

JANUARY BOARD PACKET
Fiddleheads Board of Directors
January 21, 2014

**FIDDLEHEADS
BOARD OF DIRECTORS MEETING**
January 21, 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 November 2013 (board packet)		Accept minutes	President
7:00-7:30	Audit • Presentation of January-July 21, 2013 Audit		Accept Audit	Treasurer
7:30-7:35	GM Update Report		Discuss as necessary	General Manager
7:35-7:40	Consent Items-Any item can be removed for discussion at the request of a board member • GM Monitoring Report B4: Membership • GM Monitoring Report B9: Succession	Policy C3.II Policy C3.III <i>What To Do with Unacceptable Monitoring Reports</i>	Accept report	President
7:40-7:50	Consent Agenda Items needing discussion		Accept after discussion	President
7:50-8:00	Action Items • Annual Member-Owner Meeting (Board Packet) <i>Set date for Annual Member-owner Meeting Decide who plans the Annual Member-owner Meeting</i> • Revised Board Monitoring Proposal (Board Packet) <i>Discuss and approve revised proposal to monitor board policies</i>	<i>Annual Meetings and Annual Reports</i>	Approve Date Establish task force if needed Approve revised policy	President
8:00-8:30	Board Discussion-These items are for discussion; no action at this meeting • Board Procedures and Process <i>Discuss improvements in record keeping</i> ○ Board Book ▪ What is it (minutes, board packet, practices, monitoring reports, bylaws, etc.)? ▪ Where is it kept? Do we want an		Take action at next meeting as needed	President/El Clinesmith

	<ul style="list-style-type: none"> <ul style="list-style-type: none"> <ul style="list-style-type: none"> electronic version? <ul style="list-style-type: none"> ▪ Who is responsible for keeping it up to date? ○ Talking Points <ul style="list-style-type: none"> ▪ What topics? e.g. financials, policy governance ○ Committees <ul style="list-style-type: none"> ▪ What committees do we want? ▪ Do we have charters? ▪ How do we track committee activities? • Board Member Resignation <i>What follow-up to the recent board resignation do we need to do as a board?</i> 	<p>Policy C7 Board Committee Principles <i>How to Use Committees To Do Boardwork</i></p>		Mona Harm Bowman
8:30-8:45	<p>Closings</p> <ul style="list-style-type: none"> • March 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 		<p>Review Evaluate meeting process: what worked and what needs improvement</p>	<p>President President</p>

BOARD PACKET:

- 1) Draft November Meeting Minutes
- 2) GM Update Report
- 3) General Manager Monitoring Reports
- 4) Annual Member-Owner Meeting Considerations
- 5) Revised Board Monitoring Proposal
- 6) February Draft Agenda

DRAFT NOVEMBER MINUTES

I. CALL TO ORDER

Susan Zimmerman called to order the regular meeting of the Fiddleheads Board of Directors at 6:33pm on November 19, 2013 at 105 Huntington Street, New London, CT.

II. ATTENDANCE

The following Board members were present:

Susan Zimmerman, President
Mark Roberts, Vice President
Ed Demuzzio, Treasurer
Lee Boltz
Mona Harmon-Bowman
Carolyn Wilson
Sue Phillips
Ellen Clinesmith
Suzanne Cattanach

The following Board members were absent:

Jamie Lee, Secretary

The following addition persons were present:

Richard Virgin, Fiddleheads General Manager
Alyssa Skaves, Recording Secretary

III. MEMBER COMMENTS (By board policy limited to 2 minutes per speaker.)

No members present.

IV. APPROVAL OF MINUTES FROM PRIOR MEETING(S)

Date of Meeting: September 17, 2013 and October 15, 2013

Discussion/Corrections: September: Food Access, typo, and incomplete sentence over C-Retreat Outcomes, UNFI

Motion to accept September Minutes:

Movant: Mark Roberts **Second:** Ellen Clinesmith
All in favor: 7, Carolyn Wilson and Susan Zimmerman abstain

October: Agenda review- 2nd sentence has action items twice, redundant, remove floating period consent items description – list consent items off the agenda
bottom pg. 4 member-owner, Mona's

Board discussion- Motion: Board discussed whether to further analyze results of the May self-assessment and instead decided to implement monitoring policy. Motion that Mark Roberts would prepare a proposal concerning board monitoring.

Next meeting topics – post retreat debrief, also space between Mark and Roberts

Motion to accept October Minutes:

Movant: Mona Harmon-Bowman

Second: Ellen Clinesmith

All in favor: 8, Suzanne Cattanach abstains

Motion to create a five-minute segment for GM Update Report between Minutes and Consent Items. Action is to be discussion (as necessary) and the discussion will be lead by the General Manager.

Movant: Sue Phillips

Second: Ed Demuzzio

All in favor: 9

V. GM Update Report:

Summary: GM is looking for input on a Grievance Procedure and discusses some procedures he has researched, including the selection of a grievance mediator either from the staff or from the pool of Member-Owners. There was further discussion of how this mediator would be chosen and how long they would serve, also if Member-Owners who are judges in the community or have a background in conflict resolution might be best qualified. The formation of a grievance counsel with elected representatives was also discussed. Other ideas/suggestions are to be given to GM

VI. Consent Items: All Consent Items Removed for Discussion

VII. Consent Items Removed for Discussion

A. GM Monitoring Report B6 Staff Treatment

Summary:

Sue Phillips had concerns about the difficulty of collecting outdated pages of the employee handbook.

The eventual need of an HR manager/director was also discussed.

There was a question about whether “consideration” like a bonus might be needed before policies are significantly changed.

The Board suggested dates be put on individual policies, with a revision number and date. They also asked that a master copy, either hardcopy or electronic, be available for employee reference.

The General Manager has been researching other coops for ideas on tiers of supervision as more managerial positions are needed. There was also a brief discussion of benefits options in the future, especially paid time off, and health insurance (unless Affordable Care Act appears to be viable for most employees). It was GM’s suggestion that this matter is best left to an HR manager/director when funding and timing allows for such a position.

Item 5: typo – shall not change the GM's own compensation and benefits.

The Board needs to amend Policy B6 concerning treatment of employees to set an expectation for employee safety, as the document also states that the GM is responsible for the safety of the employees, however there are no sub items.

Motion to accept GM Monitoring Report:

Movant: Mark Roberts

Second: Lee Boltz

All in favor: 9

B. Quarterly Financial Report

Brief explanation of the reports. Some items, like refrigeration costs, are not reflected on the income statement. Different options for discussing income with employees and members were suggested and discussed as whether they posed a risk of misunderstanding the numbers. Mona noted that employees see sales and income and think Fiddleheads is doing really well and don't realize the cost of new infrastructure is equivalent to new income. It was reported by GM that in order for the board/employees to get a satisfactory financial statement on a quarterly basis, a business manager would need to be hired. Some board members believe this information is not necessarily needed on a quarterly basis. Because such statements require a lot of work, and it is best suited for a bi-annual report.

Mark Roberts would like to see a comparison income statement with prior year and a statement with the year to date. Although the quarterly reports were not done last year, a year to date statement comparison is possible.

The Board also discussed the creation of financial talking points for Board members such that everyone is delivering the same information, thus allowing for further questions to be directed to the General Manager.

Motion to accept Quarterly Financial Account:

Movant: Mark Roberts

Second: Suzanne Cattanach

All in favor: 8, Susan Phillips abstains.

VIII. Action Items:

A. Board Monitoring Proposal

Summary: Mark Roberts proposes the use of survey monkey to evaluate board opinions on the different policies. One policy would be presented every month and the results could be discussed at the following board meeting. A flaw was pointed out in this system in that the current policies are multi-part and would require more data collection and discussion than is possible.

This proposal was tabled and revisited once more information is gathered.

B. CBLD Program Contract

Summary: The contract is an additional \$350 this year from last year and will be modified to include the amount: \$6,500

The Board decided that they still would like ongoing CBLD support but they would like to use the consulting hours differently, for example, for help with committees and task forces. This means Check-in calls could occur every other month to free consulting hours for these purposes. Also, Board input on

topics for Check-in calls and a report of the call for board discussion would be helpful. The board would like to keep track of how the hours are used in quarterly reports from CLBD for review.

Motion to approve CLBD contract for 2014:

Movant: Ellen Clinesmith

Second: Suzanne Cattanaach

All in favor: 9

C. Policy Register A: Ends

Summary: There are some typos, A3 shoppers, Southeastern Connecticut should be spelled out the first time followed by (SEC) and referred to as SEC from then forward. Locally-based, capitalization in all the titles needs to be consistent. Food justice is present twice and “healthy workplace” could instead be captioned “a model for a great place to work.”

This document was tabled for further work before a vote, to be discussed in December.

IX. Discussion Items:

A. Conference Schedule for 2014

Summary: There was a discussion of different conferences available this year. Board members are to report any additional conferences they would like to either attend or bring to the attention of the Board. Consensus was to get board members to CDS events, go to CCMA and NOFA, do not go to Balle.

B. Notice of Board Meeting

Summary: The Board asked the GM if notice of Board meetings could be put in the weekly eblast about 2 weeks prior to board meetings. The GM said yes, however, it would be helpful if the calendar for next year was finalized in order that the GM has all of the dates.

C. Board Email Accounts

Tabled for discussion in December

X. CLOSING DISCUSSION

Next meeting topics:

- II. Head Auditor has volunteered to present to the board and answer questions and he will be given 30 minutes in the schedule.

Election of new Board Secretary

Process: Removal of Board Member, discussion, action outcome, Executive Session

Monitoring Proposal, Ends, 2014 Calendar of Board Meetings, Board Book discussion moved to January

Debrief: The Board measured their performance staying within the following parameters:

Everyone be present physically and attentively

No sidebar conversations

Maintain topic focus

Everyone have a voice and should be 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

XI. ADJOURNMENT

Mark Roberts moved to adjourn at 8:42pm. The motion was seconded by Mona Harmon-Bowman.

All in favor: 9

Draft minutes submitted by: Alyssa Skaves on: 11/24/2013.

Draft minutes prepared by: Alyssa Skaves on: 11/24/2013.

Minutes approved by vote of the Board on: _____ *(date)*

GM UPDATE REPORT

General Managers Report December/January 2013/2014

In December one of our goals was to make the co-op a festive place and one that people recognized could meet their shopping needs for the holidays. Our success in this endeavor was mixed, but overall positive. Our traditional sale of baking items, especially in bulk, was high as it normally is this time of year. Next year I hope to do some more creative signage to make these items easier to find. We had seasonal taped music playing and have started having live music every Saturday for a portion of the time of the Farmer's Market.

Sales of merchandise items were good as we had quite a few items that made very nice gifts. We also created some gift baskets for the first time. While the sales were not huge, we learned a number of things in doing these and are planning baskets for various spring events that we believe will be excellent opportunities to cross market items from several departments.

Our Refrigeration Fund Drive was successful. We are doing final accounting but we raised over \$23000 and also a \$5000 credit on a new piece of refrigeration equipment. Our Wine and Cheese Event in December was a very pleasant and successful evening. We are currently meeting with representatives of produce coolers to determine what features we want in a new produce cooler to replace the one that caused the flood in October. Speaking of that, both sections of laminate flooring in the co-op were replaced and paid for by our insurance coverage.

We are currently working as a staff on ways to reduce various costs of doing business to help strengthen our margin without raising prices. There will be more news to follow in this area.

We did complete our fourth quarter inventory and ended up using it as an opportunity to train a group of members whom we will pay to do it quarterly. There are two major companies who do this and one does a fine job, but is based in mid New Jersey and finds it too costly in time to come to eastern Connecticut for one project. The second company has had various problems that have caused them to not appear each time they were scheduled and we are no longer willing to try to work with them. Doing it ourselves will cost us more the first couple times, but then should become a smooth operation.

We are very busy with plans for our birthday weekend celebration. We will need everyone's help with this major event in the co-op life.

GM MONITORING REPORTS

Monitoring Report For January, 2014
Submitted by Richard Virgin, General Manager

Executive Limitations B4-Membership Rights and Responsibilities

The General manager shall now allow members to be uninformed or misinformed of their rights and responsibilities.

The GM will not:

- I. Create or implement a member equity system without the following qualities:
 - a. The required member equity, or fair share is determined by the Board.
 - b. Members are informed that equity investments are at risk.
 - c. Equity will not be refunded if such refunds would lead to a net decrease in total member paid in equity, or would risk, cause or exacerbate non-compliance with any Financial Condition policy.

Interpretation: My interpretation of this above is that the equity portion of the membership is an amount determined by the BOD and that members need to understand that this money is at risk. It also means that requests for refunds of equity will not be honored if doing so would create a situation which would be financial unsound or violate provisions of B 1, or if we simply don't have the funds.

Historically the by -laws of Fiddleheads Co-op have stated that the equity portion of the membership payment is \$25. The Bylaws also state that requests for refund of equity can be made if the BOD believes that refunding the equity will not put the co-op in jeopardy and there adequate funds to make the refund. Members of Fiddleheads have never been directly told that their equity funds are risk, but it is stated in the bylaws.

I believe I am in compliance with this Limitation. During the past year we have had two requests for refunds that I have honored. One was a member who had just joined for \$25 and then decided that she really wouldn't make the trip to New London from where she lived in order to shop and asked for her \$25 back. The second was a fully paid membership of a regular shopper who took a job in California and wanted his membership money back so he could join the co-op in his new community.

- II. Implement a patronage distribution system that does not
 - a. Comply with IRS regulations
 - b. Allow the Board to examine a range of options and implications, so the Board can make a timely determination each year concerning how much, if

any, of the Cooperative's net profit will be allocated and distributed to members.

Interpretation:

I believe this item is clear that any patronage distribution I design needs to not violate IRS regulations and that rather than designing one option, I should design several to present to the BOD so that they have choices to decide among and that I should not simply provide one proposal.

I believe I am in full compliance with this limitation since we have not been in a position to need or utilize a patronage rebate system.

**Executive Limitations B9
Emergency GM Succession**

To protect the Board from sudden loss of GM services, the GM shall not have less than one other manager sufficiently familiar with Board and GM issues and processes to enable her/him to take over with reasonable proficiency as an interim successor.

Interpretation:

The BOD needs to know who will be in charge if I am suddenly unable to fulfill my duties.

I believe I am in compliance with this item. Since there is no other management level of personnel at the co-op at this time, there would be a team of persons who would manage the co-op. These three people would work together to make day in and day out decisions and would work with the treasurer or Financial Manager to make fiscal decisions. When additional managers are hired and have been on site for sometime, then a new plan will be created.

ANNUAL MEMBER-OWNER MEETING DISCUSSION

Joel's email response to my question about Annual Meeting planning:

Annual meeting is good joint exercise for the board & GM. It's primarily a board responsibility but many of the details are the kinds of things the GM has the experience & resources to take care of.

General thoughts

- a. *I think good annual meetings have a blend of food, business, education and fun. One way to describe the components of a great annual meeting:
Celebration. Let's have a good time together. Food, fun, music, beer, etc.
Inspiration. Let's remember why we're doing all this work. Talk about (report on) Ends, what difference we're making in our community.
Perspiration. Let's focus on the work itself. What's it look like? Who's doing it? What could members do to help?*
- b. *Here's a brief overview from the CBLD Library: [Annual Meetings and Annual Reports](#) with some good additional resources at the end.*

Consider adding me to the planning committee or otherwise keeping me in the loop.

Peace.

Joel

*Joel Kopischke
Owner/Member, CDS Consulting Co-op*

REVISED BOARD MONITORING PROPOSAL

Fiddleheads Food Cooperative

Revised Proposal for Monitoring Board Policies

Need: There are 14 policies governing board performance. The board approves each December a monitoring calendar for the following year. Currently division among the 12 months is as follows:

- C: Global Governance/D. Global BoD-Management
- C1: Governing Style
- C2: Board's Job
- C3: Agenda Planning
- C4: Meetings
- C5: Code of Conduct
- C6: Officers
- C7: Committee Principles
- C8: Governance Investment
- D1: Unity of Control
- D2: GM Accountability
- D3: Delegation to GM/D4: Monitoring GM

Proposal: The Board of Directors review each policy through a survey emailed to each Director from Survey Monkey, immediately following each Board Meeting. This survey is to be completed within one week to facilitate consolidation of the results in a timely matter with adequate lead time to be in the subsequent month's Board Packet. The first mailing for January will be mailed following the December 2013 meeting. The board will designate a member experienced in surveys to prepare the survey and compile the results. Duties of the recording secretary will include support to prepare and compile the survey.

Questions for Discussion:

- Who prepares survey monkey each month?
- Who compiles survey results and prepares report?
- Do we include the report in our board book?

GP8 - Governance Investment

1. GP8-1: We will make sure that Board skills, methods and supports are sufficient to allow us to govern with excellence.

Strongly Disagree Somewhat Disagree Neither Disagree Nor Agree Somewhat Agree Strongly Agree

We are meeting our expectations (within the last 6 months):

Other (please specify)

2. GP8-2: We will incur governance costs prudently, though not at the expense of endangering the development and maintenance of superior capability.

Strongly Disagree Somewhat Disagree Neither Disagree Nor Agree Somewhat Agree Strongly Agree

We are meeting our expectations (over the last 6 months):

Other (please specify)

FEBRUARY DRAFT AGENDA

FIDDLEHEADS BOARD OF DIRECTORS MEETING February 18, 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 January (board packet)		Accept minutes	President
7:00-7:25	GM Update Report		Discuss as necessary	General Manager
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 B1 Financial Condition 		Accept report	President
7:30-7:40	Consent Agenda Items needing discussion		Accept after discussion	President
7:40-7:50	Action Items <ul style="list-style-type: none"> • Bylaws Task Force Charter 		Approve Charter	Lee Boltz/ Sue Phillips
7:50-8:30	Board Discussion-These items are for discussion; no action at this meeting <ul style="list-style-type: none"> • CBLD Leadership Training • Review of 2013 <i>Reflect on the following questions</i> <ul style="list-style-type: none"> ○ What were the board's greatest accomplishments in 2013? ○ What contributed to those successes? ○ What are the board's biggest goals for 2014? ○ What will help us achieve these? 		Take action at next meeting as needed	Sue Phillips/ Carolyn Wilson/ Susan Zimmerman
8:30-8:45	Closings <ul style="list-style-type: none"> • March 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 		Review Evaluate meeting process: what worked and what needs improvement	President President

	<ul style="list-style-type: none">○ Signal if you feel personally attacked, disrespected, or put down• Review Decisions, Tasks, Assignments• Adjourn Meeting			
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BOARD PACKET:

- 7) Draft January Meeting Minutes
- 8) GM Update Report
- 9) General Manager Monitoring Reports
- 10) Bylaws Task Force Draft Charter
- 11) March Draft Agenda