

FIDDLEHEADS BOARD OF DIRECTORS
Minutes of Board Meeting of June 16th, 2020

Conference Call

(Approved by the Board on July 21st, 2020)

I. CALL TO ORDER, ATTENDANCE, ANNOUNCEMENTS

A. Call to Order

Danny Spurr called to order a regular meeting of the Fiddleheads Board of Directors at 6:32pm on Tuesday, June 16th, 2020, via Conference Call.

B. Attendance

The following Board members were present:

Danny Spurr, President
Robin Harris, Vice President
Susan Zimmerman, Treasurer
Monica Chapman, Secretary
Amelia Lord
Sara Florek
Caleb Bailey
Brenda De Los Santos
Carolyn Wilson

The following Board members were absent:

The following additional persons were present:

Lexa Juhre, General Manager
Katie Blanchard, Board Administrator

C. Opening

1. Thanked Caleb Bailey and Susan Zimmerman for their service on the Fiddleheads Board.
2. There was discussion regarding one customer's feedback challenging the co-op's round up campaign for the CT Bail Out Fund. This led to a general discussion about human rights versus political positioning in regards to the Co-op's public-facing messaging.

II. APPROVE DRAFT MINUTES OF May 19th, 2020 MEETING (7:01-7:04)

Motion to approve the minutes of the May 19th, 2020 Board of Directors meeting as amended.

Motion: Robin Harris

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Second: Brenda De Los Santos
Carolyn Wilson abstains. **All else in favor.**

III. CONSENT AGENDA (7:04-7:12)

A. Equity Refund Requests

1. Hartley
2. R. Shepherd

Motion to approve Equity Refund Requests from Hartley and R. Shepherd.

Motion: Monica Chapman

Second: Sara Florek

All in Favor.

- a. Lexa mentioned that while reaching out to owners about the election, one owner responded that they moved away from New London. This sparked a brief discussion about what to do with owners who have moved away or otherwise gone idle but have not reached out to request an equity refund. There is a legal provision allowing the Co-op to absorb “abandoned equity.” However, it was felt that the discussion surrounding classification of these accounts that have gone, “dormant” or “idle” is part of a larger topic that should be moved to a discussion item at a future meeting.

IV. COMMITTEE/TASK FORCE (7:12-7:17)

A. Annual Meeting and Nominating Committee.

- a. Election update:
 - i. Out of approximately 3700 members approximately 400 emails bounced back.
 - ii. Updated about 200 addresses through a phone campaign for the owners whose email bounced back.
 - iii. To date, 244 votes have been cast. Not only is this a third more votes compared to last year, but the number of votes cast have already reached quorum for the meeting and owners still have until the 28th to cast their votes.
 - iv. Board members mentioned that it was easy to vote and they enjoyed the videos.
 - v. It was suggested to mention voting at the register.
 - vi. Even though there has been much greater turnout with online voting, the community building aspect and engagement with a live Annual Meeting is very strongly missed.
- b. Director Annual Meeting Videos:
 - i. Please send to Brenda ASAP.

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V. GM Monitoring Reports and Updates (7:17-7:30)

A. B5: Consumers

1. The Owner Corner our Marketing staff created at the front end cap by the entrance received praise from the directors especially with the location of the product request book and overall professional presentation.
2. There was a question about declining transaction counts but it was noted that even though the transaction count is down, the basket sizes have increased considerably. This data matches the anecdotal observation that people are making larger purchases to shop less frequently.
3. There was discussion about a potential change in buying patterns. It was noted that the last two weeks showed a decrease in both in-store and online sales. It is still early to see if this is a lasting trend. It was noted that buying trends could be shifting into typical summer patterns with a slight dip in in-store sales and with an increase in Fisher Island orders.

Motion to approve GM Monitoring Report B5: Consumers.

Motion: Amelia Lord

Second: Brenda De Los Santos

All in favor.

VI. DISCUSSION/ACTION ITEMS (7:30-8:35)

A. Store update:

- a. Lexa is working on a Budget Tool that now contains historical data through April. She will now work with NCG to figure out how to use it to forecast
 - i. With no inventory conducted yet this year, the margins aren't 100% accurate. Given that there have been no case failings resulting in mass product shrink, it is not expected that margins will be off severely following the Co-op's next physical inventory.
 1. Lexa is hopeful that a physical inventory will be conducted by the end of June. The inventory specialists (RGIS) are a phase 2 business, so it depends on when CT opens the phase 2 plan and when RGIS can comfortably call back their workers.
 - ii. Labor is the most volatile percentage of the budget. With the store hours opening to normal 8am to 8pm hours, certain positions will need to be reevaluated such as the bulk attendant and the online order pickers.
- b. Register pin pads have all failed.
 - i. The Co-op hasn't been able to get new pin pads in due to unprecedented demand. It was hypothesized that cleaning electrical equipment with sprays and bleach across the retail industry has caused a large spike in equipment failures. Lexa is hopeful that replacement pin pads should arrive next week.
 1. Customers running their cards as Debit have been asked to run their cards as Credit for an easy switch.
 2. EBT sales have presented a larger issue. There is no way to run EBT sales without a pin pad. Lexa pursued all available avenues for a workaround and could find none. The Co-op stands behind its Ends and Mission towards Food Justice For All. Additionally, the Co-op believes in

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the importance of building and maintaining relationships with customers who are in the greatest need for healthy foods. With this in mind, the co-op decided to suspend these EBT sales, let the customers take home their food and eventually run their cards when the pin pads are replaced. Lexa discussed the current liability associated with these suspended orders. The Board understood the difficulty of this situation and felt that this procedure did not pose an undue risk to the co-op at this time. Lexa will reevaluate this policy should the liability associated with these suspended orders reach a certain level. It was noted that these pinpads have needed replacement for some time and delays in replacement are also likely to have contributed to this situation. Lexa will provide an update next month about EBT sales.

B. Board Monitoring Survey: Monitoring GM

- a. Board reviewed the Board Monitoring Survey

C. DEI Work:

- a. La Donna has been very busy lately! In addition to her consulting work, she is Board President at a co-op promoting diversity and inclusion in Minneapolis during this time with the most civil unrest in over a decade.
 - i. Training Dates: Tuesday, August 4th. 6:30-8p.m.- LaDonna IDI orientation
Saturday, August 22nd, 9-12 noon, first DEI training with LaDonna
- b. Danny will reach out to the candidates to make sure the dates work for them as well.
- c. Danny mentioned that he went to a LaDonna led discussion during the CCMA virtual meeting. She mentioned leading a book club and Danny wondered if anyone on the board or staff would be interested in participating.

D. Trainings

1. New Director Orientation
 - a. Katie, Brenda, and Danny will conduct the New Director Orientation. The date is still TBA.
2. Other trainings- financial training?
 - a. The board is still interested in financial training. The training date is still TBD but will be revisited when the new Board Members are seated.
3. Board Retreat
 - a. The Board is considering sometime in September for a board retreat but will wait until the new board members are seated before making final scheduling decisions.

E. CCMA Virtual Sessions

- a. The board discussed takeaways from CCMA virtual sessions throughout the meeting, particularly with the LaDonna session.
- b. Board members should have received a link to the webinars that are saved.
- c. Danny attended a Board Chair Webinar and discussed issues related to online meetings.
 - i. There was discussion about increasing owner attendance at board meetings.

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The board meetings, as well as contact info to request a link to the meetings are posted online and in-store. It was suggested to add meeting info to the Fern e-blasts to encourage more owner participation.

- ii. It was suggested that owners should sign up before the meeting with the meeting time as a cut off date.
- iii. Owner conduct was discussed including muting microphones except during “Owner Comment” sections of the meeting and using the chat function.
- iv. Monitoring owner conduct and recording meetings to broadcast on Facebook was also discussed but no decisions were made.
- v. There was a suggestion to potentially have a virtual Meet and Greet with the Board if owner participation in board meetings warrants an additional meeting to address owner concerns.

F. Multi-year plan

- a. Lexa has been working with a multi-year budgeting tool to forecast sales and other projections. On a financial call with NCG, given the massive pandemic-related market volatility, it was suggested to budget on a short term basis for the time being. Some Co-ops, such as Fiddleheads were met with a surge in business and sales, while other Co-ops dealt with a large lull in business. This being said, Lexa understands the need of having a multi-year plan and will work on this, keeping this volatility in mind.
- b. Lexa felt that a multiyear plan could be developed in time for the B2-Budget monitoring report in December. It was also suggested that Lexa run several different models to reflect a potential recession/depression, steady sales, or a “U-Shaped” recovery depending on how the economy responds to the effects of the pandemic.

VII. CLOSINGS (8:35-8:41)

A. Meeting Talking Points

1. Discussed the marketing position and the positive impact it makes in the Co-op.
2. Thanked Susan Zimmerman and Caleb Bailey for their service.
3. Set tentative dates for the DEI trainings.
4. Online voting has begun and there is already an increase in participation using an online platform.
5. Accepted B5 Consumers Report.
6. Discussed takeaways from the CCMA Trainings.
7. Discussed unique technology challenges with social distancing.
8. Welcomed appointee, Carolyn Wilson to the board.
9. Revisited unclaimed owner equity funds.

VIII. Executive Session (8:41-8:44)

Executive Session to approve Executive Session minutes of May 19, 2020

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Motion to enter executive session.

Motion: Danny Spurr

Second: Amelia Lord

All in Favor.

Motion to approve Executive Session minutes from May 19th 2020.

Motion: Robin Harris

Second: Brenda De Los Santos

All in Favor with Carolyn Wilson abstaining.

Executive Session was exited at 8:44. Minutes of May 19th 2020 Executive Session were approved.

VIV. Adjournment (8:44)

Motion to adjourn

Motion: Susan Zimmerman

Second: Caleb Bailey

All in favor.

Meeting adjourned at 8:44pm.

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Draft minutes prepared for submission to the board by Katie Blanchard on July 21st, 2020.

Minutes approved by vote of the Board on July 21st, 2020, and put into final form by Katie Blanchard on August 2nd, 2020.