

FIDDLEHEADS BOARD OF DIRECTORS

Board Meeting of February 17, 2015 [Approved March 17, 2015]

I. CALL TO ORDER

Susan Zimmerman called to order a regular meeting of the Fiddleheads Board of Directors at 6:35 p.m. on Tuesday February 17th, 2015 at 105 Huntington Street, New London, CT.

II. ATTENDANCE

The following Board members were present:

Susan Zimmerman, President
Mark Roberts, Vice President and Treasurer
Sue Phillips, Secretary
Carolyn Wilson
Mona Harmon-Bowman
Lisa Cygan
Suzanne Cattanach

The following Board Members were absent:

Ellen Clinesmith

The following additional persons were present:

Staff:

Collen O'Reilly
Alison Wydler
Paul Petranek

Member: Joanna Herrick
Sheila Herbert, Acting Co-Manager
Kristin DeMuzzio, Acting Co-Manager
Ed Demuzzio, co-op member assisting GMs with financial monitoring

The Board welcomed new member, Lisa Cygan, who will fill a vacancy until annual meeting in May 2015.

Mark Roberts distributed a handout on what GAAP (Generally Accepted Accounting Practices) is all about.

III. AGENDA REVIEW

Summary: Mark Roberts asks for an executive session at end of meeting for 5 minutes for a personnel issue. Board agrees.

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IV. MINUTES OF PRIOR MEETINGS

A. Minutes of January 20, 2015

See edits in packet.

Motion to approve: Mark Roberts

Second: Carolyn Wilson

6 in favor with Suzanne Cattanach abstaining.

V. BOARD DISCUSSION

A. Review of 2014

Board members shared responses to question of what were **Board's greatest accomplishments in 2014**. Items noted were:

- Development of being a policy governance board
- Reviewing and making decision not to pursue Parcel J
- Adopting an amended Board Calendar
- Great retreats
- Developing Ends Policy
- Improving ability to work together as a team/Board mechanics
- Networking regionally and internationally

Also discussed **Goals for 2015**:

- Continue building capacity and developing Board and GM relationship
- Continue finding ways to creatively make community richer
- Communicate ends and have short and long term goals – strategic planning
- Address both Board and GM succession (Board through larger recruitment efforts – including succession for Presidency and other officer)
- Use physical space most effectively
- Broadening use of co-op model throughout community – educate public and non-profit entities
- More Board-Membership involvement/engagement
- Collaboration with Willimantic Food Co-op

President will compile information in order to be able to refer back/utilize in agenda and retreat planning. Discussed briefly the possibility of a joint Board Retreat with Board of Willimantic Food Co-op that would be in August (when Willimantic Food Co-op normally has theirs).

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B. Discussion of Videos

The goal is for Board members who watched some CDS videos to report back on what they learned and also to review call summary from CDS consultant.

Important items noted were:

- Roles and responsibility being clearly delineated and understood: board, GM, staff, membership
 - Board looking forward: directional
 - Staff operational – but what does “operational” mean?
- No surprises – communication before Board meetings with President and GM and at times between management/staff and full Board
- Board members working with staff on special projects to build capacity/relationships
- Making sure GM has support – can happen by staying focused not just on common goals but common humanity
- That CDS has a lot of tools so that co-op’s do not need to figure everything out on their own
- Simply having a reference point – the experience of other co-op’s which is the same/different as Fiddleheads’ experience
- Ripple effect: tone, workers and community
- Chain: board support GM, GM feel good and support staff, staff morale supports positive community experience with co-op
- Four major recommendations from video:
 - Informal support meetings
 - Quarterly check-in meetings
 - Board communication monitoring reports twice a year
 - Monitoring report process that can reflect style/focus of different GMs
 - Using process to learn how board and GM can work together – not simply as mechanistic process

There was some discussion around staff/GM meeting informally with individual Board members in order to get to know them and perspective and vision for co-op more personally. There is a challenge to not discuss strategic or operational issues. This would not replace monthly meeting with Board President and Co-Managers, it would be more social and not related to housekeeping and organization. Probably will not be on-going but more related to having new GM(s)/Board members. No specific decision made.

There was also discussion around clarifying what constitutes an “operational” issue that Board should be hands off and defer to management staff and making sure Board is aware of operational issues that might dominating discourse among staff/membership.

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There was a lot of conversation about this between Board President, Co-Managers and Board Consultant earlier this month. Co-Managers are willing to be mindful of anticipating when Board members may hear about issues from members or staff between Board meetings to ensure there are efforts to communicate either with President for further dissemination or with full Board. This is most likely to arise in relation to financial issues. Co-Managers will bring such issues to Board President for decision on whether and how to share with full board.

Request was made for future discussion of roles and responsibilities and both defining operational issues and how to handle process of keeping Board informed. This may include doing two half-day retreats vs. one full-day retreat. President will broach issue of a half-day retreat in the next few months with CDS consultant in next Board support call (which is February 25th at 4:00 p.m.).

Quarterly check in and board support will both be on agenda for March regular meeting. Co-managers will be circulating questions for quarterly check-in, either using the ones suggested by video or developing some specific to Fiddleheads' current situation.

Board thanks Co-Managers for suggesting review of videos and encouraging Board members to access additional videos.

C. Update on Board Support

Helene Bardinet will be helping circulate and compile Board monitoring reports until a Board Administrator has been secured.

Per co-managers there should be a job description by end of next week and should be able to start search process by March. Could potentially have someone on Board by the end of March. Board budget includes \$300 per month for Board Administrator and \$100 per month for recording secretary. Hopefully the Board Administrator could act as recording secretary and we will not have over-budgeted.

Given how time-consuming it is to generate Board Packet, President requests interim support. Co-managers will approach current staff and offer to increase hours to allow this person to add assembly of Board Packet to existing job duties.

There is now a locked file cabinet at Fiddleheads for personnel files and other confidential files.

VI. MANAGERS' UPDATE REPORT

Document is in Board Packet.

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Acting Co-Managers clarified that the storewide strategic plan has been compiled incorporating the strategic plans for each division within the co-op. That document is available for inspection at the store. Sheila Herbert indicated that the final strategic plan is pending her global review and ensuring that all the parts coalesce into a meaningful whole. Thus, she will do some immediate polishing/organization and that although it is a “work in progress” the general contours have not and will not change significantly. Board is reminded that strategic plan is a road map for how to collect and report data on operations back to Board, and that Board does not need to review an updated document (draft strategic plan was part of the B2 Planning and Budgeting Monitoring Report presented at the December meeting).

VII. GM MONITORING REPORT B1: FINANCIAL CONDITION and ACTIVITIES (4th Quarter)

B.1.2:

Insufficient margin percent reported for Merchandise (non-food) because there was too much inventory in December. This was addressed operationally by not acquiring additional inventory and selling inventory off during December. This resulted in no costs but high income for one month and the Merchandise department has a plan to prevent this situation from developing again in the future by monitoring what sells and what does not and only purchasing items that move within a couple of months.

B.1.4:

Clarification was sought and offered on the use of the “Quick Ratio” as a measure of solvency. Graph under B.1.4 at top of page 5 shows CoCoFist mean of 1.25:1 and that recommendation is no more than 1.1:1. The Acting Co-Managers indicate that goal should in fact be 1.25 for a retail food co-op, which is the actual recommendation of CoCoFist.

Board observes that co-op is not in compliance with means B.1.4, although it is promising that our ratio is now .95:1 which is higher than in the past. This section will be clarified for next month.

B.1.7:

Board sought additional clarity around whether tax payments are current and whether Acting Co-Managers are reporting compliance. This section will be clarified for next month.

B.1.8:

Board notes that there is no data to support compliance with this item. This item will be updated for next month.

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B.1.10:

Although compliance with using GAAP is reported, this has not been an item of compliance in the past, Board would like data to document compliance or lack thereof. Acting Co-Managers clarify that processes are compliant although Annual Report was not. Plan is that Annual Report will be issued in two versions, income tax basis and GAAP compliant basis.

This item will be updated to reflect discussion as well.

Attachments are experienced by Board members as too exhaustive. Acting Co-Managers will seek to streamline what is presented by them in the monthly board packets.

Motion to accept Monitoring Report B.1 with the changes indicated to be presented in March.

Motion: Mark Roberts

Seoncd: Mona Harmon-Bowman

All in favor.

All non-board member attendees have now left the meeting with exception of Ed DeMuzzio and Paul Petranek.

VIII. ACTION ITEMS

A. Governance Committee

Report is in Board Packet. Additionally, the Committee reported orally that there was significant interest, with 15 people attending a meet and greet and expressing interest in exploring Board service and/or other service opportunities (committees, task forces, etc.). Five individuals were specifically interested in running for positions on the Board. Interest believed to have been generated by sending individually addressed correspondence rather than impersonal

Request is made to change chair of Governance Committee to Mona Harmon-Bowman and Helene Bardinet (member-owner) as Mark Roberts having positions of both Board Vice President and Treasurer is already absorbing a lot of his time and energy.

Motion to appoint Mona Harmon-Bowman and Helene Bardinet as co-chairs of governance committee.

Motion: Mark Roberts

Second: Suzanne Cattanach

All in favor.

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B. Revision of Policy C8

Request is to make policy on Board Budget consistent with decision made at last meeting with completion of budget planning in September rather than October.

Motion to revise policy C.8 to reflect budget development to be completed in September each year, rather than October.

Motion: Mark Roberts

Second: Suzanne Cattanach

All in favor.

C. Annual Meeting Task Force

Report is in Board Packet.

Requests that its charter be expanded to include working with Governance Committee to both include preparing Annual Report and setting up process for elections to occur at the Annual Meeting. Governance Committee will continue to recruit candidates and inform Annual Meeting Committee of candidates.

Motion to accept charter of Annual Meeting Committee and to expand it to include development of Annual Report and coordination of Board Elections.

Motion: Susan Phillips

Second: Carolyn Wilson

All in favor.

D. Talking Points for 2014 Financial Condition

These were distributed via email earlier today. There are, in circulation, some documents/information about operating loss for calendar 2014. These talking points direct Board members to report (paraphrased):

- Essentially broke even for 2014
- There was a noticeable sales slow down during the 3rd quarter but 4th quarter saw a “bounce back”
- There were some significant non-recurring expenses, particularly related to potential expansion to Parcel J
- Operations in good shape for 2015, strong sales, improved back room operations and realigned staffing
- Final budget numbers are not yet available but will certainly be included in Annual Report in May

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Motion to accept talking point on 2014 budget.

Motion: Mark Roberts

Second: Mona Harmon-Bowman

All in favor.

IX. EXECUTIVE SESSION TO ADDRESS PERSONNEL MATTER

Motion to enter executive session at 8:44 p.m.

Motion: Mark

Second: Carolyn

All in favor.

Executive session was exited at 9:23 p.m.

Separate minutes of executive session are routinely taken and maintained in a separate confidential file. No decisions were made. President and Vice President are exploring options for strengthening existing cooperative management systems.

X. CLOSINGS

A. Next Month Agenda (discussed prior to executive session):

Monitoring Reports:

- a. B1 4th quarter revisions
- b. B7: Board Communication
- c. B8: Board Support
- d. C8: Governance Investment
- e. D1: Unity and Control

Board Discussions:

- a. Board Budget
- b. Board Succession
- c. Board Retreat

B. Adjournment

Motion to adjourn at 9:25 p.m.

Motion: Mona Harmon-Bowman

Second: Lisa Cygan

All in favor.

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Draft minutes prepared for submission to board by Sue Phillips on March 5, 2015.

Minutes approved by vote of the Board on March 17, 2015 and put into final form by Sue Phillips on March 18, 2015.