4	4	Y	4	4	Y	4	4	Y		3.75
Danny	Spurr	3	3	Y	4	4	Y	5	5	Y	4	2	N		3.75
Helene	Bardinet	4	2	Y	5	4	Y	4	2	Y	4	2	Y		3.38
Kelleen	Giffin	3	3	N	4	0	N	4	4	Y	3	3	N		3.00
Mona	Harmon-B	3	2	N	4	3	N	4	4	N	4	3	N		3.38
Rachel	Black	3	0	N	4	4	Y	3	0	Y	4	4	N		2.75
Sue	Phillips	4	2	Y	5	4	Y	5	4	Y	5	3	Y		4.00
Susan	Zimmerma	5	2	Y	5	4	Y	4	2	Y	5	2	Y		3.63
Averages															
		C3-1			C3-2			C3-3			C3-4				
Averages Q1, Q2		3.63	2.00		4.38	3.38		4.13	3.13		4.13	2.88			3.45
		2.81			3.88			3.63			3.50				
Q3		56%			67%			78%			44%				

Q1 How well do you understand this policy?

Q2 How well do you think we currently adhere to this policy?

Q3 Is this policy ok as is?

Interpretation

The C3 board monitoring survey: "Agenda Planning" indicates that:

- We need to discuss our adherence to policies C3-1 and C3-4. (2 / 5 and 2.88 / 5)
- Policy C3-1 is not clearly understood. (3.63 / 5 - 4 out of 9 directors understand "a little")
- Policies C3-1 and C3-4 may need Discussion, Action or Revision (see Comments page)

2016 September C3 Agenda Planning - Comments Page 1

	How well do you understand this policy?	How well do you think we currently adhere to this policy?	Is this policy ok as is?	
C3-1	Q1	Q2	Q3	
We will follow a strategic multi-year workplan and annual agenda that focuses our attention upward and outward.	Susan Zimmerman	The closest we have come is our annual evaluation of what worked well and what goals we have for the following year. And our board calendar. But we haven't yet thought about a multi-year workplace.		
	Sue Phillips	This is why strategic planning is going to the focus of our retreat!		
	Rachel Black	"upward and outward" could probably use some definition	These are early days for me so I am not sure I can evaluate the boards performance so far.	I think that agendas and workplaces should be ongoing discussions.
	Mona Harmon-Bo	We have the annual agenda and will begin discussion of the "strategic multi-year work plan" during our 3-hour strategy meeting in September.	We are lacking a strategic multi-year work plan.	"On our plate" is the discussion and of strategic multi-year work plan.
	Kelleen Giffin	Not sure about the definition of upward and outward.	We seem to spend a fair amount of time looking at past and current state, and not much time speaking to the future. For me, at times, it feels like we do the work that fits into our allotted time versus defining the time needed to do the work that might need to be done.	I would pick discussion and then action.
	Helene Bardinnet		Now that we are less busy with immediate issues, we should put more focus on upward and outward. Our retreat will be a good start!	
	Danny Spurr		We have a Board Calendar that sets our annual agenda, but we need to work on our strategic multi-year work plan. Now that we have a new permanent GM and more stability, we can actually start focusing our attention upward and outward!	
	Carolyn Wilson			
C3-2	Q1	Q2	Q3	
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.).	Susan Zimmerman			
	Sue Phillips			
	Rachel Black		I am not sure about nitty-gritty details all being regularly updated and available on the calendar that is posted on web site. I confess -- I keep my own private board calendar.	
	Mona Harmon-Bo	We have a lot of work to do! Establish a multi-year work plan etc.	We have an annual calendar, a Board training schedule, a monitoring schedule.	This seems to be happening
	Kelleen Giffin		I have not experienced a full year calendar, so I am not entirely sure. It we want to focus on upward and outward, not sure that is in the calendar.	Creation of a multi-year work plan is needed. Action
	Helene Bardinnet		We don't always seem to be looking at the same version of said calendar. This can easily be solved with some housekeeping and discipline: ensure that the online version is always up to date and each one of us keep up with it	
	Danny Spurr		We have a Board calendar that covers these items.	
	Carolyn Wilson			

2016 September C3 Agenda Planning - Comments Page 2

	How well do you understand this policy?	How well do you think we currently adhere to this policy?	Is this policy ok as is?
C3-3	Q1	Q2	Q3
Throughout the year, we will attend to consent agenda items as expeditiously as possible.	Susan Zimmerman		
	Sue Phillips	We still have trouble seeing the forest for the trees on the "big ticket" items - particularly GM monitoring, committee issues.	
	Rachel Black	I am not entirely clear on what is considered a consent agenda item. Therefore, I am not able to assess the boards adherence.	This seems like a reasonable policy
	Mona Harmon-Bo		Do we move too fast in order to begin and end our Board meetings on time? Discussion
	Kelleen Giffin	It might be useful if Board members could provide questions to agenda items a day or so before the meeting (as their time allows) in order to know if their are burning questions to not just the consent agenda, but also monitoring reports etc. That way, we have an idea of issues that could arise at the meeting and the presenter has a sense of questions to be addressed.	
	Helene Bardinet	We attend ... Not always expeditiously... Some discussions could take place outside our meetings. We get tangled in the weeds at times	
	Danny Spurr	Since Board monitoring is no longer on the consent agenda, we are doing great in this area.	
	Carolyn Wilson		
C3-4	Q1	Q2	Q3
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.	Susan Zimmerman		
	Sue Phillips	I get it, we just don't do it.	
	Rachel Black	Verging on too well because the focus has been on the format of monitoring and not on the content of the policies.	I feel there needs to be some discussion when terms are not clear or when a clear difference of opinions presents itself. Discussion
	Mona Harmon-Bo	We need to commit to self-facilitation so as to not get overly involved in circular discussions.	Commitment to self - facilitation can improve our use of meeting time. Action
	Kelleen Giffin	Not sure when this would have happened.	
	Helene Bardinet	MY PERCEPTION of why I am not adhering well to this policy yet is because i haven't experienced this process under "normal" circumstances. We are getting there. Once again some of the discussions could take place outside the meeting (some clarifications, perceived or actual errors could be resolved. A summary could be brought to the meeting)	
	Danny Spurr	We do tend to get into the weeds sometimes in these monitoring reports. Discussion is very important in some instances though.	We may need to get alignment on this policy. We often use these reports to discuss operations or as an educational opportunity. These are often valuable discussions, but may not be appropriate discussions for monitoring reports, according to this bylaw. Discussion
	Carolyn Wilson		

Board Expenses	FY16 Budget	Actual			% Change	Comments
		Jan - Jun 16	Jan - Jun 15	\$ Change		
6270000 · Governance Expense						
6250700- Dues & Subscriptions - C o-op Grocer mag	261.00	261.32				
6251704 · Board supplies	0.00	0.00	56.68	-56.68	-100.0%	
Personne Board Administrator Labor	2,304.00	912.00				
6270701 · Board Development - Conf & Mtgs	7,010.00	4,481.78	173.86	4,307.92	2,477.81%	Does not include expense for GM to attend CCMA which went to Personnel Exp.
CCMA Board member registrations	5,950.00	2,820.00				
CCMA lodging	0.00	842.00				
Coop Cafe Board registrations	500.00	300.00				
Coop Cafe travel	560.00	219.78				
Survey Monkey	0.00	300.00				
Board retreat costs	0.00	0.00				
6270702 · CBLD Fees	6,850.00	2,294.66	3,985.00	-1,690.34	-42.42%	Got a \$3000 grant this year, Expecting another \$3425 to be billed this year
6270703 · Consultant Fees	3,060.00	188.57	0.00	188.57	100.0%	
Additional billable hours CBLD	1,560.00	0.00				
Jade Barker Travel expense	1,500.00	176.57				
Jade Barker Meal Expense	0.00	12.00				
6270704 · Insurance - D&O	3,000.0 [1]	2,289.99	2,165.94	124.05	5.73%	Policy runs from March to Feb. Annual premium is \$3800, but we pay a \$900 deposit up front.
6270705 · GM Search Expenses	1,500.00	2,618.37	0.00	2,618.37	100.0%	Approximately \$1100 over budget, including \$400 legal
6270706 - Legal Fees	500.00	0.00				
6270707 · Annual Meeting	3,500.00	3,306.73	0.00	3,306.73	100.0%	
Space	1,200.00	1,399.97				
Food - costs	1,200.00	777.76				
Catering wages - Elisa		629.00				
Sound	600.00	500.00				
Gifts, Prize Incentives	500.00	0.00				
6270708 - Member Linkage	300.00	0.00				
6270000 · Governance Expense - Other (Unplanned)	500.00	0.00	180.00	-180.00	-100.0%	
Total 6270000 · Governance Expense	\$28,785.0 [2]	\$16,353.42	6,561.48	9,791.94	149.23%	
Sales Q1 & 2 2016		\$1,800,221.53				
Board Expenses YTD as % of sales		0.91%				
Paid Staff Labor Breakdown - dollare are already reflected ab	Hours	Dollars				
Board Administrator Labor	76.0	\$ 912.00				
Catering Labor - Annual meeting	37.0	\$ 629.00				



[1] \$4000 2017?

- Lexa Juhre

[2] ties out to Sue Z! :)

- Lexa Juhre



September 12, 2016

Lexa Juhre, General Manager
Fiddleheads Food Co-op
13 Broad Street
New London, Connecticut 06320

Dear Lexa,

Thank you for the opportunity to submit a proposal for performing assurance and tax services for Fiddleheads Food Co-op. Based your conversations with Elizabeth, following are descriptions and estimated prices for potential services that we would be please to provide to Fiddleheads Food Co-op:

Annual review and preparation of federal and state tax returns

As an alternative to an audit the Cooperative may wish to have a review of its financial statements. A review is considerably less in scope than an audit and does not result in an opinion being given on the financial statements. A review consists primarily of inquiry and analytic procedures such as comparing financial results to budget and to other similar food cooperatives.

A review does not require us to visit the Cooperative and travel costs are not included in our proposed fee for a review. A review does not require that the inventory be observed by an outside CPA. A review also does not include the inquiry and documentation of the accounting systems or the internal control procedures in place to protect assets. A review does not normally include a management letter commenting on internal controls and other issues.

Reviewed financial statements are normally sufficient for meeting bank requirements for loan covenants and loan applications.

This would be similar to the services provided for the year ended December 31, 2015.

The estimated cost for a financial statement review and the preparation of federal and state tax returns for the year ended December 31, 2016 would be \$5,000.

Internal controls assessment

The resulting document for this service is a letter of suggestions to improve your accounting reconciliations and internal controls. This is typically performed just once with the idea that later there will be a review or audit. Some cooperatives have used it as a standalone engagement to help improve their systems.

Wegner CPAs will review your accounting procedures and internal controls in the areas of cash receipts, cash disbursements, payroll, and financial management. We will review the reconciliations of key balance sheet accounts including cash, inventory, and accounts payable for the most recently closed accounting period to gain an understanding of how the accounting process works. We will also review the payroll, property, and sales taxes reports and payment procedures.

We will also consult with you on your financial statement presentation, and various other questions or concerns you may have. One goal for this procedure is to assess the readiness of the Cooperative for a financial statement audit.

New York Office:
230 Park Avenue, 10th Floor
New York, NY 10146
P: (212) 551-1724
F: (262) 522-7550

Washington DC Office:
400 North Washington Street
Second Floor
Alexandria, VA 22314
P: (703) 519-0990

Wisconsin Office:
2110 Luann Lane
Madison, WI 53713
P: (608) 274-4020
F: (608) 274-0775

www.wegnercpas.com
info@wegnercpas.com
(888) 204-7665

We can present our procedures and recommendations for improving your accounting systems and internal controls to the Board in a conference call at your option.

We can perform this assessment at any time.

The estimated cost for an internal controls assessment done in conjunction with the financial statement review and without a visit would be \$2,500. The estimated cost for an internal controls assessment with a visit would be \$2,500 plus travel costs.

Annual audit and preparation of federal and state tax returns

An audit is substantially greater in scope than a review and results in an opinion being given on the financial statements. In addition to inquiries and analytical procedures, during an audit, we test the financial balances reported in the Cooperative's financial statements. Much of this testing involves matching the financial amounts to supporting documentation to provide assurance that these balances are reasonably stated. We also examine the internal control processes as part of assessing the risks of misstatement of the financial statements.

In addition to the audit report, we provide several letters to the board of directors regarding our findings and any audit-related issues we encounter. As with a review, we will present our report via a call during a board meeting.

We generally visit the Cooperative for an audit and travel costs are included in our proposed fee. An audit also requires that the inventory count performed at the fiscal year end be observed by an outside CPA.

The estimated cost for a financial statement audit and the preparation of federal and state tax returns for the year ended December 31, 2017 would be \$10,500 including travel costs, but not the inventory observation.

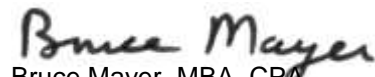
Observation of inventory count at fiscal year-end (December 31, 2016 and December 31, 2017)

The cost of the inventory observation at fiscal year-end by an independent local CPA is typically in the range of \$750 - \$1,500 per observation. We can assist with finding a local CPA firm to perform this observation, if you do not have a contact. If you would prefer to have Wegner CPAs observe the inventory count, the cost would be approximately \$2,500 including travel per observation.

We look forward to working with Fiddleheads Food Co-op again. Please contact either Elizabeth van der Weide or me if you have any questions or need further information.

Sincerely,

Wegner CPAs, LLP



Bruce Mayer, MBA, CPA
Partner

FIDDLEHEADS BOD 2016 CALENDAR

Item	January	February	March	April	May	June	July	August	September	October	November	December
Board Education	CBL101 9th Keene Financial Tng 23rd		Cooperative Cafe 12th NFCA Annual Meeting			CCMA Conf 9-11	Board Retreat	CT NOFA Summer Conference		NFCA Fall Gathering		Update of next year's education plan
Owner Engagement		Articles: re BOD Election & Policy Governance Newsletter Birthday Party	Quarterly Newsletter Article Meet and Greet	Article about BoD Elections, Candidate Bios Article for Annual Report	Quarterly Newsletter Article Meet/Greet Annual Meeting 5/21			Quarterly Newsletter Article Meet and Greet			Quarterly Newsletter Article Meet and Greet	
Admin Agenda Items		Review Committee charters Yearly reflection - reflect past year and set goals for current year		Review Owner Meeting Agenda and assign- ments	Board Elections Farewell to departing directors Welcome new directors Orientation meeting for new board members	Election of Board Officers		Bylaws Task Force (incl GM) BOD 2017 Budget Review	Board Retreat follow-up Finalize BoD Budget Start 2017 calendar Process for financial review		Review calendar for next year	
Admin Board Monitoring	C7: Committee Principles	C8: Governance	D1: Unit of Control	D2: GM Account- ability	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
GM Monitoring	B4: Mber ship B9: Successio n	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
Nominations and Other		Meet & Greet for candidates		Deadline BoD Candidate information for ballots		Quarterly Check-in with NEW GM			Quarterly Check-in with NEW GM			Quarterly Check-in with NEW GM



Next Meeting Agenda

DRAFT

AGENDA
FIDDLEHEADS BOARD OF DIRECTORS MEETING
October 18, 2016
6:30-8:30 PM
105 Huntington Street, New London

Time	Topic	Resource	Action/Outcome	Leader
6:30	Meeting Preamble <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> Check-in	Agenda	Convene/Focus	President
	Agenda Review	Agenda	Make adjustments	President
	Owner Comments		Listen	President
6:35 (5)	Approve Draft Minutes <ul style="list-style-type: none"> ● September 27, 2016 	Packet	Approve	
6:40 (5)	Consent Agenda <ul style="list-style-type: none"> ● Member Equity Refund Requests (as needed) 	Each item in packet	Approval	President GM
	Discussion of Items removed from Consent Agenda	See above	Discuss/Approve	TBD
6:45 (5)	Executive Session To approve minutes of June 21, 2016, Executive Session	Minutes To Be Provided		Secretary
6:50 (20)	Discussion of Next Steps Post Board Retreat	List of potential action items in packet	Discuss/Decide	President
7:10 (15) (5)	GM Monitoring Reports <ul style="list-style-type: none"> ● B2-Budgeting and Planning ● B6-Staff 	Each report in packet	Discuss/Approve	GM
7:35 (10) (10)	Committee/Task Force <ul style="list-style-type: none"> ● Nominations <ul style="list-style-type: none"> ○ Post-Process Eval ● Annual Meeting ● Member Engagement <ul style="list-style-type: none"> ○ Report on Board Support Call ○ Proposed Charter ○ Suggested Activities 	In packet	Discuss	Mona/Helene
		Discussion	Discuss	Carolyn/Sue P.
8:05 (15) (10) (10) (5)	Discussion/Action Items <ul style="list-style-type: none"> ● Board Monitoring – C4 ● Proposal to Create Bylaw Revision Committee ● Annual Financial Review ● Starting 2017 Annual Calendar 	In packet Discussion In packet 2016 Calendar in Packet	Discuss/Approve Discuss Discuss/Approve Discuss – Assign responsibility	Vice President President GM President
8:45	Member Comments			
8:50	Closings <ul style="list-style-type: none"> ● Determine use of CDS call (if any) ● Assess interest in NFCA fall gathering ● Review tasks for next meeting and other dates 			President
	Adjourn Meeting			

DRAFT

BOARD PACKET CONTENTS:

- 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)
- 2016 Board Calendar (Sue and Elisa)
- Executive Session Minutes of September 27, 2016 (Danny)
- Draft Agenda for November 15, 2016 meeting (Elisa)

Preview of Future Agenda Topics:

October:

- CBLD Contract
- Implementation of Retreat Next Steps
- Board Budget and Board Calendar 2017

November

- Board Member Self-Evaluation