

FIDDLEHEADS BOARD PACKET
APRIL 2014

FIDDLEHEADS BOARD OF DIRECTORS MEETING April 15, 2014 6:30-8:30 PM 105 Huntington Street, New London
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Time	Topic	Resource	Board Action/ Outcome	Leader
6:30-6:40	Meeting Preamble <i>Each of us is a member of the coop community and has been elected to be leaders in serving our members. May we conduct this meeting by empowering each other, treating each other with kindness, and maintaining an atmosphere of mutual respect.</i> Check-in			President
6:40-6:45	Agenda Review		Make any needed adjustments	President
6:45-6:55	Member Comments			President
6:55-7:00	Minutes February and March (board packet)		Accept minutes	President
7:00-7:05	GM Update Report		Discuss as necessary	General Man:
7:05-7:15	Consent Items-Any item can be removed for discussion at the request of a board member <ul style="list-style-type: none"> • GM Monitoring Report B6: Staff (board packet) • Board Monitoring Report D1 Unity of Control and D2 GM Accountability • Quarterly Review of Board Budget (board packet) 		Accept report	President
7:15-7:30	Consent Agenda Items needing discussion		Accept after discussion	President
7:30-7:40	Committee/Task Force Report <ul style="list-style-type: none"> • Annual Meeting Task Force (oral report) • Draft Annual Report (to be handed out at the meeting) 		To inform the board	General Man: Mark Roberts
7:40-8:00	Action Items <ul style="list-style-type: none"> • Election Task Force (oral report) • Survey Monkey (board packet) • Retreat Outcomes (board packet) 		Approve TF recommendation Approve expenditure Decide Retreat Outcomes	President
8:00-8:30	Board discussion-These items are for discussion; no action at this meeting <ul style="list-style-type: none"> • Board Chair Succession <i>Discuss board chair duties and leadership transition (board packet)</i> • Process for selecting auditor <i>Discuss questions in CBLD Field Guide Audits and Reviews (board packet)</i> 		Take action at next meeting as needed	President
8:30-9:00	Executive Session <ul style="list-style-type: none"> • Discuss Real Estate matter 		To inform the board	General Man:
9:00-	Closings			

9:15	<ul style="list-style-type: none"> • May draft agenda (Board Packet) • Meeting Checklist <ul style="list-style-type: none"> ○ Everyone was present physically and attentively ○ No sidebar conversations ○ Maintain topic focus ○ Everyone had a voice and was heard ○ Be honest but not brutal ○ Don't monopolize ○ Clarify the purpose of each agenda item to begin ○ Signal if you feel personally attacked, disrespected, or put down • Review Decisions, Tasks, Assignments • Adjourn Meeting 		Review Evaluate meeting process: what worked and what needs improvement	President President
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BOARD PACKET:

- 1) Draft February and March Meeting Minutes
- 2) GM Update Report
- 3) General Manager Monitoring Report
- 4) CDS Consulting Quarterly Review
- 5) Survey Monkey Plans
- 6) Retreat Outcomes Topics
- 7) CBLD Field Guide Audits and Reviews
- 8) May Draft Agenda

FEBRUARY MINUTES

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.

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

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

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.

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 consider.

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 coop and thus do not cash distribution checks. This same coop 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 coop is not currently experiencing enough profit to make patronage an issue. The President would also like to consult a lawyer on this issue.

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.

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.

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 coop. 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.

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 _____ and put into final form by Sue Phillips on _____.

MARCH MINUTES

II. CALL TO ORDER

Susan Zimmerman called to order the regular meeting of the Fiddleheads Board of Directors at 6:32 p.m. on March 18, 2014 at 105 Huntington Street, New London, CT.

II. ATTENDANCE

The following Board members were present:

Susan Zimmerman, President

Mark Roberts, Vice President (arrived 6:35 pm)

Sue Phillips, Secretary

Mona Harmon-Bowman

Ellen Clinesmith

Lee Boltz

The following Board member were absent:

Carolyn Wilson

Suzanne Cattanach

Ed DeMuzzio

The following additional persons were present:

Alyssa Skaves, Recording Secretary

Richard Virgin, General Manager

III. AGENDA REVIEW

Summary: The Board President reminds the board of the monthly workflow timeline and deadlines for agenda topics and documents to be included in the Board packet.

14 days prior - submit agenda topics

7 days prior - submit all documents to be included in board packet

5 days prior - President sends packet

It is established that the GM may send the Board FYI notices, should an issue come to light before the Board Meeting. Conversations over e-mail should be avoided.

Although items can be added to agenda, this is also not best practice. If something urgent comes up, the option of calling a special meeting remains available.

The February minutes will be tabled until the April Board Meeting as it appears the wrong draft was included in the Board Packet.

IV. MEMBER COMMENTS

No members present.

V. GM Update Report:

Summary: The GM reported a recent surge in Co-op activity since the birthday celebration. This includes more attendance at the store, lots of new members signing up and a growth in sales. There is a presentation on Member Involvement from the Coop Cafe scheduled for next month's meeting which will help generate ideas as to how to get the new members involved.

The GM discussed new real estate (an additional portion of the building) becoming available in the middle/end of June because Labor Ready will be leaving as a result of a change in their business model.

The GM has been in contact with other Co-ops who have considered or experienced expansion for advice and suggestions. The Board discussed a variety of information and concerns that would need resolution before a proposal could be made, for example, the

expansion would need to generate enough revenue to pay for itself and the GM would need enough support, for example an administrative assistant, to make it work.

Board Talking Point: We know the GM will be investigating this exciting possibility but there has been no proposal to the Board.

The Board will revisit the issue at the April meeting.

VI. GM Monitoring Report: B1 Annual Financial Condition

Summary: This item was removed from the Consent Agenda for discussion. The Board discussed using some simplified versions of the charts contained in this report for the Annual Meeting.

The Board decided that the Report needs a clearer statement explaining that GAAP is not currently being used and we are using the income tax basis but that there is an intention to convert to using GAAP in the future. These changes will be made to paragraph B1.10

The Board and GM also decided benchmarks for comparison would be helpful to understand the data, thus CoCoFST benchmarks will be provided in the amended report. These changes will be made to B1.2, B1.3, and B1.4.

The GM questioned the efficiency of writing the Monitoring Report on a quarterly basis, when some of information is released annually, causing the record to be repetitive in some sections. The Board decided to keep the report schedule as is.

Motion to accept the GM Monitoring Report B1 with proposed changes.

Motion: Ellen Clinesmith

Second: Mark Roberts

All in favor: 6

Additional discussion: Mark Roberts suggested changing the policy to conform to current practice as compared to simply noting non-compliance and intention to comply with best practice as reflected in policy. It was decided that he could work on formulating a proposal to submit for consideration at a future board meeting but that this did not need to happen imminently.

VII. Action Items:

A. Approve Financial Talking Points:

Summary: These talking points were in the minutes of a prior meeting and were also included as an attachment to this month's board meeting. Other than capitalizing the term Member-Owner wherever it appears, the Board was happy with these as drafted.

Motion to accept the Financial Talking Points as drafted.

Motion: Sue Phillips
Second: Mark Roberts
All in favor: 6

B. Approve Board Elections Task Force Proposal

Summary: The Board would like to change the language on the proposal to "the committee recommends proceeding as follows," rather than "the committee decided" as committees recommend action to board and do not act independently.

The proposal was to solicit nomination (self or by referral) and to have interested candidates, including current Board Members who are interested in reelection, to fill out a form with information about their ability to contribute and endorsements from at least 3 members. It was also recommended to fill the two open slots, not to shift terms and try to fill three positions this year. This can be addressed next year by electing one board member for a shortened term.

Motion to accept the recommendations of election task force.

Motion: Ellen Clinesmith
Second: Lee Boltz
All in favor: 6

C. Approve Bylaw Changes

Summary: The proposed changes are highlighted in the document included in the Board Packet. They concern the clarification of when rights flow to "Member-Owners" and when they flow only to "Member-Owners in good standing" and language concerning patronage distributions (Article V), particularly what factors will determine if and how they are to be paid and Member-Owner responsibility for considering the implications for their own taxes.

In section 2.4 the Board discussed whether or not the Articles of Incorporation need to be referenced explicitly and it was decided this was not necessary.

Motion to accept the Proposed Bylaws (no longer called Interim Bylaws) with the proposed changes and the addition of the language "to each Member-Owner's capital account" after the words "capital contribution" in section 2.3.

Motion: Sue Phillips

Second: Mark Roberts
All in favor.

Additional discussion: Susan Zimmerman will generate the final bylaws and send copies to Ellen Clinesmith (for Board Book), Richard Virgin (to make available in store) and Sue Phillips (to keep in secretary's meeting book).

D. Approve GM Compensation and Evaluation Task Force

Summary: The Task Force needs to be formed and compile everything before June. Sue Phillips, Mark Roberts, Mona Harmon-Bowman and Board Chair (may be Susan Zimmerman and may be someone else) all volunteer.

Motions to create a GM Compensation and Evaluation Task Force composed of Sue Phillips, Mark Roberts, Mona Harmon-Bowman, and the Board Chair.

Motion: Ellen Clinesmith
Second: Mark Roberts
All in favor: 6

E. Approve Board Monitoring Clarification.

Summary: The process for the board monitoring its own process is now as follows:

The recording secretary creates the survey, sends it to Mark Roberts, he approves it and notifies the secretary to distribute it to all directors. Board members are to complete the survey within one week of receipt. Mark Roberts will then access the results and compile them to present at the next board meeting

XI. Board Discussion

A. Discuss participation at CCMA?

Summary: Mark Roberts will go if no one else can but has gone in the past. Ellen Clinesmith is interested but will check and get back to the Board.

B. Remaining Agenda Discussion Items are tabled due to lack of time.

XII. Closings

A. Agenda Preview for April 15th Agenda

- Board Monitoring Reports - D1 and D2
- Report of attendees at Co-operative Café on March 15th
- Process Issues - President/GM Communication
- GM Update Report to include developments regarding possibility of leasing additional space
- GM Resubmission of Monitoring Report B1
- Changing Executive Limitations Police B1 (if desired)
- GM
- Finalize attendees for CCMA
- Review Annual Report for Annual Meeting
- Review draft of Board Member Handbooks
- Discuss process for selecting an auditor
- Election Task Force Report -Verbal (as nominations close April 13 and meeting is April 15)
- Review Board Budget
- Board Chair Succession

Mark Roberts leaves during the compilation of this list.

B. Tasks and Follow Up

Ellen Clinesmith and Susan Zimmerman will be preparing the Board Member Handbook to share with the Board at the next meeting, the idea is that every Board Member should be given one when they join the Board.

Mark Roberts will be preparing the presentation (power point) for the Annual Meeting, and will present that to Board.

XIII. Adjournment

Motion to adjourn at 8:42

Motion: Sue Phillips

Second: Mona Harmon-Bowman

All in favor.

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Draft minutes prepared by Alyssa Skaves on 3/24/2014.

Draft minutes reviewed and prepared for submission to Board by Sue Phillips on March 30, 2014.

Minutes approved by vote of the Board on _____ and put into final form by Sue Phillips on _____.

GM Report
March/April 2014

Sales for the month of March reached a new high. Sales were good throughout the month and were up considerably over February that had also been a good month.

	Mrh Wk 1	Wk 2	Wk 3	Wk 4	Wk 5	Wk 6	total
Bulk	\$2,161.05	\$9,561.97	\$9,703.02	\$10,085.19	\$10,280.17	\$2,913.85	\$44,705.25
Produce	\$3,080.60	\$12,848.03	\$13,736.96	\$13,185.70	\$14,057.30	\$4,130.25	\$61,033.84
Ref Groc	\$1,883.41	\$8,889.38	\$9,118.82	\$8,696.44	\$9,243.80	\$2,404.70	\$40,236.55
Spice & Tea	\$180.93	\$776.84	\$857.63	\$915.24	\$887.08	\$202.08	\$3,819.79
HABA Tax	\$961.41	\$5,478.69	\$5,973.85	\$5,289.58	\$5,864.96	\$1,698.71	\$25,266.29
Pkg Groc	\$3,592.09	\$14,288.31	\$13,681.34	\$13,194.07	\$13,912.59	\$4,102.51	\$62,770.91
Taxbl Groce	\$271.08	\$1,349.47	\$1,483.66	\$1,522.45	\$1,414.48	\$384.66	\$6,425.70
Cheese	\$470.53	\$1,574.27	\$1,741.57	\$1,480.69	\$1,801.23	\$368.67	\$7,437.36
Txbl Merch	\$387.14	\$1,759.57	\$1,868.56	\$2,281.83	\$2,015.73	\$672.83	\$8,985.66
Frozen	\$857.81	\$4,236.54	\$3,777.18	\$3,870.23	\$4,342.62	\$1,472.55	\$18,556.93
Bakery	\$553.36	\$1,987.40	\$1,934.28	\$1,980.06	\$1,960.88	\$448.07	\$8,863.95
Tax Bulk	\$9.07	\$77.40	\$77.43	\$71.43	\$54.76	\$32.84	\$322.93
Beer	\$69.32	\$334.78	\$379.02	\$483.70	\$484.06	\$97.45	\$1,848.33
Misc		\$46.62			\$19.50		\$66.12
soup	\$2.70	\$109.11	\$121.18	\$136.68	\$169.67	\$40.83	\$580.17
Sub total	\$14,480.50	\$63,318.38	\$64,454.50	\$63,193.29	\$66,508.83	\$18,970.00	\$290,925.50
# Cust	408	2,287	2,277	2389	2376	569	10
Ave sale	\$35.49	\$27.69	\$28.31	\$26.45	\$27.99	\$33.34	\$28.31
Misc		-\$2.00					
Four Mile	\$123.66	\$892.75	\$829.29	578.56	924.08	267.32	\$3,615.65
Bottle Dep	\$67.45	\$212.20	\$240.40	205.95	297.25	72.95	\$1,096.20
Bottle Ret	-\$58.70	-\$207.25	-\$157.85	-133.9	-173.25	-69.75	-\$800.65
Donations		\$20.00					\$20.00
Vendor Paymt							
Membership	\$60.00	\$1,029.00	\$640.00	\$596.00	\$335.00	\$20.00	\$2,680.00
Sub total	\$14,480.50	\$63,318.38	\$64,454.50	\$63,193.29	\$66,508.83	\$18,970.00	\$290,925.50
Total	\$14,672.91	\$65,263.08	\$66,006.34	\$64,439.90	\$67,891.91	\$19,260.52	\$297,533.66
Gift Cert Sale							
Ave. # cust per day							332.45

In March we had our first monthly member day with a 5% discount. Sales were not as good as when we offered 10%, but after a few months of this mode it should catch on better.

We also had our first Munch Madness Day. Sales were good on this day and we had some very remarkable activities that definitely brought in some new customers. The cake competition was outstanding in spite of their only being a few cakes. We received a great deal of positive feedback about the spring atmosphere of the store that day and it will become a regular March event.

We began putting the final touches on the member data and working out what steps we would follow in order to be able to issue membership cards. We have generated the cards and are putting together the mailing to send out. We are also in the process of training staff on how to process transactions with the cards and to take membership payments so they get properly credited to the correct household.

A lot of activity has been taking place to get ready for inventory this weekend. We are hoping to have enough people and to get it all done. This is our first time doing it on our own without Andrea, so we are all a little nervous. Kristin has worked very hard to get it put together. Hopefully we won't have any glitches.

Planning for annual meeting is well under way. In addition to the signs in the store and on eblasts, there is a flyer in the membership mailing. We also plan to give out reminder cards at the register.

During this month, Jessica James-Carnes, Lee Boltz and myself attended the Neighboring Food Coop Association gathering in Putney, Vermont. The keynote speaker this year was Roger Noonan, President of the New England Farmers Union. He talked about the important work they do in educating legislators and helping see that legislation and regulations aren't enacted that would hurt the small New England farmers. The large corporate farms often drive the legislation and regulations that are fine for them but can be horrendous for small NE farmers. It is clear that they do very worthy work since almost all NE farms are much smaller in size, scope and economy than large farms of the south, midwest, and west. I attended a session on BASICS and Healthy Food Access programs. Several coops give 10% to shoppers who are on WIC, Food Stamps, or other state approved support programs. In one coop that did this, they saw a significant increase in memberships and shoppers immediately following this change. What surprised them the most was that about 75% of the big upsurges in membership were people who didn't qualify for these programs. As usual the round table and lunch discussions were varied and interesting. I attended one on expansion and how to know when you are ready and in what direction to expand. This was interesting but there were very few commonalities across groups. The importance of data was brought up several times. I explained the process we plan to use in a couple weeks to gather data from members and non-members and they all felt that this was a very sound approach.

It has been a busy month. Our new hires are settling in and we are finding that they are multitasking people so we are giving several of them responsibilities in more than one area.

We had a meeting with one of the owners of Seawell Company. They fish in the New England waters and sell fish. We discussed the possibility of our having fresh fish from them one or two days a week. This does seem a possibility and we are looking further into this.

We are also working on a possible program of transporting food to residents of Block Island. This idea was brought to us by a Block Island resident who is a co-op member. We are working on a couple transportation options to try to make this happen.

Our program of regular sampling opportunities in the store has begun and so far has had positive results.

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GM Monitoring Report

April B6 Staff

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

The GM will not:

1. Operate without written personnel policies that:
 - a. Clarify rules for staff.
 - b. Provide for fair and thorough 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.
2. Cause or allow personnel policies to be inconsistently applied.

Interpretation:

It is not enough to have policies – managers should be trained so they understand how our policies work, and employees in a good workplace must perceive that the policies are followed consistently. The GM must see that policies are in place, are available to all employees, are understood by employees and that when other management positions are created that these managers are well schooled in the policies and how to exercise their practice in a fair and consistent manner.

The GM is in compliance with this expectation.

In December of 2013 all current employees were presented with a handbook of policies. This handbook had been very well researched and was drawn from handbooks of several other co-ops. The entire handbook was reviewed several times by an independent Human Resources expert who made adjustments to comply with legal HR regulations or normal HR practices.

The handbook was given to all employees to read. In a staff meeting numerous sections of special interest were explained and examples provided to help employees understand what a policy meant.

It appeared in writing and was pointed out to employees that they serve at will.

Employees then signed a document indicating that they had read and understood the manual. Those documents have been placed in their personnel files.

As new employees have joined our employee group, they have been introduced to the handbook in a very similar manner and have signed the document of understanding as well.

The handbook contains a grievance procedure that is objective and does not involve the Board of Directors in the process.

There have been no issues raised by employees who felt that a policy was being carried out in an inconsistent or unfair manner.

3. Fail to provide for adequate documentation, security and retention of personnel records, information, and all personnel related decisions.

Interpretation:

The Co-op will securely maintain employee and employment files for every employee and applicant for the appropriate length of time.

Operational Definitions:

- Records will be held in a secure location. Personnel records are in a locked file cabinet in the office. The GM is the only person with a key.
- The Co-op follows all state and federal requirements for record retention. All records on current and previous employees are kept. Job descriptions are provided for each position and signed copies of the job description exist with each personnel file.
- Only authorized personnel have access to employee records. (Authorization protocols are available upon request.)

4. Establish compensation and benefits that are internally or externally inequitable.

Initial pay rates were equal to or higher than those of surrounding coops. Raises have been given to all employees, however, not everyone has received the same percent of raise. This was based on work performance which has been documented.

5. Change the GM's own compensation and benefits, except as his or her benefits are consistent with a package for all other employees. I have no ability to alter my benefits or pay.

Operational Definitions:

- A current employee manual is on file in the office..
- The manual will be reviewed every 3-5 years by a 3rd party HR professional.
- The employee manual will include a specific grievance process based on the Cooperative Model Grievance Procedure. This procedure has been established.
- Staff survey responses will indicate (by a score of at least 3.25) that employees understand and approve of the grievance procedure. This has not been done as the procedure has yet to be used, thus, employees have no basis to form an opinion regarding the procedure.
- A completed Employee Acknowledgement Form (on which employees indicate that they have received and read the manual) will be in each employee's personnel file. This has been completed.
- The manual and the acknowledgement form will include specific language concerning the "at will" status of employment at the Co-op. This language appears on the form and in several places in the handbook.

- Staff survey responses will indicate (by a score of at least 3.25) that employees have received and understood the manual. This survey will be conducted later. Currently we are doing some spot checking of sections of the handbook to reinforce understanding.

The GM is in compliance with this entire section.

Quarterly Review of Board Budget

CDS Consulting Co-op

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Fiddleheads Food Co-op Q1-2014 4/7/2014

Thanks again for the opportunity to serve you! (And for working around my February schedule.)

Ongoing Support:

Hours Utilized (of 15.00) **6** Hours Remaining **9**

Do we have an established pattern of contact? **yes**

On track for balanced use of hours for the year? **yes** **Quarterly Note:**

We had great contact this quarter and hopefully we can get the retreat plan sorted out ASAP as we have lots of stuff to work on as we continue our board development and support.

Board Retreat: Saturday May 3, 2014 or 5/18 or...?

In-Person Event Attendance CBL 101: **None** Leadership Training: **3**
Cooperative Cafe: **7**

Joel Kopischske, CBLD Consultant [CDS Consulting Co-op](#) | [CBLD Program](#)

SURVEY MONKEY PROPOSAL

Susan,

It would appear that we need to upgrade our account with Survey Monkey to continue. The free account only allows us to use three respondents. The minimal upgrade is \$205 for unlimited respondents. For \$300 we get much more including text response analysis. There is a third much more expensive option with all kinds of complex logic and graphic customization that we do not need. I would like to go with the \$300 per year package.

Mark

SURVEY MONKEY PLANS
BASIC SELECT \$17 per month* * Billed \$204 annually
Unlimited questions Unlimited responses
No white-label surveys
Easy-to-use web-based survey tool
51 survey templates
15 types of questions
All languages supported (Unicode)
Page logic
Question logic
No random assignment
No question & answer piping
No question randomization
Customized themes
Brand your survey with a logo
Randomize & sort answer choices
15 pre-set visual themes
Survey completion progress bar
Auto-numbering for pages & questions
Validate/require survey responses
Fully accessible & 508 compliant
No custom redirect upon survey completion
Custom "thank-you" page
Printable PDF version
Send out your survey via weblink , email, or Twitter
Custom URL
Share your survey on Facebook
Embed your survey into a page or on your website
Deploy your survey via a website pop-up
Send your survey using our email manager
Enhanced security (SSL)
No HIPAA-compliant features
Real-time results
No text analysis
No SPSS integration
Multiple custom reports
Filter & cross tabulate responses by custom criteria
Download responses
Create & download custom charts
Share responses
24x7 email support
Customer support email responses in 2 hours or less
No phone support

SURVEY MONKEY PLANS
Most Popular GOLD \$25 per month* * Billed \$300 annually
Unlimited questions Unlimited responses
No white-label surveys
Easy-to-use web-based survey tool
51 survey templates
15 types of questions
All languages supported (Unicode)
Page logic
Question logic
Random assignment
Question & answer pipng
Question randomization
Customized themes
Brand your survey with a logo
Randomize & sort answer choices
15 pre-set visual themes
Survey completion progress bar
Auto-numbering for pages & questions
Validate/require survey responses
Fully accessible & 508 compliant
Custom redirect upon survey completion
Custom "thank-you" page
Printable PDF version
Send out your survey via weblink , email, or Twitter
Custom URL
Share your survey on Facebook
Embed your survey into a page or on your website
Deploy your survey via a website pop-up
Send your survey using our email manager
Enhanced security (SSL)
No HIPAA-compliant features
Real-time results
Text analysis
SPSS integration
Multiple custom reports
Filter & cross tabulate responses by custom criteria
Download responses
Create & download custom charts
Share responses
24x7 email support
Customer support email responses in 2 hours or less
No phone support

Retreat Outcomes

Our next Board Retreat is scheduled for May 18, 2014. We The goals we set in 2014 for ourselves were to implement policy governance and do more visioning. **For this discussion please consider how we use our retreat time to further these goals. And the outcomes we want from the retreat.**

Some suggestions, but other ideas equally welcome:

- Below is a list of topics board members and our GM have suggested the board address over the next year. The outcome would be to create a plan on how and when to address these issues.
- Another possibility would be to choose before the retreat one or two topics from the list to discuss at the retreat. The outcome would be coming to a final implementation plan for the chosen topics.
- We could include a board meeting as part of our retreat and pick one of these topics as our discussion topic. The outcome would be better board process.

POTENTIAL RETREAT TOPICS

- a. Support a strong President-GM working relationship
- b. Decide on Patronage Distribution/Member Discount Policy
- c. Decide on our short term and long term profitability model
- d. Strategize raising coop capital and debt
- e. Decide on the purpose of and approach to our membership program
- f. Use Board budget to bring in guest speakers to enlighten us on various strategies
- g. Discuss critical role of CFO at Coop - when is a volunteer no longer adequate
- h. Discuss approach needed for GM succession planning
- i. Decide criteria we want for space expansion proposal
- j. How do we improve financial monitoring?

Board Chair Succession

Over the past two years, we have had the same board chair. It has a challenging experience to manage conflicting expectations of board members and the GM. The current chair whose board term ends this year may or may not be re-elected. As a result there is possible succession question.

The goal of this discussion is to come to agreement on the duties of the board chair and to determine how we will assure a smooth transition in board chair leadership whether it is this year or in the future.

As a starting place for the discussion we have summarized a list of duties of the board chair taken from an article published many years ago in *Cooperative Grocer*. The full article can be found at

<http://www.cooperativegrocer.coop/articles/2004-01-09/what-presidents-job>.

BOARD CHAIR FUNCTIONS

Based on *Coop Board President's Job Responsibilities* by Wendy Stafford,
Cooperative Grocer, November-December 1992

CHAIRS MEETINGS

- Keeps meetings running smoothly
- Ensures work is done at board meetings
- Appoints committees
- Needs board members up to speed to make decisions
- Needs board members with the skills to make decisions
- Should have and use adequate administrative support

ENSURES BOARD IS MEETING ITS LEGAL RESPONSIBILITY

- Aware of what decisions the board makes
- Arranges for accurate minutes
- Reviews minutes before approval by the board

SETS THE AGENDA

- Determines how and when a topic is addressed by the board
- Makes sure the board has adequate information to make decisions

INITIATES THE SETTING OF BOARD GOALS

- Makes sure the board is working toward completion of the Co-op's long range goals
- Updates the board periodically on accomplished goals

LIAISON TO MANAGEMENT

Do all board members agree on the duties in this list?

Do we ask our board chair to perform these duties?

What support could we give to our board chair that we are not currently giving?

What plan do we have in place to

Process for Selecting Auditor

This article from the CBLD library is the starting place for a discussion of audits. As time permits we will discuss the questions at the end of the article.

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Audits and Reviews Field Guide by Todd Wallace and Michael Healy

Available for viewing/download from the [CBLD Library](#)

An essential part of a co-op board's fiduciary duty is the annual external monitoring of their co-op's finances and financial systems. This Field Guide introduces a process for making important board-level decisions about the two standard types of external monitoring: audits and reviews.

Choosing audits or reviews An audit of financial statements is a thorough examination of the cooperative's financial statements, allowing the auditor to give an opinion on whether those statements are fairly presented and in accordance with Generally Accepted Accounting Principles (GAAP). Among many other things, an audit will confirm if inventory and equipment are properly valued and accounted for, if operational controls for cash handling are sufficient, and if the business faces any particular financial risks. An audit will not guarantee that there are no problems or fraud within the business, but it does provide a high degree of assurance.

A financial review is less comprehensive than an audit. For a review, the auditor verifies the co-op's financial records using

data from management, but generally does not independently check to ensure the validity of that data or internal controls and accounting practices.

Public (stock) companies are required by law to have audits. Like those companies, co-ops are owned by people who are not involved in the day-to-day running of the business, and regular audits are a good tool for ensuring that the business is fully accountable to its owners. Boards of small co-ops may decide that a review sufficiently meets the co-op's needs – especially if the board has a high level of understanding of the financial statements and confidence in the financial systems, along with a strong system of board-management communication and accountability. The co-op's bylaws or a lender's loan covenant may stipulate annual audits; if not, the board can decide which type of external monitoring to use.

Making a plan

1. Craft a board-level plan about external monitoring of the co-op's finances. Learn whatever you need to know in order to choose the right kind of external monitoring and make a good plan, then document your decision in board policy.
2. Decide whether you want the whole board or a subset of the board to act as your audit committee. Clarify the roles within board policy or a committee charter. As always, delegate to a committee carefully, in a way that does not interfere with the holism of the board or with clear delegation to management.
3. Delegate responsibility for researching auditors. Your GM, your board treasurer, or your audit committee could do this research, bringing 2-3 options from which the board can choose.
4. Decide which auditor to hire.

5. Set up an initial meeting with the board and auditor to clarify the board-auditor relationship and to make sure all directors and the GM understand the audit/review process.
6. As the audit/review progresses, check in with the auditor periodically to ensure that the process is progressing normally.
7. Receive and review the auditor's written report. Within the report and/or management letter, look for the auditor's expressed opinion about the financial statements and about management decisions and practices. Pay particular attention to information in the audited/reviewed documents that is unfamiliar or surprising, and to any suggestions the auditor has made to the board and management.
8. Invite the auditor to a board meeting to talk about the report's contents, especially any noted concerns or recommendations.
9. Review and then reaffirm or revise the overall external monitoring plan. Is there anything you need to change for the next round? Have you found a way to incorporate or monitor progress on the auditor's recommendations? Do your annual calendar, board policies and committee charters still accurately reflect your agreements?
10. Share relevant information about your co-op's financial condition with your members, perhaps in your Annual Report.

Questions for discussion

Why is it in the best interest of your management, board and owners to have regular audits or reviews?

What mechanisms do you have in place to ensure good, clear accountability of the co-op's finances to protect the co-op's assets?

Does every director understand the board's current practice for external monitoring of the co-op's finances and the rationale underlying that practice? Can each of you explain that practice in a way that your members can easily understand?

Resources

Biery, R.M. and Gregg Capin. "Meeting Audit Standard with Thorough Policy Governance Implementation," Board Leadership, Mar-Apr 2009. <http://onlinelibrary.wiley.com/>

Carver, John. "What do the federal governance requirements for corporate audit committees mean for the Policy Governance board?" Board Leadership, May-June, 2003. <http://onlinelibrary.wiley.com/>

Lee, Randy. "Understanding Audits," Cooperative Grocer, April-June, 1989. www.cooperativegrocer.coop.

Mahoney, Rosemary. "Annual Audits – Board Responsibilities," USDA Rural Business and Cooperative Development Service, April 1995. www.rurdev.usda.gov/rbs/pub/cir41/cir41.pdf

Whitman, Martha. "Trust and Verify: Don't Monitor Alone," the LEADer, winter 2011. www.cgin.coop/leader

FIDDLEHEADS
BOARD OF DIRECTORS MEETING
 May 20, 2014
 6:30-8:30 PM
 105 Huntington Street, New London

Time	Topic	Resource	Board Action/ Outcome	Leader
6:30-6:40	Meeting Preamble <i>Each of us is a member of the coop community and has been elected to be leaders in serving our members. May we conduct this meeting by empowering each other, treating each other with kindness, and maintaining an atmosphere of mutual respect.</i> Check-in			President
6:40-6:45	Agenda Review		Make any needed adjustments	President
6:45-6:55	Member Comments			President
6:55-7:00	Minutes April (board packet)		Accept minutes	President
7:00-7:25	GM Update Report		Discuss as necessary	General M
7:25-7:30	Consent Items-Any item can be removed for discussion at the request of a board member <ul style="list-style-type: none"> • GM Monitoring Report B1 Financial Condition • Board Monitoring Report D3 Delegation to the GM and D4 Monitoring GM 		Accept report	President
7:30-7:40	Consent Agenda Items needing discussion		Accept after discussion	President
7:50-8:00	Action Items <ul style="list-style-type: none"> • 			President
8:00-8:30	Board discussion-These items are for discussion; no action at this meeting <ul style="list-style-type: none"> • Committees <ul style="list-style-type: none"> ○ What committees do we need? ○ Do we have charters for these committees? ○ How will we track committee activities? 		Take action at next meeting as needed	President
8:30-8:45	Closings <ul style="list-style-type: none"> • June draft agenda (Board Packet) • Meeting Checklist <ul style="list-style-type: none"> ○ Everyone was present physically and attentively ○ No sidebar conversations ○ Maintain topic focus ○ Everyone had a voice and was heard ○ Be honest but not brutal ○ Don't monopolize ○ Clarify the purpose of each agenda item to begin ○ Signal if you feel personally attacked, disrespected, or put down • Review Decisions, Tasks, Assignments • Adjourn Meeting 		Review Evaluate meeting process: what worked and what needs improvement	President President

BOARD PACKET:

- 9) Draft April Meeting Minutes
- 10) GM Update Report
- 11) General Manager Monitoring Report
- 12) Board Monitoring Reports
- 13) June Draft Agenda

