

FIDDLEHEADS BOARD OF DIRECTORS

Meeting of July 29, 2014 [Approved August 19, 2014]

I. CALL TO ORDER

Susan Zimmerman called to order the special meeting of the Fiddleheads Board of Directors at 6:33 p.m. on July 29, 2014 at 105 Huntington Street, New London, CT.

II. ATTENDANCE

The following Board members were present:

Susan Zimmerman, President
Mark Roberts, Vice President
Ellen Clinesmith
Carolyn Wilson
Ed DeMuzzio
Suzanne Cattanach (arrived at 6:41)
Mona Harmon-Bowman
Bonnie Tompkins

The following Board member were absent:

Sue Phillips

The following additional persons were present:

Alyssa Skaves, Recording Secretary
Richard Virgin, General Manager

III. AGENDA REVIEW

Summary: No one has anything to add to the proposed agenda.

V. DISCUSS AND APPROVE REAL ESTATE PROPOSAL

Summary: In order to make real estate expansion profitable, Fiddleheads sales would have to increase by 3.8% in order to cover the additional rent, so about an extra \$110 a day. This figure does not include personnel increases. The GM believes this is a doable goal and has been looking into strategies to draw in new customers. There will be about 37 employees total and this additional expense should be considered. Average cost per employee has not been determined yet but will be looked at in the future, especially where employees have already been separated into departments to determine departmental expenses. The numbers provided in the proposal do include additional expenses for contingency.

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An expansion would allow the produce section to continue to grow, along with adding some additional retail space. The extra office space lease would start August 1st. Based on the Sources and Uses statement in the proposal, the project could be financed with \$6,000 from the refrigeration fund and borrowing \$20,000 from CFNE. It was noted that a borrowing of \$20,000 or less goes through a staff review at CFNE. Any larger loan has to go to the loan committee which takes somewhat longer for approval. The normal interior renovations budget could probably cover the difference, however, the budget does not reflect how much of that money is available on hand.

The GM explained the alternative proposal to locate a second cooler outside the back door would be cost \$5,000. The cooler can't easily go outside because the pavement is not level and some sort of shelter would need to be built. Additional prep space for produce and better use of back stock space would not be resolved with this solution

In response to whether the alternative of a store reset in the current location reducing retail space to give more back space, this alternative was not considered.

The GM said contractor would need about 3 weeks' notice before they were ready to start. He looked into buying used sinks and other materials, but found the savings were negligible.

Motion to accept lease addendum #4 to include additional space at 115 Broad St. and 102 Huntingon Avenue.

Motion: Mark Roberts
Second: Mona Harmon-Bowman
All in favor: 8

Motion to accept 115 Broad St. space expansion as proposed.

Motion: Mark Roberts
Second: Ellen Clinesmith
All in favor: 8

Motion to seek an additional Cooperative Fund of New England (CFNE) loan for up to \$20,000.

Motion: Mark Roberts
Second: Ellen Clinesmith
All in favor: 8

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VI. GM MONITORING REPORT-ENDS POLICIES

Summary: The Board reviewed the report and discussed the benefits and drawbacks of the process. The Ends were interpreted by the GM and are to become the basis for strategic planning. The GM reports data back to the board and the Board's job is to discuss whether interpretations are a reasonable interpretation. The purpose of today's discussion is to review how the ends will be measured to give the GM guidance in his interpretation for the next year. To that end, the Board clarified with the GM their intent behind terms in the Ends statements:

Healthy: On account of the awareness raised by Fiddleheads, this definition may include the expansion of farmer's sales and increase in healthy foods sold by other grocers to compete. It may also include the health fairs, healthy living workshops, and the startup of other Co-ops. All of these things point to an increased healthy food awareness in our community.

Robust: This definition may include sales growth, the presence in the community, Fiddleheads' overall strength (in membership or equity) and that impact on farmers, other Co-ops. Technology may also drive robustness.

Inclusive: This definition includes the notion of a just, equal opportunity Co-operative, where no one is excluded. This means, for example, maintaining a low mark-up on products to ensure no one is excluded on account of their social status. This could also cover fair treatment of members and employees.

VII. EXECUTIVE SESSION

Motion to go into executive session to discuss the GM Evaluation and Compensation Proposal.

Motion: Mark Roberts
Second: Ellen Clinesmith
All in favor: 8

Executive Session ended at 8:54pm.

Motion to accept the GM Evaluation and Compensation Letter as presented with changes as discussed.

Motion: Suzanne Cattanach
Second: Bonnie Tompkins
In favor: 7
Opposed: 1

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VIII. ADJOURNMENT

Motion to adjourn at 9:00pm.

Motion: Ellen Clinesmith

Second: Mona Harmon-Bowman

All in Favor: 8

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Draft minutes prepared by Alyssa Skaves on August 14, 2014.

Draft minutes reviewed and prepared for submission to Board by Susan Zimmerman on August 14, 2014.

Minutes approved by vote of the Board on August 19, 2014 and put into final form by Sue Phillips on August 26, 2014,