

FIDDLEHEADS BOARD OF DIRECTORS

Minutes of Board Meeting of February 21st, 2023

(Approved by the Board on March 21st, 2023)

I. CALL TO ORDER, ATTENDANCE, ANNOUNCEMENTS

A. Call to Order

Brenda De Los Santos called to order a regular meeting of the Fiddleheads Board of Directors at 6:31 pm on Tuesday, February 21st, 2023 at 300 Bank St. and via conference call.

B. Attendance

The following Board directors were present:

Brenda De Los Santos, President
Sehar Mahmood, Vice President (remote)
Robin Harris, Treasurer (remote)
Danny Spurr, Secretary
Amelia Lord (remote)
Monica Chapman
Olivia Jenkins
Amy Duval
Chevelle Moss-Savage (remote)

The following directors were not present:

The following additional persons were present:

Rachel Watrous, Interim General Manager
Katie Blanchard, Board Administrator
Lexa Juhre, Staff/Owner
John Cleveland, Staff/Owner (remote)
Renee Beaulieu, Staff/Owner
Angela Nobs Shollman, Owner (remote)
Brian Conkey, Owner

C. Check-ins and Agenda Review

1. Directors shared check-in's.
2. Director Reviewed the Agenda
3. **Amelia Lord will be stepping down as a Board Member** since she has a close relationship with Rachel Watrous, the current General Manager.
 - a. Added "Playbook" to the Agenda, potentially within the Staff/Board Task Force section.

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D. Owner Comments

1. Owners were thanked for their attendance.

II. APPROVE DRAFT MINUTES (6:36 - 6:38)

1. Minutes from January 17th, 2023 Board Meeting
2. Minutes from January 25th, 2023 Special Meeting
3. Minutes from January 30th, 2023 Special Meeting

Motion to approve the minutes of the January 17th, 2023 regular Board Meeting as well as the minutes of additional Special Meetings on January 25th, 2023 and January 30th, 2023 as amended.

Motion: Amy Duval

Second: Olivia Jenkins

All in favor. Monica Chapman abstained having not attended the January 17th and 25th meetings.

III. CONSENT AGENDA (6:38-6:39)

1. Equity Refund Request
 - a. None this month.
2. Approve the 2023 Board Calendar

Motion to approve the consent agenda.

Motion: Danny Spurr

Second: Monica Chapman

All in favor.

IV. COMMITTEE/TASK FORCE (6:39-7:17)

A. Nominating Committee:

1. Interested candidates
 - a. Brian Conkey
 - b. Brenda De Los Santos' sister, Melissa, is also interested in running.
2. Deadline to declare BoD Candidacy is set for the end of March.
3. The Nominating Committee will draft a statement to owners to go out soon
 - a. A more tailored call for candidates

B. Staff/Board Task Force:

1. Review Minutes
2. GM Job Description Proposals
 - a. The staff/board task force discussed their aspirations for the GM Role
 - i. Highlights include this being a sustainable and aspirational position that is comfortable with delegation.
 - ii. The task force also stressed the importance of the GM's commitment to diversity, equity, inclusion, and community.
 - b. The task force also looked into how other co-ops structure their management teams and the collaborative approach of GM reports.

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3. The next task for this committee is the playbook for how to deal with a crisis moving forward.
 - a. The task force is crafting a survey/google doc to gather information from the staff perspective.
 - b. It was mentioned that the Board is working on a timeline for how they handled the event.

C. GM Search Committee:

1. Columinate offers a full support package or an hourly option. Before deciding an option a committee should be formed. There was another proposal from a recruiter that is more costly. It is possible that the Board would want to contract with a recruiter at some point if more applicants were needed.
2. The GM Search Committee would partner with the Columinate representative, and do the legwork before introducing promising candidates to the Board.

Motion to accept option A for the Columinate GM hiring support.

Motion: Amy Duval

Second: Amelia Lord

All in favor.

3. The Committee should consist of 4-5 members.
 - a. 2-3 staff members/owners
 - b. 2-3 Board directors
 - c. It was suggested that the Staff/Board task force solicit interested staff to serve on the committee.
 - d. It was suggested that the nominating committee also discuss serving on this committee with interested candidates.
 - e. Danny will draft a GM Charter for the next meeting

D. Annual Meeting Committee.

1. The Annual Meeting is usually held in May.
2. The bylaws state that the purpose of the annual meeting is to elect Board Members.
 - a. Quorum can be met for bylaw revisions through online voting as well.
3. It was suggested that the Nominating Committee transition into the Annual Meeting Committee
 - a. Previous Annual Meeting Committee charter had the GM as the primary point person and organizer with the ability to delegate tasks to Directors, staff, and owners.
 - b. Danny will draft a modified Nominating Committee charter that will include Annual Meeting Committee tasks for the next meeting.

VI. GM MONITORING REPORTS (7:17-7:24)

A. B1 Financial Condition (Q4 2022):

1. It was noted that the GM monitoring report needs to be signed.
2. There was clarification of "new leasing standard" in GAAP (generally accepted accounting principles).
 - a. According to GAAP the standard will not only state the cost of the lease but also the worth of the equipment included in the building.

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- b. Compliance with the new provision will require the store's accounting firm to confirm compliance. The Co-op's current accounting firm, Wegner, is no longer able to retain us as a client so the store is currently working to find a new firm.
3. There was a net income question. Roughly half of the net income reported is a result of sales and the other half is a payment from NCG.

Motion to Approve GM Monitoring Report for B1 Financial Condition (Q4 2022) noting noncompliance for B1.10 (compliance with GAAP standard) related to not having yet adopted the new leasing standard, ASC 842:

Motion: Danny Spurr

Second: Monica Chapman

All in favor.

VII. DISCUSSION / ACTION ITEMS (7:24-8:08)

A. Board Monitoring Surveys

1. C: Global Governance
 - i. There was a question about "Acting on behalf of our owners, the Board ensures that our co-operative produces benefit and value, while avoiding unacceptable actions and situations." How do we define "Benefit and Value".
 1. It was suggested that this could be the Ends, but that there is more value beyond the Ends—such as the groceries the Fiddleheads sells.
2. C1: Governing
 - i. There were comments about accountability and re-establishing the Board/GM relationship.
3. It was suggested to bolster Board participation with the Board Monitoring Report by including a link to the Board Monitoring Report in the Google calendar event.
4. It was suggested to just include that month's policies in the packet to be discussed in the Board meetings as the policies have been updated but the surveys still represent the old language.
5. The Board will stop using the Board Monitoring survey system for now.

B. 2023 Board Theme: Accountability

Motion to instate the Board Theme for 2023 as "Accountability."

Motion: Amelia Lord

Second: Amy Duval

All in favor. Amelia Lord abstained as she stepped down from the Board.

C. Instatement of the GM

1. There was a question about hiring an interim Produce manager.
2. There was a question about the timeline for transitioning the GM Contract.
 - i. The Board will be ending its temporary administrative assistant contract with the former GM, Lexa Juhre. The Interim GM, Rachel Watrous intends to hire Lexa as a direct employee to provide administrative assistance to the IGM. This transition will happen in the next few weeks and be approved by the Executive Committee.
 - ii.

Motion to approve Interim General Manager contract for Rachel Watrous:

Motion: Monica Chapman

Second: Olivia Jenkins

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All In favor. Amelia Lord abstains

Motion to empower Executive Committee to determine Lexa Juhre's last day as an administrative assistant to the Board:

Motion: Amy Duval

Second: Danny Spurr

All In favor.

D. Monitoring Reports with IGM

1. The Board discussed how to best support the IGM with the monitoring reports.
2. It was suggested that assistance in the creation of monitoring reports can be delegated to other staff.
3. The Board can be flexible with monitoring reports, but they will need to be provided in some form to provide the Board with evidence of compliance with policies governing the IGM.
4. The IGM can hire a consultant/mentor for coaching on monitoring reports or other GM tasks.

E. GM Search Proposal from Melanie Reid and Recruiter Info from Brett Myers

1. This was voted on during the discussion surrounding the GM Search Committee.

F. NCG Designated Representative

1. Lexa is currently the designated representative to NCG (National Co-operative Grocers). It was suggested to transfer this title to the current IGM, Rachel.
2. It was noted that the Board must designate a new representative within 10 days after losing the previous representative.

Motion to designate Rachel Watrous as the NCG Designated Representative.

Motion: Amy Duval

Second: Robin Harris

All In favor. Amelia Lord abstained.

G. Asset Protection: Insuring Funds

1. Rachel requested opening a new bank account to ensure all Co-op funds are FDIC insured.

Motion to empower Rachel Watrous to start a new bank account at Northeast Family Federal Credit Union to ensure all Co-op funds are FDIC insured.

Motion: Amy Duval

Second: Monica Chapman

All In favor.

The Board signed the pertinent paperwork related to opening the account. Rachel will reach out to directors not physical present at the meeting to get there signatures.

H. Directors & Officers Insurance - Proposal for Renewal

1. This is the same insurance the Board used in the previous year. The cost of this policy has increased somewhat but will still fit within the Board's budget.

Motion to approve renewal of Directors and Officers insurance:

Motion: Monica Chapman

Second: Amy Duval

All In favor.

I. CPA Selection Process & Timeline

1. The Board contracts with a CPA for a review and/or an audit each year. The Co-op's current

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CPA will no longer be able to work with Fiddleheads so a new CPA will need to be found.

2. Robin, as the treasurer, will work with Rachel to contract with a CPA firm for a financial review.

Motion to empower Rachel Watrous and Robin Harris to find a CPA Firm and empower Rachel to enter into contract with the CPA firm and conduct a financial review this year.

Motion: Amy Duval

Second: Amelia Lord

All In favor.

J. Real Estate Update

Motion to empower Rachel to enter into contract with realtor Beth Sabilia to assist in negotiating a lease for 15 Broad Street as well negotiating with the current tenant regarding a purchase agreement.

Motion: Amy Duval

Second: Olivia Jenkins

Amy withdraws her motion

Motion to approve corporate resolution lease.

Motion: Monica Chapman

Second: Amy Duval

All in Favor

Motion to approve corporate resolution asset purchase.

Motion: Amy Duval

Second: Olivia Jenkins

All in favor.

Motion to authorize a maximum purchasing amount.

Motion: Olivia Jenkins

Second: Amy Duval

All in favor.

Motion to empower the executive committee to approve the finalized agreement.

Motion: Amy Duval

Second: Monica Chapman

All in favor.

VIII. CLOSINGS (8:08- 8:24)

A. Owner Comments:

1. Owners expressed excitement over all of the motions passed during the meeting.

B. Meeting Talking Points:

1. Reviewed the B1 Financial Condition Monitoring reports (Q4 2022)
2. Instated new Interim General Manager, Rachel Watrous.
3. The Board bid farewell to Amelia Lord who has stepped down from the Board given her close relationship with the new IGM.

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4. Approved resolution to open an account with Northeast Family Federal Credit Union.
5. Approved the GM Search Proposal Contract with Melanie from Columinate.
6. Heard updates from the Staff/Board Task Force Committee.
7. Started a CPA selection process.
8. The Board set their 2023 theme as "Accountability."

B. Tasks and Responsibilities:

1. Danny will put together charters for the GM Search Committee and the Annual Meeting Committee.
2. Brenda will sign a contract for GM Search Proposal Contract with Melanie from Columinate.

D. Upcoming events

1. Restorative Justice Workshop on March 1st, 2023 from 6-8pm.
2. NFCA Annual Meeting on March 18th in Greenfield, MA.

X. Meeting Adjourned

Motion to adjourn meeting:

Motion: Monica Chapman

Second: Danny Spurr

All in favor.

Meeting adjourned at 8:27 pm

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Draft minutes prepared for submission to the Board by Katie Blanchard and Danny Spurr on March 21st, 2023.

Minutes approved by vote of the Board on March 21st, 2023, and put into final form by Katie Blanchard on March 21st, 2023.