

FIDDLEHEADS BOARD OF DIRECTORS
Minutes of Board Meeting of April 17, 2018
105 Huntington Street, New London
(Approved by the Board on May 15, 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 6:40 p.m. on Tuesday, April 17, 2018 at 105 Huntington Street, New London, CT. A Board photo was taken prior to the start of the meeting.

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 member was absent:

Helene Bardinet, Vice-President

The following additional persons were present:

Lexa Juhre, General Manager
Elisa Giommi, Board Administrator
Sara Florek, Owner
Amelia Lord, Owner

B. Check-In

1. Ellen noted that she has been accepted to a masters program in public health
2. Katie noted that she is buying a house.
3. The Board and guests answered an ice breaker question, "What is your birth order and how does this affect you?"

C. Agenda Review

1. It was noted that the B1-financial GM monitoring report that was tabled in February had been added to the agenda.
2. The Executive Session to discuss GM compensation was moved to the end of the meeting.

D. Owner Comments

1. It was noted the end of the meeting that the chairs for guests in the meeting room were not comfortable.

II. COMMITTEE/TASK FORCE (6:48-7:17)

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A. Annual Meeting Committee (6:48-7:15)

1. It was noted that Lexa has found a sound person for the event.
2. Lexa sought guidance from the Board on her presentation for the business portion of the event.
3. It was determined that there be an owner activity in the Co-op Cafe style where groups would answer the question, "Why do you own a co-op?" Paper squares will be provided so that groups can visually depict their answer.
4. It has been proposed that new owners be called to inform them about the Annual Meeting. Sue P., Katie, Ellen, Danny, Paul, and Carol volunteered to make phone calls. Ellen will compile a list of people for each volunteer to call. A list of talking points for these calls was discussed. Ellen will send out these talking points as well.
5. Sue P. and Lexa will meet to discuss the business agenda portion of the Annual Meeting.
6. The Annual Meeting Committee is scheduled to meet again on Tuesday, April 24 at 6 p.m.

B. Nominations Committee (7:15-7:17)

1. There are currently three candidates interested in running for the Board of Directors. A fourth candidate has decided not to run.
2. It was noted that Carol Connell, who was appointed to fill out the rest of Kelleen's term, will be up for ratification.
3. Voting will start at the Annual Meeting (on April 29th) and close at 8 p.m. on Friday, May 18th. This timeline was approved by the Board later in the meeting.

III. MINUTES (7:17-7:22)

A. Minutes of March 20, 2018 Board of Directors Meeting

Motion to approve the minutes of March 20, 2018 with amendments noted:

Motion: Katie Blanchard
Second: Ellen Clinesmith
All in favor

IV. GM MONITORING REPORT (7:22-7:49)

A. Executive Limitations B1- Financial Conditions (2017 Annual) (7:22-7:31)

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.*

Sales for 2017 were up appropriately 2% over the year prior, which did not meet the 3% goal for compliance. It was noted that sales so far in 2018 are up by around 6%. As part of the plan for achieving compliance in 2018,

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a Marketing and Outreach manager has been hired and a prepared foods program is set to launch in May or June.

It was noted that the Profit and Loss statement included in the packet was for the 4th quarter of 2017 and not the full year. Lexa will send out the proper P & L statement and update the report.

Conclusion: Not in Compliance- plan in place

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

While net income was not as robust as anticipated, it was adequate to achieve compliance. Compliance was achieved despite lower than anticipated sales and increased wages and staffing hours.

Conclusion: In Compliance

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.

Conclusion: In compliance

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

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Conclusion: In compliance

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

It was noted that the report was labeled for 2016 and should say 2017. Lexa will update the report to fix this typo. It was also noted that the number of new households may be off by 10 household. Lexa will check the new owner data and report back to the Board via email.

Conclusion: In compliance

Motion to approve the GM monitoring report B1 – Financial Condition and Activities (2017 Annual) with acknowledgment of non-compliance in section 1:

Motion: Susan Zimmerman

Second: Carol Connell

All in favor

B. Executive Limitation B6- Staff Treatment and Compensation (7:31-7:49)

The Board was pleased with the use of staff survey data from September of 2017: the usefulness of its inclusion in the report, the ability to compare the data to the 2015 survey, and the way in which the data was presented. There was a request to better inform the Board in the future of when surveys are being conducted. It was determined that results of the survey did not need to be shared in advance of the B6 report unless scores were found to be lower than the previous survey or unanticipated results were seen in the survey.

Global Policy: The General Manager shall not treat staff in any way that is unfair, unsafe, or unclear.

- 1) *The GM will not operate without written policies that:*
- a. *Clarify rules for staff.*
 - b. *Provide for fair and through handling of grievances in a way that does not include the Board as a participant in the grievance process.*
 - c. *Are accessible to all staff.*
 - d. *Inform staff that employment is neither permanent nor guaranteed.*

Conclusion: In compliance

2) *The GM will not fail cause or allow personnel policies to be inconsistently applied.*

Conclusion: In compliance

3) *The GM will not fail to provide for adequate documentation, security and retention of personnel records, information, and all personnel related decisions.*

Conclusion: In compliance

4) *The GM will not establish compensation and benefits that are internally or externally inequitable.*

Conclusion: Not in compliance – plan in place

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Though progress has been made in the past year, compensation and benefits do not compare favorably to other co-ops and businesses of the Co-op's sector, especially in upper level positions. Lexa continues to make increased compensation and development a primary focus with increasing the store's net income a big part of this plan. In looking at the employee survey, increasing benefits, particularly providing health care to employees is seen as a priority. Lexa is looking into the possibility of providing health benefits to employees.

5) *The GM will not change the GM's own compensation and benefits, except as his or her benefits are consistent with a package for all other employees.*

Conclusion: In compliance

Motion to approve the GM monitoring report B6 – Staff Treatment and Compensation with acknowledgment of non-compliance in section 4:

Motion: Paul Reid

Second: Danny Spurr

All in favor

V. VISIONING DISCUSSION (7:49-7:54)

Tabled until May

VI. DISCUSSION/ACTION ITEMS (7:54-8:26)

A. Board Monitoring Report C8--Governance (7:54-8:08)

It was noted that there are problems with the formatting and contents of the Board monitoring reports. Helene and Lexa will look into fixing these problems.

The Board evaluated its performance regarding policy C8-Governance. The Board scored well in all areas except C8-2c regarding owner outreach. It was acknowledged that progress is being made in the area of owner outreach and it continues to be a Board priority.

B. Board Monitoring Report D2- GM Accountability

The Board evaluated its performance regarding policy D2- GM Accountability. The Board scored well in all areas. There was a proposal to clarify the wording in D2-1: *The Board will view GM performance as identical to organizational performance so that the co-operative's accomplishment of Board-stated ends and avoidance of Board-proscribed means will be viewed as successful GM performance.* to read "in that" instead of "so that" This was referred to the Policy Committee.

C. Board Monitoring Report C3-3- Agenda Planning

Discussion of C3-3: *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.* This had been tabled in September. The Board evaluated its performance regarding policy C3-3 and acknowledged progress in this area.

D. New Member Orientation (8:08-8:13)

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It was decided that the Board would conduct a new member orientation on its own, using some resources provided by the Board's CDS consultant. Susan Zimmerman volunteered to head up this orientation. Katie offered to help facilitate. A date will be scheduled with new Board members after the election.

E. Approval of Election Period (8:13-8:19)

Motion to open voting for the Board of Directors at the Annual Meeting on Sunday, April 29th, 2018 and to close voting at 8 p.m. on Friday, May 18th:

Motion: Susan Zimmerman

Second: Paul Reid

All in favor

F. Seeds of Change Documentary (8:19-8:28)

Wednesday, May 23rd and Thursday, May 24th were suggested as possible date for having a Board viewing of the Seeds of Change documentary. A location for this viewing needs to be found.

VIII. CLOSINGS (8:28-8:36)

A. FRESH Dinner

The FRESH dinner is scheduled for Tuesday, June 19th. Directors were invited to bring a guest and will sign up for the dinner at the May Board meeting. The Syrian refugee community will be the other group attending the June dinner.

B. Meeting Talking Points

1. The parameters of the upcoming Board of Directors election and the flow of the Annual Meeting were determined
2. The GM monitoring reports regarding the Annual Financial Condition and Staff Treatment and Compensation were approved
3. The Board will be reaching out to new owners regarding the Annual Meetings
4. The Board will be conducting in house orientation of new Board Directors after the election.

C. CDS Call

A check in with Jade will be scheduled with Sue P. and Danny. It was suggested that the Board request orientation materials from Jade.

D. Review Decisions, Tasks, and Assignments

1. Post summary of meeting highlights and add to newsletter (Danny, Elisa, Lexa)
2. Divide up and provide Sue P., Katie, Ellen, Danny, Paul, and Carol with Annual meeting talking points and new owner names and phone numbers (Ellen)
3. Call new owners to inform them about the Annual Meeting (Sue P., Katie, Ellen, Danny, Paul, and Carol)
4. Meet to discuss Annual Meeting business agenda (Sue P., Lexa)
5. Update GM monitoring report B1-Annual to fix typo and included Annual P&L statement (Lexa)

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6. Update Board on household data from the B1 report sec. 11 (Lexa)
7. Fix formatting of Board monitoring reports (Lexa, Helene, Elisa)
8. Set up date for Board orientation after new Directors are elected (Sue Z.)
9. Set up viewing of Seeds of Change on Wednesday, May 23rd or Thursday May 24th
10. Sign up for June 19th FRESH dinner at May Board meeting (Board)
11. Schedule CDS call with Jade and request materials for orientation (Sue P., Danny)
12. Notice posted of special meeting on June 26th and cancellation of regular meeting on June 19th (Elisa)
13. Meeting Agenda (Sue and Elisa)
14. GM Compensation Proposal (Lexa)
15. Board Monitoring Report D3 (Elisa)
16. Draft Minutes of April 17, 2018 Meeting (Danny & Elisa)
17. Draft Executive Session minutes of February 20, 2018 (Danny)
18. GM Monitoring Report B1-Q1 (Lexa)
19. Member Equity Refund Request (Lexa, if any)
20. Resource on Creating Strong, Resilient & Inclusive Boards (Sue)
21. Resource for Visioning Discussion (tabled in April) (Sue/Elisa)
22. Draft Agenda for June 19, 2018 meeting (Elisa)
23. GM Update Report (Lexa) - THIS IS FYI - Not an agenda item!

E. Adjournment

Motion to adjourn:

Motion: Ellen Clinesmith
Second: Katie Blanchard
All in favor

Meeting adjourned at 8:36 p.m.

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Draft minutes prepared for submission to the board by Daniel Spurr/Elisa Giommi on April 24, 2018

Minutes approved by vote of the Board on May 15, 2018 and put into final form by Danny Spurr/Elisa Giommi on May 30, 2018.