

**Frederick County Consumer Cooperative  
Board of Directors Meeting  
April 26, 2018  
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**Board members present:** Lisa Williams, Annie Marshall, John Beutler, Sasha Crum, Sibylle Mangum, Kate Moss, Elina Myers, Megan Schneebaum

**Staff members present:** Bob Thompson, Erin Zavala (meeting minutes)

The meeting was called to order at 6:00pm by Lisa Williams, Board President. A quorum was present. Kate and Elina said they would be joining the meeting between 7 & 7:30.

**Consent Agenda**

The Consent Agenda, including refund requests from owners 8086, 3155, 7412, 7373, who are moving, and 3375, 5959, 5565, who are refunding for other reasons, was approved. An additional refund request for Owner 5919 was added because they are moving. John moved for approval, Annie seconded. All were in favor.

**Owner Comment Period**

An owner named Evan was in attendance. He was here for observance and to see if he's interested in running for the board. There will be a discussion on directors up for re-election.

**Staffing Announcement**

Lisa announced that Sasha was promoted to Marketing Communications Manager and now directly reports to Bob. A clear policy on staff members being on the Board will need to be drafted. Lisa proposes that it is fine for Sasha to be in the meeting tonight. All were in favor. Lisa advised Sasha to use her best judgement to not participate in certain activities/actions to avoid any conflicts of interest.

**Electronic Monitoring**

The Monitoring Report was not printed out prior to the meeting, so the Board was unable to review. This will be revisited next month.

**GM Monitoring – B3 Financial Condition**

This month's reporting is for the 3<sup>rd</sup> quarter and Year To Date performance. We are fully compliant with all financial indicators. Sales growth is still at 9%. Labor is dropping, and margins are increasing. Since Bob began working here, our starting wage has increased from \$8.50 to \$13.00/hour and we have lowered prices dramatically on over 100 items. All this was achievable by cutting down on shrink items. We will continue to lower prices in the future. Around the country 6 coops closed last year, 12 are in jeopardy, and 20 more are on the edge. Small co-ops are struggling; we are considered an extra-large coop. Our net income, debt:equity ratio, and sales growth all place above our peer group. Sales from last week were up 11.3%. Café did \$61,000 in sales; nine months ago, the record was \$50,000. Café now has a margin. Lots of work has been done with café and meat department. Meat department is up 9% in sales; six months ago it was down 2%.

March P&L: quarter's margin 39.1%. Two years ago, Café was losing around \$1000 per day. Last march it lost a fraction of that. Same with meat. In March the store earned almost \$100,000; throughout the 3<sup>rd</sup> quarter the store earned \$220,000. Year To Date, the store has \$350,000 in earnings. The 3<sup>rd</sup> quarter is going well because most money was spent during first half of the year, so spending is down now. EBITDAP will be close to \$700,000 by year's end.

FY 2018 sales margin labor report: Bulk foods sales are up 13%. Grocery, café, MSC, produce, and wellness are all up from last year. Wellness has seen a \$100,000 increase in profit from last year. A more streamlined receiving process has helped to up their numbers.

NCG reports: Across the country coops are struggling. NCG reviews our numbers and assesses our risk factors. We've sent a lot of people for training, which bodes well with NCG. We are in a great position heading to the fourth quarter and into 2019. We will start to implement weekly profit and loss monitoring for each department as well as taking inventory every 21 days for verification against profit & loss.

Annie moved to accept, Sasha seconded. All were in favor.

#### **New shelf tags update**

Bob noted that we are adding new shelf tags to all the aisles with health attribute icons. Marketing will make vinyl clings with a key to the icons that will be placed on the floor at each end of the aisles.

#### **Expansion Discussion**

Bob discussed three options for expansion that are currently being considered. Pros and cons of each option and its location were discussed.

#### **Approval of BOD 17-18 Budget:**

Board meeting expenses will remain the same. The Board development budget was increased in 2017 in anticipation of mailings that would be sent; this budget will remain the same. The annual insurance rate increase is anticipated to be 12%. The budget includes funds for Coop Grocer Subscription that is paid every March. There is room in budget for extra sympathy and appreciation gifts. The CBLD quarterly payments increased by \$10; typically it increases by \$50, so the budget will account for \$50 in anticipation of next year. The training budget includes funds for the CCMA conference. There is no change in regional coop meeting expenses. The annual Board retreat budget is significantly lower than last year; it was adjusted by nearly \$1,500.

Sasha moved to approve, John seconded. All were in favor.

#### **Board Elections Update & Incumbent Declaration:**

Sibylle, Elina and Jim are up for re-election. Sibylle will run again. Elina wants to run again but will be starting clinicals at the hospital and would be able to commit to only 8 of 12 meetings. Lisa will check in with Jim as to whether he will run again. A bulletin will be posted in the next Spoonful. The nomination period will be longer than in previous years so candidates can have the chance to attend at least one meeting before running. There will be two information sessions on June 14<sup>th</sup> and June 23<sup>rd</sup>. Next month there will be a discussion on what Board members are able to attend those info sessions. Sasha will find the old files used for presentations at the info sessions and send to the Board to check for any content updates that need to be made.

Applications will be available after the next Spoonful is distributed on May 4. The Spoonful will feature a call for candidates with info on how to apply. Applications will be emailed to [board@commonmarket.coop](mailto:board@commonmarket.coop) and Kate, Board

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Secretary, will check for these. There was discussion about opening an online voting portal. It is likely too late to implement for this year, but something to consider for future elections.

**Odds & Ends:**

There was a discussion on when to hold this year's Board retreat. November 17<sup>th</sup> is a potential date.

We will go forward with Sasha staying on board until a policy on staff members holding space on the Board is finalized.

John's update on advocacy committee: Grady has gone forward with the League of Women Voters to organize a candidate forum for the County Council at Large election. The forum will be held on June 12 from 7-9pm at the Unity Church (5112 Pegasus Court, Suite E, Frederick MD). There are 9 candidates for 2 positions on the County Council; at the time of the meeting, 6 candidates, including Kai Hagen, Danny Ferrar and Mark Long, have committed to the forum. The Common Market and the League of Women Voters will each pose 8 questions. The Board discussed what The Common Market will provide for the forum.

We will schedule another forum ahead of the main election in November. John and Grady are working with Marketing to add landing page on the Common Market website for advocacy committee to help spread word and provide info on how to get involved.

Kate will be stepping down from position on Board. The Board will fill the remainder of her term with a candidate from the election; whichever gets the least number of votes would be appointed to her term. Sibylle will likely volunteer to take Kate's position because she plans to move once her son graduates.

CCMA: Sibylle & Elina will be attending CCMA in Portland at the end of May. One more meeting before they head off. Annie wants to put together a silent auction basket of Coop branded items to contribute to CCMA. Sasha will discuss this with marketing team.

There is a new documentary about Coops: Food for Change. The producers are aiming to have 50 screenings in October, National Coop Month, and we might want to consider sponsoring a screening. This would fall in line with a lot of our ends: marketing, advocacy and communication. Kate will forward information to Lisa, John and Sasha.

At 7:53 Lisa motioned to adjourn to executive session; Annie seconded.

Minutes taken by Erin Zavala.