

FIDDLEHEADS BOARD OF DIRECTORS
Meeting of February 18, 2014 [Minutes Approved April 15, 2014]

I. CALL TO ORDER

Susan Zimmerman called to order the regular meeting of the Fiddleheads Board of Directors at 6:31 p.m. on February 18, 2014 at 105 Huntington Street, New London, CT.

II. ATTENDANCE

The following Board members were present:

Susan Zimmerman, President
Ed Demuzzio, Treasurer
Mona Harmon-Bowman
Carolyn Wilson (arrived at 7:17)
Sue Phillips, Secretary
Lee Boltz
Ellen Clinesmith
Suzanne Cattanach (arrived at 6:34)

The following Board member were absent:

Mark Roberts, Vice President

The following additional persons were present:

Alyssa Skaves, Recording Secretary
Richard Virgin, General Manager

III. AGENDA REVIEW

Summary: It was suggested the Board member resignation procedure become an agenda item at the spring Board retreat. The Board will allow time at the end of the meeting to evaluate the Board meeting as has been done in the past. Lastly, the Financial Report will be moved from the Consent Agenda to the Board Discussion portion of the meeting.

Suzanne Cattanach arrived prior to the conclusion of this discussion.

IV. MEMBER COMMENTS

No members present.

V. MINUTES

January 6th, Special Meeting: Extra consulting hours should be changed to 12. There will also be changes regarding the correction of some phrasing and typographical errors.

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Motion to accept the January 6th Special Meeting minutes with the described edits.

Motion: Sue Phillips

Second: Mona Harmon-Bowman

All in favor.

NOTE: Minutes production/editing system has been refined and made more accountable as to provide better and prompter availability of minutes to members. This should become apparent within the next few months.

January Board Meeting Minutes (2/4/14): Some changes to the language have been made to provide greater fluency and reduce confusion. Typographical errors will also be corrected.

Motion to accept the January Board Meeting Minutes with the proposed changes.

Motion: Ellen Clinesmith

Second: Mona Harmon-Bowman

All in favor: 4

Abstaining: 3, Ed Demuzzio, Lee Boltz, Suzanne Cattanach

VI. GM MONITORING REPORTS - B1 Financial Condition (Fourth Quarter)

Summary: Under B1-3, the current ratio of liquidity should be .39 instead of .065. Cash ratio should be 1.59. The Board also felt the GM Monitoring report was well prepared and improving every month.

Motion to accept the GM Monitoring Report with proposed changes. Lee Boltz seconds.

Motion: Ellen Clinesmith

Second: Lee Boltz

All in favor: 6

Abstaining: 1, Sue Phillips

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VII. CONSENT ITEMS

A. CBLD Leadership Training Report (distributed in board packet):

Motion to accept the CBLD Leadership Training Summary.

Motion: Suzanne Cattanach

Second: Sue Phillips

All in favor.

VIII. ACTION ITEMS

A. Retreat Date:

Summary: The Board discussed the benefits of rescheduling the Board retreat date to the Spring. Moving the retreat date would allow the Board to earlier revisit some unresolved business from the past few months, they would also have the opportunity to discuss improvements to Board performance and Board Policies.

Specific items suggested for addressing at the retreat are:

- Continuing to build a foundation with the process of using policy governance among all Directors.
- The above particularly in regard to what process should look like if there is an issue of removing a Director.

The Board decided the end of May or early June would be the best time for rescheduling the Board retreat and that ideally this would be the only retreat during the calendar year.

Motion to conduct a single board retreat in late May or early June of 2014.

Motion: Mona Harmon-Bowman

Second: Ellen Clinesmith

All in favor.

Action Item: Susan Zimmerman will check with Joel and send a Doodle to Board members with proposed retreat dates.

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IX. BOARD DISCUSSION

A. Member Equity: The Board wishes to change the rights of a Member-Owner (defined as any person/household who has paid \$25 toward their membership) to include the ability to run for the Board. They propose to remove the "in good standing" component of the definition of who may run for the Board.

There was also discussion about a Member-Owner's right to patronage if the entire membership fee has not been paid or if the Member-Owner is not in good standing. The Board discussed whether or not the patronage amount for unpaid Member-Owners should be put toward their membership payment. This is something the GM will have to decide.

The General Manager has also spoken to another Cooperative, whose Member-Owners are allowed to donate patronage checks to a special 501(c)(3) which uses the money for projects in the local community. This addresses a problem that some Member-Owners want to leave the money in the co-op and thus do not cash distribution checks. This same co-op also had a system where people could round up their total at the register to contribute to the same fund.

A letter with a new membership card is soon to be mailed to all Member-Owners. The letter will not address patronage refunds, not only because the Board has not made their final decision on this point, but also because the co-op is not currently experiencing enough profit to make patronage an issue. The President would also like to consult a lawyer on the issue of patronage distributions before co-op implements any specific plan.

Motion to accept the proposed change to the member equity definition as described above.

Motion: Ellen Clinesmith
Second: Mona Harmon-Bowman
All in Favor: 6
Abstaining: 1, Lee Boltz

Additional discussion/Action Item: The language in the by-laws will need to be changed to reflect the understanding that any Member-Owner can run for the Board, and that they do not need to be "fully paid" and to clarify that patronage distributions are discretionary (may be made, not shall be made) and that such payments would be consistent with state and federal law, generally accepted accounting principles, and our Articles of Incorporation. Susan Zimmerman will work on making necessary changes in draft, with support from Sue Phillips who also has some proposed by-law changes noted from Ed DeMuzzio. Changes will be prepared for next board meeting to be voted upon by the Board.

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B. Annual Meeting Agenda Planning

Summary: Two Director terms are expiring this year and the Board discussed how the elections will be conducted and whether or not running the Board elections should be a Board responsibility.

The Board would like to create a 2014 Election Task Force to handle the organization of the election. The Task Force would be responsible for publicizing and conducting the election and soliciting candidates. The Task Force should consist of both Board members and Member-Owners, however, Board members up for reelection will not be included.

Sue Phillips volunteers to chair this Task Force. Members will include Richard Virgin, and Lisa Cygan and Andy Derr if both are willing. Ellen Clinesmith will be kept informed of Task Force decisions.

There was also a question of whether the Board should put someone whose term expires in 2015 up for election for a 3 year term such that 3 people will be up for reelection in both 2014 and 2015. It was decided to leave that up to the Election Task Force to recommend.

Motion to create a 2014 Election Task Force whose purpose is to determine how the 2014 election will be conducted, including the solicitation and publicizing of candidates, and to conduct to election.

Motion: Lee Boltz

Second: Suzanne Cattanach

All in favor.

Additional Discussion Summary: The by-laws also have to be brought to the annual meeting, thus there was discussion of how they would be published and distributed. It was decided the by-laws would be made available online and Member Owners should receive a notice in the mail directing them to the website. Hard copies will also be available in the store for those who do not have access to a computer.

The annual meeting date will be posted in the store with a notice that the approval of the by-laws will be part of the agenda.

The Secretary and Recording Secretary will work on the annual meeting minutes from 2013 to share with the Board for approval at the annual meeting.

Carolyn Wilson arrived prior to the conclusion of this discussion.

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C. Review of 2013

Summary: The Board went around the table and took turns discussing 2013 in review. Overall, the Board felt 2013 had been a productive year, where they had gained some consistency within Board meetings and the Board packet. They felt the Board meetings were flowing more efficiently and predictably. The relationship between the Board and the GM also grew stronger throughout the year, as the Board worked to define their role and the GM role.

The CDS facilitated retreats were found very helpful, allowing the Board to address and accomplish things they hadn't had time for in regular meetings (like developing Global Ends). At the same time, the Board is needing less and less assistance from the CDS Consulting and that the use of consulting in general has matured.

Going forward, the Board's challenges are to understand, articulate and implement policies and procedures as they continue performing the work of governing not managing the co-op. The Board needs to remain focused on a clear vision for the Coop.

X. CLOSING ITEMS

A. Agenda Preview

Next Board Support Call is March 7th, 4:15.

March Agenda:

- Annual Financial Condition.
- Action Item is to approve Financial talking points and Bylaws
- Report for 2014 Election Task Force
- Discussion - talk about board improvements in process
- Board Monitoring Report - Unity of Control

B. Adjournment

Motion to adjourn at 8:42.

Motion: Suzanne Cattanach

Second: Ellen Clinesmith

All in favor.

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Draft minutes prepared by Alyssa Skaves on 2/23/2014.

Draft minutes reviewed and prepared for submission to Board by Sue Phillips on 3/9/2014

Minutes approved by vote of the Board on April 15, 2014 and put into final form by Sue Phillips on May 4, 2014.