

**FIDDLEHEADS BOARD OF DIRECTORS**  
**Minutes of Board Meeting of February 20, 2018**  
**105 Huntington Street, New London**  
(Approved on March 20, 2018)

**I. CALL TO ORDER, ATTENDANCE, ANNOUNCEMENTS (6:36-6:41)**

**A. Call to Order**

Ellen Clinesmith called to order a regular meeting of the Fiddleheads Board of Directors at 6:36 p.m. on Tuesday, February 20, 2018 at 105 Huntington Street, New London, CT.

**B. Attendance**

**The following Board members were present:**

Susan Phillips, President (arrived 6:54 p.m.)  
Helene Bardinnet, Vice-President  
Susan Zimmerman, Treasurer  
Danny Spurr, Secretary  
Ellen Clinesmith  
Katie Blanchard

**The following Board members were absent:**

Carol Connell  
Paul Reid

**The following additional persons were present:**

Lexa Juhre, General Manager

**C. Agenda Review**

No agenda changes

**II. COMMITTEE/TASK FORCE (6:42-6:55)**

**A. Birthday Party Debrief (6:42-6:49)**

The Co-op birthday party was a success. Food samples and music were seen as excellent. Saturday bested the store's highest sales day by \$100. Some areas for future improvement included better testing of microphones prior to the cake cutting and speech portion of the day and more emphasis on signing up new members.

**B. Annual Meeting Committee and Nominating Committee (6:49-6:53)**

The Annual Meeting Committee has not met since the last Board meeting. It was noted that with Helene potentially stepping back from Nominations Committee duties, the Board may wish to appoint Ellen as chair of this Committee, and Danny as a replacement for Ellen as chair of the Annual Meeting Committee.

**Motion to appoint Ellen Clinesmith as chair of the Nominating Committee and Danny Spurr as chair of the Annual Meeting Committee:**

Motion: Susan Zimmerman

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Second: Ellen Clinesmith  
All in favor

**C. Policy and Bylaws Revision Committee (6:53-6:55)**

The committee shared the revision work they have been doing. The revisions presented were informational and were not yet proposed to be voted on by the Board. Compliments were given regarding the format of the revision document.

**D. Audit Committee**

**Tabled.** Lexa was reassured that the audit can go forward regardless of the status of the proposed audit committee.

**III. MINUTES (6:55-7:00)**

**A. Minutes of January 16, 2018 Meeting**

**Motion to approve the minutes of January 16, 2018 with amendment noted:**

Motion: Katie Blanchard

Second: Susan Zimmerman

All in favor with Helene and Ellen abstaining

**IV. EXECUTIVE SESSION (7:00-7:20)**

The purpose of the Executive Session discuss personnel matters related to the GM evaluation.

**Motion to enter executive session:**

Motion: Ellen Clinesmith

Second: Helene Bardinet

All in favor

Executive session entered at 7:00 p.m and exited at 7:20 p.m. No votes were taken. Lexa attended for the first two minutes to confirm she had reviewed the GM monitoring report table and she agreed it was accurate.

**V. GM MONITORING REPORT (7:22-7:53)**

**A. Executive Limitations B1- Financial Conditions (4<sup>th</sup> Quarter)**

*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:

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

Sales were flat in the fourth quarter as compared to the fourth quarter of the year previous. Possible reasons for this include emerging competition and price sensitivity, though the store has received positive feedback in regard to new discount programs and affordability. Plans for correction include the hiring of a marketing coordinator, increased print advertising and social media, further researching and developing a prepared foods department.

**Conclusion: Not in Compliance- plan in place**

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

Net income was also flat in this quarter. Plans for correction include holding down expenses and correcting margin issues in certain departments.

**Conclusion: Not in Compliance- plan in place**

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

**Conclusion: In compliance**

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**

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

Lexa reported that all owner loans are now up to date.

**Conclusion: In compliance**

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

The Board is not aware of any restricted funds.

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**Conclusion: In compliance**

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

In consultation with Wegner CPA, it was determined that a financial review by a CPA is an “attestation engagement” and, as such, does provide limited assurance of compliance with GAAP. There were questions raised previously about a report on the internal review conducted by Wegner. Wegner has yet to provide any written report of their internal review findings, and appears to be rolling the results of their internal review into the audit they are conducting in March. There were questions about how this would be expensed.

**Conclusion: In compliance**

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

**Conclusion: In compliance**

**Motion to approve the GM monitoring report B1 – Financial Condition and Activities (Quarter 4) with acknowledgment of non-compliance in sections 1 and 2:**

Motion: Danny Spurr

Second: Helene Bardinet

All in favor

**Motion to have Lexa and Susan Zimmerman contact Wegner regarding further clarification of the internal review and what work product the Board may expect to see:**

Motion: Helene Bardinet

Second: Ellen Clinesmith

All in favor

**VI. VISIONING DISCUSSION (7:53-8:26)**

A brainstorming activity was conducted based on an article on PEST analysis. Opportunities and threats were identified based on current and future trends in four categories: Political, Economic, Socio-Cultural, and Technological. Results of this activity were recorded for use at the upcoming Board retreat. In addition, a worksheet was handed out entitled “Identifying Key Drivers”. Each Board member was asked to choose and research a “driver” identified in one of the four categories discussed and bring back his or her findings to the Board at the upcoming retreat.

**VII. CONSENT AGENDA (8:26-8:27)**

**Motion to approve the equity refund requests of Adam Brandt (\$60) and Mary Hannah McWilliams (\$50):**

Motion: Katie Blanchard

Second: Susan Zimmerman

All in favor

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**VIII. DISCUSSION/ACTION ITEMS (8:27)**

**A. Board Monitoring Report C8--Governance**

**Tabled**

**B. Ownership Issue (8:28-8:36)**

There was a discussion of how to handle non-documented ownership claims. It was generally felt that discretion should be given to the GM regarding how to handle such claims.

**C. RSVPs for Neighboring Food Co-op Association (NFCA) Annual Meeting (8:36)**

Ellen, Sue Phillips, and Carol are planning on attending the NFCA Annual Meeting on Saturday, March 17<sup>th</sup>. Paul and Lexa are possibly going to attend.

**D. Consumer Cooperative Management Association (CCMA)**

Sue Phillips, Katie, and possibly Susan Zimmerman are interested in attending CCMA on May 30<sup>th</sup>-June 2<sup>nd</sup> in Portland, OR. It was noted that sign ups and plane tickets should confirmed soon.

**IX. CLOSINGS (8:36-8:47)**

**A. FRESH Dinner**

Lexa brought to the attention of the Board that FRESH New London is interested in having Fiddleheads attend one of its dinners. The commitment would be to have 20 people attend a dinner and conversation about food systems. As the dinners all fall on third Tuesdays, the Board would need to reschedule one of it's regular meetings. It was felt that March would be too soon to commit to this as the Board would need 2-3 months of lead time to reschedule a meeting. Next month the Board will discuss scheduling a special meeting to accommodate this dinner request.

**B. Review Decisions, Tasks, and Assignments**

1. Propose potential Board candidates to Nominating Committee at [nominations@fiddleheadsfood.coop](mailto:nominations@fiddleheadsfood.coop) (Board)
2. Update Committee roster information (Elisa, Danny)
3. Draft GM Evaluation Letter (Sue P., Katie, Danny)
4. Post summary of meeting highlights and add to newsletter (Danny, Elisa, Lexa)
5. Plan retreat on March 10<sup>th</sup>, notify Board of time and location (Sue P. and Sue Z.)
6. Complete "Identifying Key Drivers" worksheet for March 10<sup>th</sup> retreat (All Board)
7. Attendees for NFCA Annual Meeting on March 17<sup>th</sup> (Ellen, Sue P., Carol, others?)
8. Confirm interest/availability for attending CCMA May 30<sup>th</sup>- June 2<sup>nd</sup>- (Sue P., Katie, Sue Z.)
9. Add agenda item to discuss moving a future Board meeting date to accommodate attendance at a FRESH dinner (Sue P.)
10. Meeting Agenda (Sue and Elisa)
11. Board Monitoring Report C8-Governance (Elisa)

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- 12. Board Monitoring Report D, D1 (Elisa)
- 13. Draft Minutes of February 20, 2018 Meeting (Danny & Elisa)
- 14. Draft Executive Session minutes of February 20, 2018 (Danny)
- 15. GM Monitoring Report B1 Annual (2017) (Lexa)
- 16. Member Equity Refund Request (Lexa, if any)
- 17. Article for Visioning Discussion (Sue/Elisa)
- 18. Draft Agenda for April 17, 2018 meeting (Elisa)
- 19. GM Update Report (Lexa) - THIS IS FYI - Not an agenda item!

**C. Adjournment**

**Motion to adjourn:**

Motion: Katie Blanchard

Second: Helene Bardinnet

All in favor

**Meeting adjourned at 8:47 p.m.**

\* \* \* \* \*

Draft minutes prepared for submission to the board by Daniel Spurr/Elisa Giommi on February 26, 2018.

Minutes approved by vote of the Board on March 20,2018 and put into final form by Danny Spurr/Elisa Giommi on April 2, 2018.