

FIDDLEHEADS BOARD OF DIRECTORS
Minutes of Board Meeting of December 19, 2017
105 Huntington Street, New London
(Approved by the Board on January 16, 2018)

I. CALL TO ORDER, ATTENDANCE, ANNOUNCEMENTS

A. Call to Order

Sue Phillips called to order a regular meeting of the Fiddleheads Board of Directors at 6:30 p.m. on Tuesday, December 19, 2017 at 105 Huntington Street, New London, CT.

B. Attendance

The following Board members were present:

Susan Phillips, President
Susan Zimmerman, Treasurer
Danny Spurr, Secretary
Ellen Clinesmith
Carol Connell
Katie Blanchard
Paul Reid

The following Board members were absent:

Helene Bardinet, Vice-President

The following additional persons were present:

Lexa Juhre, General Manager
Elisa Giommi, Board Administrator

C. Check-in

No check-ins

D. Agenda Review

No changes to agenda

II. COMMITTEE/TASK FORCE (6:31-6:51)

A. Annual Meeting Committee (6:31-6:40)

The idea of having potluck food was generally well received, provided the potluck is managed by someone. Carolyn Wilson was suggested as a potential manager for this. It was also felt that the idea of having child care or children's activities was good. It was noted that the Committee should consider Passover in selecting a good date for the Meeting.

Motion to approve Sunday, April 29, 2018 as the date for the Annual Meeting and All Souls Church in New London as the venue:

Motion: Danny Spurr

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Second: Ellen Clinesmith
All in favor

B. Nominating Committee (6:40-6:43)

All directors were instructed to propose potential candidates for the Board of Directors to the Nominating Committee at the email address: Nominations@fiddleheadsfood.coop

Katie Blanchard was praised for her upcoming article about Board transition to appear in an upcoming newsletter.

C. Policy and Bylaws Revision Committee (6:43-6:47)

Motion to approve the Policy and Bylaws Revision Committee charter:

Motion: Katie Blanchard
Second: Ellen Clinesmith
All in favor

Motion to appoint Susan Zimmerman, Carol Connell, and Helene Bardinet to the Policy and Bylaws Revision Committee:

Motion: Ellen Clinesmith
Second: Paul Reid
All in favor

Motion to charge the Committee with examining the following policies and bylaws:

Adding to the executive limitations policy that the GM will not allow owners/consumers/ community to have a negative view of the co-op or not allow owners to view her as an inaccessible contact person to whom to bring concerns about the co-op (either add to asset protection—B3 or consumers—B5)

Executive Limitations: establish a formal policy around GM reimbursement – Lexa feels comfortable reimbursing herself for relatively small expenses (less than \$50) for meals and such, but not so much for larger amounts. Should process have notice to the board and approval?

Policy relating to GAAP compliance and whether or not the language needs to be amended.

Bylaws to be reviewed or added:

- Possibility to change election process to have voting AFTER annual meeting – determining whether a bylaw revision would be necessary.
- Clarify language around term limits (no director shall be elected whose election would result in her or his being expected to serve over 10 years within a single 12 year period?)
- Officers roles
- Executive Committee- Creating a bylaw addressing the concept of an Executive Committee and its existence or non-existence.
- Officer's roles- Amending the bylaw related to the Treasurer's role to eliminate the duty of

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submitting the Annual Report to the State.

Motion: Katie Blanchard
Second: Danny Spurr
All in favor

D. GM Evaluation Task Force (6:47-6:51)

Motion to appoint Danny Spurr, Katie Blanchard, and Sue Phillips to the GM Evaluation Task Force:

Motion: Susan Zimmerman
Second: Paul Reid
All in favor

Danny will set up a time for the task force to meet and prepare the GM monitoring report table.

III. MINUTES (6:51-6:57)

A. Minutes of November 14, 2017

Motion to approve the minutes of November 14, 2017 with typographical errors noted:

Motion: Susan Zimmerman
Second: Ellen Clinesmith
All in favor with Katie Blanchard abstaining

B. Minutes of November 21, 2017 Meeting

Tabled. The minutes distributed were incomplete. Danny and Elisa will update the minutes for the next meeting.

IV. EXECUTIVE SESSION (6:57-6:59)

The purpose of the Executive Session is to approve the Executive Session minutes from the November 21, 2017 Board meeting. **The minutes of Executive Session are here recorded, as no business was conducted except to approve the Executive Session minutes of November 21, 2017.**

Motion to enter executive session:

Motion: Paul Reid
Second: Susan Zimmerman
All in favor

Motion to approve the minutes of the November 21, 2017 Executive Session:

Motion: Susan Zimmerman
Second: Carol Connell
All in favor with Paul Reid and Katie Blanchard abstaining

Executive session entered at 6:57 p.m with Lexa and Elisa in attendance and exited at 6:59 p.m.

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V. GM MONITORING REPORT (7:01-7:19)

A. Executive Limitations B - Global Constraint (7:01-7:03)

The General Manager shall not cause or allow any practice, activity, decision, or organizational circumstance that is unlawful, imprudent, or in violation of commonly accepted business and professional ethics and practices, or in violation of the Cooperative Principles.

Motion to accept GM monitoring report on Executive Limitation B - Global Constraint as compliant:

Motion: Ellen Clinesmith

Second: Danny Spurr

All in favor

B. Executive Limitations B3 - Asset Protection (7:03-7:19)

1) The GM will not allow equipment and facilities to be inadequately insured or otherwise unable to be replaced if damaged or destroyed, including coverage for any losses incurred due to business disruption.

There was a question regarding changes in the insurance policy compared to last year. Lexa noted that the items covered, such as liquor liability, had not materially changed since last year, but were simply listed differently in the policy.

5)The GM will not allow data, intellectual property, or files to be unprotected from loss, theft or significant damage or allow improper usage of members' and customers' personal information

It was noted that Lexa may want to look into liabilities for data breaches involving over 500 people and also may want to consider formal training of staff in dealing with hacks, phishing scams, and ransomware.

6) The GM will not allow purchasing that is uncontrolled or subject to conflicts of interest.

It was found that more data was needed for this section, more specifically regarding internal controls, though, as Lexa noted, she is waiting for feedback from the Wegner CPA in this regard. It was requested that an update on this section be provided at the next BOD meeting in January.

Motion to Defer Acceptance of Executive Limitations B3 - Asset Protections until January with amendments requested to section 6.

Motion: Carol Connell

Second: Susan Zimmerman

All in Favor

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VI. VISIONING DISCUSSION (7:19-7:44)

There was a discussion of the goals for the March 10th Board strategic planning retreat. A number of ideas were discussed regarding strategic planning:

- The Co-op's ends, how they are operationalized, how they relate to having a retail store, and how they are prioritized.
- Pragmatic decisions of the store, such as the future of the store and it's infrastructure.
- The length of the Board's strategic thinking plan- 3 years, 5 years, 15 years. How practical would a 15 year plan be in the current changing market environment?
- What are realistic outcomes for the retreat.

It was determined that the purpose of the upcoming CDS call would be to discuss what the Board and Lexa need to do leading up to the retreat, , what resources are available from CDS, what might be the pillars of the Co-op's strategic plan. Sue Phillips and Susan Zimmerman will be on the CDS call. The Board was encouraged, if interested, to watch the "Ends to Ends Strategic Planning" video available in the CDS library.

VII. CONSENT AGENDA (7:44-7:47)

Motion to amend Policy C5 - Code of Conduct to reflect previously approved changes to the Code of Conduct:

Motion: Danny Spurr

Second: Susan Zimmerman

All in favor

Danny and Elisa will make sure the Policy Manual is updated and properly posted.

VIII. DISCUSSION/ACTION ITEMS (7:47-8:16)

A. Board Monitoring Report C6 - Officer's Roles (7:47-8:00)

The Board evaluated its performance regarding policy C6. The Board scored well in all the areas covered by the report, though there were some questions raised:

6-3c The president plans for leadership (officer) perpetuation.

There was a question as to how formalized this process should be. The president clarified her specific plans for officer perpetuation, as they currently stood, and it was generally accepted that a formal process may not be workable at this time due both to the size of the Board and current Director turnover.

6-5a In addition, the treasurer will facilitate the Board's understanding of the financial condition of the co-operative and shall provide an annual report of the Co-op's financial condition at each annual meeting of the Member-Owners. Further, the Treasurer shall ensure the annual report is delivered to the Secretary of the State.

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It was noted that this policy is slated to be reviewed by the Policy and Bylaw Review Committee with the duty of delivering the annual report to the Secretary of State potentially being removed.

6-6a In addition, the secretary will make sure final versions of the minutes are prepared and distributed each month.

It was clarified that the recent delay in approval of minutes was due both to special meetings that did not allow time, as laid out in the Board's workflow document, for production of the minutes and some confusion regarding quorum on a specific set of minutes. Final minutes are not distributed to owners until approved by the Board. It was also clarified that preparation and distribution of final minutes refers both to distribution to the Board and to owners.

B. 2018 Board Calendar (8:00-8:03)

All edits to the 2018 Board Calendar are finalized. Date for Annual Meeting will be edited. An enlargement will be purchased for use in the meeting room.

C. Debrief from Co-op Cafe (8:03-8:16)

The November CDS Co-op Cafe in Greenfield, MA was summarized. Some topics discussed at the Cafe included how to differentiate co-ops from other retailers, telling the Co-op story, and sustainability. It was also noted that the event was a great opportunity for networking with other co-ops.

IX. CLOSINGS (8:16-8:22)

A. CBLD 101

CBLD (Cooperative Board Leadership Development) 101 will be held on January 6, 2018 in Keene, NH. Attendance is free as part of our contract with CDS. Paul Reid, Susan Zimmerman, Sue Phillips, Danny Spurr, Carol Connell, and Katie Blanchard expressed interest in going. Carol Connell will send out an email by January 2nd to potentially organize a carpool.

B. CDS Call

Susan Zimmerman will schedule a CDS call. Topics to be discussed will include strategic planning and the March retreat.

C. Patronage Dividend Plans

This could potentially be part of the Board strategic plan discussion. It was noted that notice would need to be given to all owners prior to implementation of such a plan. The tentative time goal for implementation is 2019.

D. Review Decisions, Tasks, and Assignments

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1. Propose potential Board candidates to Nominating Committee at nominations@fiddleheadsfood.coop (Board)
2. Finalize approved Policy and Bylaw Revision Committee charter (Elisa)
3. Enter Policy and Bylaw Revision Committee appointed members (Susan A., Carol, Helene) into committee roster (Elisa)
4. Complete 2017 GM monitoring report table and schedule GM evaluation task force meeting by January 1, 2018 (Danny)
5. Meet to prepare draft charter for Audit Committee (Sue P., Sue Z.)
6. Report on status of owner loans at January BOD meeting (Lexa)
7. Schedule an informal Board viewing of "Food for Change" (Board)
8. Update Policy Manual to reflect changes to section C5 (Elisa)
9. Create a Director attendance register to be posted on the website- report on this in January (Danny, Elisa)
10. Schedule CDS call to discuss strategic planning (Sue P. and Sue Z.)
11. Organize carpool for January 6th CBLD 101 (Carol)
12. Meeting Agenda (Sue P. and Elisa)
13. Board Monitoring Report C7- Committee Principles (Elisa)
14. Draft Minutes of December 19, 2017 Meeting (Danny&Elisa)
15. Draft Minutes of November 21, 2017 Meeting (Danny&Elisa)
16. Include decision tree in Board packet (Elisa)
17. Resubmit GM Monitoring Report with updated data for section 6 (Lexa)
18. GM Monitoring Report B4 (Lexa)
19. GM Monitoring Report B9 (Lexa)
20. Member Equity Refund Request (Lexa, if any)
21. Draft Agenda for February 20, 2017 meeting (Elisa)
22. GM Update Report (Lexa) - THIS IS FYI - Not an agenda item!

E. Adjournment

Motion to adjourn:

Motion: Katie Blanchard

Second: Paul Reid

All in favor

Meeting adjourned at 8:22 p.m.

* * * * *

Draft minutes prepared for submission to the board by Daniel Spurr/Elisa Giommi on December 30, 2017.

Minutes approved by vote of the Board on January 16, 2018 and put into final form by Danny Spurr/Elisa Giommi on January 18, 2018.