

FIDDLEHEADS BOARD OF DIRECTORS

Board Meeting of January 20, 2015 [Approved February 17, 2015]

I. CALL TO ORDER

Susan Zimmerman called to order a regular meeting of the Fiddleheads Board of Directors at 6:30 p.m. on Thursday January 20th, 2015 at 105 Huntington Street, New London, CT.

II. ATTENDANCE

The following Board members were present:

Susan Zimmerman, President
Mark Roberts, Vice President
Sue Phillips, Secretary
Carolyn Wilson
Mona Harmon-Bowman
Ellen Clinesmith

The following Board Members were absent:

Suzanne Cattanach

The following additional persons were present:

Kristin DeMuzzio, Acting Co-Manager
Colleen O'Reilley, staff
Alison Wydler, staff
Paul Petranek, staff

III. AGENDA REVIEW

Summary: Moving approval of November 5th minutes to be discussed in executive session.

IV. MEMBER COMMENTS

No comments.

V.A. MINUTES OF PRIOR MEETINGS

A. Minutes of November 18^h

Motion to approve: Mark Roberts

Second: Ellen Clinesmith

All in favor with one abstention (Sue Phillips)

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B. Motion to Approve Minutes of December 16th

Motion to approve: Mona Harmon-Bowman

Second: Mark Roberts

All in favor with one abstention (Sue Phillips)

C. Motion to approve minutes of January 8th

Motion: Mark

Second: Mona

All in favor.

V.B. EXECUTIVE SESSION

Motion to go into executive session at 6:42 p.m. to discuss minutes of November 5, 2014 and executive session minutes of January 5, 2015

Motion: Mark Roberts

Second: Carolyn Wilson

All in favor.

During executive session approved minutes of January 8, 2015 executive session minutes and agreed to return minutes of November 5, 2014 to meeting agenda.

Separate minutes of executive sessions and any action taken therein are maintained in a confidential file.

A. Motion to approve minutes of November 5th

Motion: Carolyn Wilson

Second: Sue Phillips

4 in favor, 2 opposed

VI. BOARD DISCUSSION

A. Restricted Savings Accounts

Overview: Although there was a belief that we had a restricted savings account, based on report of prior Board Treasurer, President investigated and discovered that there is actually no formally restricted saving account. This discovery is consistent with Articles of Incorporation. Nevertheless, in light of prior belief/representation, we would like to formally remove any restrictions on any accounts.

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Motion to remove restrictions from any and all co-op accounts.

Motion: Mark Roberts

Second: Ellen Clinesmith

All in favor.

B. Board Communication and Support

Overview: Documents (policies and strategic plan) are in board packet explaining:

- that General Manager is expected to ensure board is not without administrative support
- that Board is supposed to have an annual budget to ensure adequate attention and investment in board leadership capacity
- that final board budget is submitted to GM in July for the next year

Concerns have been expressed that:

- Board members bear an unusually high burden of taking care of routine and administrative matters, particularly President and Secretary; and
- Board budget should not be captive to GM approval (but must be within co-op's financial means).

In terms of Board administrative support, Kristin DeMuzzio agrees that managers they should undertake hiring an administrator to support both Board and Managers by working with both Managers and Board President and Board Secretary to address administrative needs of Board. This process will start by Managers drafting a job description in consultation with Board President. She will start by working with Board President to draft a job description and targeted having an administrator hired by March 1.

Regarding the Board Budget, there was discussion that best practice allows Board to set its own budget in consultation with GM rather than allowing GM to make sole final determination. Guideline from CDS is that Board Budget would appropriately be between .25 and .5 of operating costs. Our last Board Budget was over .5 percent, but it is believed that this overage was due exclusively to legal fees. It is also consistent with the experience of other small co-ops to be at the high end of the range. Finally, it is also not unexpected that Board of new co-op will need more support, especially during transition into policy governance. To wrap up Board Budget discussion it was agree that Board will endeavor to get its budget to GMs by September, rather than the current October deadline.

There was also a discussion on how to improve the process of getting the Manager's monitoring reports into the Board Packet enough in advance of each Board Meeting to ensure that all Board members are able to familiarize

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themselves with contents. This has been a chronic concern, significantly pre-dating current management.

Co-managers report that difficulties they have experience in timely completion of monitoring reports have included getting necessary information from other individuals (especially external to co-op) in a timely fashion to allow for comprehensive and thorough monitoring report. It is agreed that co-managers should endeavor to comply with existing time frames and Board should not attempt to change process or timing at this point, simply to have compassion for how challenging the monitoring report process can be for a new GM.

Board expressed general satisfaction with content of recent monitoring reports. Board believes that process will get easier and thus submissions will be timely in the future. Co-Manager also noted that the process of generating report is helpful to management and staff, not only the Board.

As a final point of discussion, there is a CBLD video that Co-Managers strongly recommend. They felt 2 most valuable ideas to develop a strong working relationship between GM and Board in the GMs first year (as gleaned from video) were: (1) having a quarterly progress report; and (2) having just interpretation not data in monitoring reports.

Management proposed making the cultivation of Board – GM relationship an agenda item once Shelia Herbert is back at work following recently breaking her ankle. This agenda item will include asking Board to watch video in advance, but will involve Co-Managers bring ideas as to how to cultivate our relationship during this first year and the Board will actively participate in deciding which ones to try to implement in partnership with management.

C. Review 2014

Tabled until another meeting.

VII. MANAGER'S REPORT

A. Manager's Update Report

In Board Packet. Board has no discussion and appreciates articulation of manager priority areas.

December sales were reported as "excellent." Amount was \$280,000. Not best month ever, but much higher than a few months ago and it has decreased the annual operating deficit for 2014.

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B. GM Monitoring Report: Policy B.3 Asset Protection

Co-Manager clarified that if external review (which is currently pending) reveals any inadequacies in current coverage that need to be immediately addressed Board will be updated. There are some questions about employment practices (EPLI) coverage, and this will be raised with reviewer if he does not identify it as a deficiency. Right now, although Fiddleheads does not have EPLI, many other co-ops do not either, so managers are waiting to see if this is identified as a deficiency. In March there will be an updated monitoring report on insurance coverage.

Motion to accept monitoring report B.3. on asset protection.

Motion: Mark Roberts
Second: Carolyn Wilson
All in favor.

C. Request from Managers

This was discussed in the context of item VII-B: Board Communication and Support.

VIII. ACTION ITEMS

A. Elect Board Treasurer

Mark Roberts is nominated by Carolyn Wilson and Mona Harmon-Bowman. This would be in addition to his current duties as Vice President. He accepts nomination.

Motion to elect Mark Roberts and Board Treasurer.

Motion: Carolyn Wilson
Second: Mona Harmon-Bowman
All in favor.

B. Appoint new board member: Lisa Cygan

Motion to appoint Lisa Cygan (former Board Member 2011-2013) to fill open Board seat until election in May 2015 (at which time someone is elected to fill unexpired portion of vacant seat). She has finished a master's degree program, has available time, and is enthusiastic about rejoining board.

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

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C. Approval of GM monitoring calendar.

The proposal is in Board Packet. It reflects calendar year schedule vs. fiscal year schedule. The quarterly progress reports are new, questions to be reviewed are included as attachment to calendar, and this process reflect CDS best practices. At each “quarterly review” session the managers typically prepare responses to the questions and then there is discussion of questions and managers’ answers. Further details will be discussed with CDS consultant.

Necessary amendments include moving conference to Boise; moving Board Budget submission to September.

Mark Roberts noted that board monitoring will depend on hiring a Board Administrator.

Motion to approve as amended GM Monitoring Calendar as amended.

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

D. Approve Annual Meeting Date of May 3, 2015

Motion to set date of 2015 annual meeting on May 3, 2015.

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

IX. CONSENT ITEMS

These are approval of the following Board Monitoring Reports:

- C5 – Code of Conduct
- C6 – Officers
- C7 – Committee Principles

Motion to approve all consent items.

Motion: Mark Roberts
Second: Mona Harmon-Bowman
All in favor.

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X. CLOSINGS and ADJOURNMENT

A. February 17th agenda was reviewed

Will include discussion of new manager/board relationship and with Board members attempting to watch recommended videos in advance of meeting.

Will include discussion of Board Budget Process.

Will include quarterly financial monitoring report (4th quarter of 2014)

Will include Review of Board work in 2014 and goals for 2015

Reminder to Board Members: submit proposed agenda topics at least 2 weeks in advance.

B. Adjournment

Motion to adjourn at 8:18 p.m.

Motion: Ellen Clinesmith

Second: Mark Roberts

All in favor.

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Draft minutes prepared for submission to board by Sue Phillips on January 31, 2015.

Minutes approved by vote of the Board on February 17, 2015 and put into final form by Sue Phillips on March 5, 2015.