

FIDDLEHEADS BOARD OF DIRECTORS
Minutes of Board Meeting of May 15, 2018
105 Huntington Street, New London
(Approved by the Board on June 19, 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 6:31 p.m. on Tuesday, May 15, 2018 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

The following Board member was absent:

Helene Bardinnet, Vice-President
Paul Reid

The following additional persons were present:

Lexa Juhre, General Manager
Elisa Giommi, Board Administrator

C. Check-In

The Board answered an ice breaker question, "What product that Fiddleheads does not currently carry will it carry 10 or 15 years from now?" Answers included clean meat, local vertical marine farm products, bugs, healthy fast food, psychedelic drugs, and store made donuts. The books "How to change your mind?" by Michael Pollan and "Neuromancer" by William Gibson were both referenced.

D. Agenda Review

An item was added to revoke previous bylaw changes. An item was added to discuss the revision to policy B3.6.b. A GM update was added.

E. Owner Comments

No comments

II. General Manager Update

1. Lexa updated the Board on the recent slip and fall that occurred in the store.
2. Draft financial statements are in from the audit, but no final document is available yet.
3. There are currently 93 vote in for the Board Director election. 97 are required and voting will

FIDDLEHEADS BOARD OF DIRECTORS
Minutes of Board Meeting of May 15, 2018
105 Huntington Street, New London
(Approved by the Board on June 19, 2018)

continue until Friday. Lexa will be sending out a reminder email to owners.

4. The FRESH dinner will be on June 26th. A head count was taken, as Fiddleheads needs to bring 20 people to the event. The six Board members present, Lexa, and Elisa can all come and bring a additional person each. It was decided that Lexa would try to find 3 staff members to attend and that Board members could come without an additional person if more staff or owners wished to attend.

III. COMMITTEE/TASK FORCE (6:56-7:25)

A. Annual Meeting Committee (6:56-7:04)

1. The Annual Meeting Committee will be meeting on Thursday to conduct an Annual Meeting debrief.
2. Observations were solicited from the Board. It was noted that the meeting was good, but turnout was poor (approximately 56 households attended and quorum was not achieved. As the number of owners increases and quorum continues to be an issue, the Board may need to examine revising the bylaws to change quorum requirements. It was noted that at the Annual Meeting of Willimantic Food Co-op, a co-op roughly twice the size of Fiddleheads in terms or number of owners, only 60 or 70 people attended, despite contentious bylaw issues and lots of recent developments with the store.
3. There were a number of suggestions for trying to boost attendance next year including conducting a phone tree and putting a notice in the newspaper.
4. It was also noted that there should be more accommodation for gluten free owners in the food planning.
5. The Committee minutes were revised to fix a spelling error.

B. Policy and Bylaw Revision Committee (7:04-7:23)

1. It was noted that though owners voted to table revisions to Article 4 of the bylaws at the Annual Meeting, quorum had not been achieved at the Meeting, so it stood that the bylaw changes made by the Board were still technically in effect (Article 7, Section 1).

Motion to undo revisions to Bylaw Article 4 Section 1 and Section 3 that were made on March 20, 2018:

Motion: Katie Blanchard

Second: Danny Spurr

All in favor

2. It was determined that a separate Bylaw Revision Committee should be formed that would include 2 to 3 Board members, up to 3 owners and would be charged with the tasks of proposing bylaw revision options to address:
 - a. The appointment/ratification process
 - b. Quorum
 - c. Patronage dividends
3. They would also hold 3-4 member forums and formulate language as to why the bylaw

FIDDLEHEADS BOARD OF DIRECTORS
Minutes of Board Meeting of May 15, 2018
105 Huntington Street, New London
(Approved by the Board on June 19, 2018)

revisions were being made. Sue Phillips volunteered to be on the committee and formulate a draft charter.

C. Nominations Committee (7:23-7:25)

Sue Phillips informed the Board that Paul Reid has resigned.

Motion to accept the resignation of Paul Reid:

Motion: Danny Spurr

Second: Ellen Clinesmith

All in favor

IV. MINUTES (7:25-7:27)

A. Minutes of April 17, 2018 Board of Directors Meeting

Motion to approve the minutes of April 17, 2018 with noted typographical errors to be emailed to the Secretary:

Motion: Susan Zimmerman

Second: Ellen Clinesmith

All in favor

V. EXECUTIVE SESSION (7:27-7:28)

Lexa has not yet provided a GM compensation proposal. This item was tabled indefinitely with the expectation that a proposal would be made by the end of the year for consideration at the next GM evaluation in 2019.

VI. GM MONITORING REPORT (7:28-7:35)

Executive Limitations B1- Financial Conditions (Quarter 1)

Lexa was congratulated not only for strong sales numbers in the first quarter, but full compliance with policy B1.

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 were up over 6% in the quarter. It was noted that sales growth among National Co-operative Grocer co-ops in Fiddleheads region appeared to be higher than in recent quarters as well.

FIDDLEHEADS BOARD OF DIRECTORS
Minutes of Board Meeting of May 15, 2018
105 Huntington Street, New London
(Approved by the Board on June 19, 2018)

Conclusion: In compliance

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

Net income was significantly higher in this quarter compared to last year.

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.*

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).*

Conclusion: In compliance

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

Conclusion: In compliance

FIDDLEHEADS BOARD OF DIRECTORS
Minutes of Board Meeting of May 15, 2018
105 Huntington Street, New London
(Approved by the Board on June 19, 2018)

Motion to approve the GM monitoring report B1 – Financial Condition and Activities (2018 Quarter 1):

Motion: Carol Connell

Second: Susan Zimmerman

All in favor

V. VISIONING DISCUSSION (7:35-8:10)

1. There was a discussion of Ends and also the idea of having a mission statement. The discussion resulted in relative alignment around the Co-op's Ends and the particular importance of the workplace end at this time (End Policy A6).
2. There was also a proposal to highlight an End (or perhaps multiple Ends) or to have a theme each year to emphasize throughout the organization. A potential theme being "Year of Diversity".
3. There will be a strategic planning discussion next month during the visioning portion of the agenda. The theme proposal will also be further discussed.

VI. DISCUSSION/ACTION ITEMS (8:10-8:32)

A. Board Monitoring Report D3- Delegation to GM (8:10-8:11)

Tabled due to issues with the Board monitoring survey system. Elisa, Lexa, Ellen, and Katie will discuss and resolve these issues.

B. Board Monitoring Report D4- Monitoring GM (8:11-8:20)

The Board evaluated its performance regarding policy D4- Monitoring GM. The Board scored well in all areas, though there was some concern about the deadlines in D4.6 and whether they should be adjusted:

6) The Board's annual evaluation of the General Manager, based on a summary of monitoring reports received from (January) through (December), will be completed by (January 30). The Board will make its decisions concerning the evaluation and the employment contract, if any, no later than (February 28).

After discussion, **it was decided to examine shifting evaluation deadline to February 28 and the decisions concerning the evaluation and contract deadline to March 31.**

C. Issue with policy change to policy B3 section 6b (8:20-8:24)

After a discussion with CDS (Co-operative Development Services) consultant Jade, the recent changes to policy B3 were reexamined, particularly the need for having prior approval.

The GM shall not:

b. Incur any reimbursable obligations without prior approval by a designated Board member appointed by the President.

Motion to revise policy B3 section 6, subsection b to read, "Incur any reimbursable obligations without approval by a designated Board member appointed by the President." (removing the

FIDDLEHEADS BOARD OF DIRECTORS
Minutes of Board Meeting of May 15, 2018
105 Huntington Street, New London
(Approved by the Board on June 19, 2018)

word “prior”):

Motion: Ellen Clinesmith

Second: Danny Spurr

All in favor

D. New Director Orientation (8:24-8:31)

1. Susan Zimmerman will no longer be available to run the new member orientation. Katie Blanchard and Sue Phillips will now be in charge of conducting the orientation.
2. The dates of Saturday, June 16th or Sunday, June 10th were proposed as possible dates, with the proposed time being 10 a.m. to 2 p.m..
3. Ellen will check on the availability of the newly elected Directors once the results of the election are in and a date will be selected.

E. “Seeds of Change” Documentary (8:31-8:32)

The May viewing of the “Seeds of Change” documentary was tabled. The Board will sound out possible dates for a July viewing.

VIII. CLOSINGS (8:32-8:42)

A. Meeting Talking Points

1. A new charter is being developed for a Bylaw Revision Committee that will include Board Directors and Non-Director owners.
2. The store showed strong financial performance in the first quarter.
3. The Board used the Co-op Ends as a guide for focusing on strategic planning. The discussion is being continue at their next meeting.
4. Communication strategies for the next Annual Meeting were discussed.
5. Paul Reid's letter of resignation was accepted.

B. CDS Call

A check in with Jade is scheduled with Sue P. and Danny.

C. Review Decisions, Tasks, and Assignments

1. Invite 3 staff to FRESH dinner on June 26th (Lexa)
2. Invite newly elected Directors to FRESH dinner (Ellen)
3. Create draft Bylaw Committee charter (Sue P.)
4. Update Director information to reflect resignation of Paul Reid (Elisa)
5. Email typographical errors in April Board minutes to Secretary (Carol)
6. Add Strategic Planning and year of diversity Visioning to next June agenda (Sue P.)

FIDDLEHEADS BOARD OF DIRECTORS
Minutes of Board Meeting of May 15, 2018
105 Huntington Street, New London
(Approved by the Board on June 19, 2018)

7. Add Board Budget to next June agenda (Sue P.)
8. Meet to examine Board Monitoring Report mechanics (Lexa, Elisa, Ellen, Katie)
9. Remove “prior” from Policy B3.6.b and update Policy Manual (Elisa and Danny)
10. Meet to discuss New Board Director orientation (Sue P., Katie)
11. Offer dates to New Directors for Board Orientation- June 10 or June 16 (Ellen)
12. Post Talking Points from meeting (Danny, Elisa)
13. Meeting Agenda (Sue and Elisa)
14. Board Monitoring Report C Global; D Global; D3 (Elisa)
15. Draft Minutes of May 15, 2018 Meeting (Danny & Elisa)
16. Executive Session minutes of March 20, 2018 (Danny)
17. GM Monitoring Report B5 Consumers (Lexa)
18. Member Equity Refund Request (Lexa, if any)
19. Draft Agenda for July 17, 2018 meeting (Elisa)

D. Adjournment

Motion to adjourn:

Motion: Katie Blanchard

Second: Susan Zimmerman

All in favor

Meeting adjourned at 8:42 p.m.

* * * * *

Draft minutes prepared for submission to the board by Daniel Spurr/Elisa Giommi on May 20, 2018

Minutes approved by vote of the Board on June 19, 2018 and put into final form by Danny Spurr/Elisa Giommi on July 2, 2018.