

Frederick County Consumer's Cooperative

Board of Directors Meeting

January 23, 2014

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Board members present: Jim Hanna, Patton Allen, David Cloutier, Annie Marshall, John Beutler, Lisa Williams, Kate Moss, Maria Acker and Mike Sincevich.

Staff members present: Sarah Lebherz and Sue Leveille.

The meeting was called to order at 6:00 pm, by David Cloutier. A quorum was present.

Consent Agenda The following correction to the minutes will be posted by Sue; MAFCA meeting date will be corrected to read April 5th. John motions to approve minutes with changes, Jim seconded and it passed unanimously.

Additional Owner Refund #3925. Jim motions to approve, Mike seconded and it passed unanimously.

Electronic Monitoring – C3 Delegation to GM; D6 BOD Committee Principles

John reported the Board is in compliance. Section C 3.3 of the survey showed policy wording inconsistencies. John and Sarah will ensure that the Board surveys reflect the most current policies and changes.

GM Monitoring – B3 Financial Condition; B4 Asset Protection

B3 - Sarah reported full compliance and 12% sales growth during this quarter. John motions to approve, Pat seconded and it passed unanimously.

B4 - Sarah reported full compliance.

Sarah pointed out that though the Kroll Bond Rating for one of our accounts is less than a "B" rating, the amount is fully insured so funds have not been moved at this time.

Maria motioned to approve report, John seconded and it passed unanimously.

Sevenanda loan discussion

Sarah presented a \$25,000 loan request for Sevenanda Cooperative (Atlanta) to the Board for discussion, accompanied by data on the store's status and turnaround. The NCGA is serving as a broker for the loan campaign and Sevenanda needs 8 stores for the loans to move forward.

Kate motions to approve extending the loan to Sevenanda Co-op, John seconded and it passed unanimously. Sarah will update the Board if/when the other loans are secured.

Finalize strategic plan; discuss education schedule

Strategic plan - David added the review of our annual audit policy to the strategic plan. It will be discussed further and decided on no later than March.

Maria motions to approve the strategic plan, Annie seconded and it passed unanimously.

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Approve Board calendar; discuss retreat dates

Maria requested that the Board Budget Fiduciary draft discussion begin in March (instead of April) to prepare for final approval in May. The Board agreed and John Beutler will adjust the calendar accordingly.

John motioned to approve calendar with retreat dates pending and with changes, Jim seconded and it passed unanimously.

Retreat date discussion - David proposed Nov 8th and a possible Nov 9th for the half day training session which will depend if any new Board members are elected in 2014. Once the date is confirmed by Board members, David will contact Michael Healy.

Odds and ends:

OAD sign-ups: February 20-22

Sue will edit and post OAD sign-up sheet on google docs.

Patronage Rebate update/sign-ups -

Sue will edit and post the patronage rebate phone call schedule on google docs.

Good of the Order

John B reported Southern States-Brunswick Co-operative is dissolved and bought out. Maria discussed the issue of there being no grocery store in Western Maryland and expressed the frustrations expressed by the community.

NCGA is starting to look into branch (partnering) co-ops along with start-ups.

Sue reported on Owner Drive & the 40th Anniversary promotional materials.

Annie motioned to adjourn to Board dinner at 7:15pm, Pat seconded and it passed unanimously.

Notes taken by Sue Leveille.

**Frederick County Consumer's Cooperative
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February 27, 2014
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Board members present: Patton Allen, David Cloutier, Annie Marshall, John Beutler and Mike Sincevich.

Staff members present: Kendra Varnon and Sue Leveille.

Board members Absent: Maria Acker and Lisa Williams.

The meeting was called to order at 6:03pm, by David Cloutier. A quorum was present.

Jim Hanna arrived at 6:17pm.

Kate Moss arrived at 7:00pm.

Consent Agenda

Owner Refunds: #5700 and #4276; Moving.

Additional Owner Refunds: #5442 moving and #3485 other.

Annie motioned to approve additional Owner Refunds, Jim seconded and it passed unanimously.

Electronic Monitoring – D3 BOD Agenda planning and minutes

100% Compliance.

GM Monitoring - None

Education/discussion: financing and by laws****

The by-laws, articles of incorporation and Co-op laws were reviewed and discussed regarding financing options.

Board member, David Hoffman-Dachelet, from Seward Co-op, Minneapolis called in via Skype at 6:26pm for a discussion/ Q&A session regarding their current expansion campaign utilizing C-Shares (sometimes called preferred stock shares) where the C-Share holder receives a dividend but no additional voting rights.

The Board will continue to research and discuss.

Education and Outreach update

Kendra, our Education and Outreach Manager reported on new and exciting class and event news to include our first online class, classes taught by members of our Café staff, CSA pick up for House in the Woods, a Clay Oven workshop at the house where the Common Market started, Owner Drive results and our 40th anniversary posters and graphics.

Open Discussion: Election process and BOD Development Subcommittee repopulation

Annie led the discussion regarding elections. Mike Sincevich, Kate Moss and Pat Allen volunteered to be on the subcommittee that will meet, put together a proposal and present it at March's Board meeting.

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Board Social Media Discussion

Annie motioned to have the Social Media Committee meet with Sue to discuss avenues of Owner Linkage, Jim seconded and it passed unanimously.

Annie motioned to have the social media committee rewrite the social media policy D.10, Kate Moss seconded and it passed unanimously.

Odds and ends:

Retreat: set for Nov 8

Sevananda loan went through for \$150,000 and we put in \$25,000.

Patronage Rebate final report was 92.21% of total rebate dollars redeemed.

Good of the Order-

John reported that the Raw Milk Bill HB3 wouldn't permit the sale of raw milk in the Co-op, but it will be available to purchase directly from the farm. John hasn't proposed any action, yet.

Need to Know Maryland – Just Label It. The Common Market re-did an informational brochure for distribution to encourage customers to sign the petition encouraging our representatives in the Maryland General Assembly to pass HOUSE Bill HB1191 and SENATE Bill SB0778 as written, to require GMO Labeling, without compromise. Bodhi Williams, Executive Director of GMO Free Maryland, asked the Common Market if we had anyone to testify in Annapolis concerning the house and state bill regarding GMO's. John will see if he can contact the organization.

Annie motioned to adjourn at 8:45pm, Mike seconded and it passed unanimously.

Notes taken by Sue Leveille.

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March 27, 2014

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Board members present: Jim Hanna, Patton Allen, David Cloutier, Annie Marshall, Maria Acker, Kate Moss and Lisa Williams. **Board members absent:** Mike Sincevich and John Beutler.

Staff members present: Sarah Lebherz, Lisa Morrissey and Sue Leveille.

The meeting was called to order at 6:04pm, by David Cloutier. A quorum was present.

Consent Agenda - accepted.

Owner refunds: 5408 (financial), 4907 (moving), 2666 (moving), 2109 (doesn't shop), 2200 (deceased)

Electronic Monitoring – D8 Board Recruitment, Development, Expenses

The Board is fully compliant with the policy. Possible improvements to Board training were discussed.

GM Monitoring – B1 Staff Relations; B8 Membership

B1 - 100% Compliant.

Note: Sarah discussed revisions to the Employee manual/policies and the implementation of the new mandatory branded shirts for staff. Livable wage and health care comparisons were also highlighted.

Annie motions to approve report, Jim seconded and passed unanimously.

B8 - 100% Compliant.

Note: 9% growth in Ownership for calendar year 2013.

Annie motions to approve report, Maria seconded and it passed unanimously.

Additional notes from General Manager:

Very strong sales growth over the first quarter. Produce has seen a consistent 20% sales growth.

We are in the planning stages of a Wellness reset with a projected date of/around May 19th.

Sevananda Co-op loan initiative has been progressing well and so far they have seen improvement. Sarah will report on more information as it comes in.

Audits and reviews:

Sarah suggests alternating between a review and an audit yearly because previous audit reports are consistently clean and we have strong fiscal stability. A cost proposal for a yearly review has been requested and Sarah will update the Board as information comes in. Sarah will research benefits to yearly audits in relationship to funding for an expansion. Board needs to make a decision by next month to align with Sarah's budget needs for 2014-2015.

Pat moves to table the discussion and Kate seconded it.

Break until 7:30pm

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Current Budget was presented by Maria

Maria asked pertinent questions to the Board to prepare the Budget draft for the 2014-2015 Fiscal year. Maria will share the draft via email for input only as per Board policy. Any discussion should be planned into the next board meeting when Maria will present budget for approval.

Board Training: The Board Committee will meet and present training plan to the Board, date TBD.

Annual Retreat: Sarah and Maria will discuss and clarify specific line items from the 2013 retreat.

Discussion: BOD Development Subcommittee report on election process

Annie will present an election process proposal at the April Board meeting. Pat, Mike, Annie, Kate and Lisa (new to committee as of this Board meeting) will be on the Election Committee. Election Committee concluded in previous meeting that the focus during 2014 will be on planning changes for the 2015 Election. Proposal of work plan will be submitted next month for approval. Current 2014 election will commence as usual.

A request was made for current Board members to alert the Board if they plan on running or not.

Update: shares and financing

After a brief Board discussion on C-shares/alternate funding options, David will reach out to Michael Healy and/or other cooperatives that chose not to use C-shares/alternate funding. Projected date for this discussion is for the May Board meeting.

ODDS AND ENDS:

- **CCMA** – General head count for the June 12th, 13th and 14th CCMA conference.
Yes - David, Annie, Lisa, Jim, Maria (is unsure).
- **Social media update:**
Pat and John are on the Social Media Committee and Maria requested to be taken off committee and Facebook page. Sarah will remove Maria as administrator.

Maria motioned to abolish policy D.10, Jim H seconded the motion and it passed by 5 and 2 abstained.

Sarah will deactivate the Board Facebook page.

- November 1st : Philly Co-op Café is focused on Owner Linkage.
- John Beutler testified on GMO labelling bill and there is a video available online.
- Patronage Rebate final report was discussed briefly.
- Good of the Order – Frederick News Post 40th anniversary and Maria was called about it.

Pat motioned to adjourn at 8:25pm, Annie seconded and it passed unanimously.

Notes taken by Sue Leveille.

Frederick County Consumer's Cooperative

Board of Directors Meeting

April 24, 2014

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Board members present: Jim Hanna, Patton Allen, David Cloutier, Annie Marshall, Mike Sincevich, John Beutler and Lisa Williams. Maria Acker arrived at 6:26pm. **Board members absent:** Kate Moss.

Staff members present: Sarah Lebherz, Kathleen Weaver and Sue Leveille.

The meeting was called to order at 6:10pm, by David Cloutier. A quorum was present.

Consent Agenda - accepted.

Owner refunds: 5308, 2292, 4733, 5378: moving; 5715: hasn't shopped; 4258: found closer store; 4863: financial hardship

Electronic Monitoring – C1 Unity of Control; C2 Accountability of the GM

100% compliant.

GM Monitoring – B3 Financial Condition

100% Compliant. Sarah reported on a strong quarter and anticipates a very strong fiscal year.

John moves to approve the report, Jim seconds it and it passes unanimously.

General Manager's report

A Wellness reset is planned and Sarah is requesting an increase of \$35,000 in capital expenditures and Weaver presented the plans, purpose and color schemes.

John motions to approve the request for additional capital expenditures by \$35,000, Pat seconded and it passes unanimously.

Discussion: Expansion Policy Planning

A discussion regarding expansion policy included comparing the creation of a new expansion policy or building on our existing policies and the scope (detailed vs. broad) of the language within the policy.

David is going to draw up two models of what modifications to existing policies would look like and of a separate expansion policy for further discussion.

Revisiting audit/annual review discussion – further data?

Sarah presented a few details regarding the prudence of the current annual audit. Board agrees that the current policy stands.

Discussion: BOD Development Subcommittee work plan proposal

Annie presented a broad work plan proposal to include monitoring. David will review current Board Calendar and present dates to Annie for monitoring months.

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Update: MAFCA

John B. attended Green Belt Food Co-op (not a natural food cooperative) and reported on sales, staff numbers, and Board participation. Green Belt is now a MAFCA member. Weaver's Way instituted a solution to relieve some of the burden of credit card fee. We would like to follow up with them to see how it's going.

Next MAFKA meeting is in Philadelphia, Creekside Cooperative on July 12th.

ODDS AND ENDS:

CCMA – Annie, Lisa, Jim, John and Sue are confirmed. Flying in and renting a car was suggested.

CBLD - July 12th at the Brosman Center in Philadelphia - a workshop on leadership development & CBL 101. Annie and Maria both expressed interest in attending.

Good of the Order

Annie suggested Board of Director get a tour of the back areas in the Common Market. Planning that into the Board meeting is a possibility.

Annie booked a wedding this summer and the bride's father is Martin Lowry, who is being inducted into the Co-op Hall of Fame.

Sarah reminded the Board of employee privacy policies if they were ever contacted by anyone regarding a past or current employee.

Maria gave credit to the Common Market for spurring her sons' interest in health/food. Her sons were accepted into the Urbana's Farmer's Market as "The Brother's Old Fashioned Bakery of Maryland" specializing in Gluten, Soy and Nut free baked goods. The Brother's Old Fashioned Bakery of Maryland was previously owned by young brothers that Maria's sons used to purchase baked good from. The original owners moved away and Maria's sons took the opportunity to purchase their business.

The Common Market is a CSA pick up location for House in the Woods Farm starting in May on Saturdays.

Jim H motioned to adjourn at 8:20pm.

Notes taken by Sue Leveille.

**Frederick County Consumer's Cooperative
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May 22, 2014
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Board members present: Jim Hanna, Patton Allen, David Cloutier, Annie Marshall, Mike Sincevich, John Beutler, Kate Moss and Lisa Williams. **Board members absent:** Maria Acker.

Owners present: Garreth Buckland and Solveig Mortenson (at 7:30pm).

Staff members present: Sarah Lebherz and Sue Leveille.

The meeting was called to order at 6:04pm, by David Cloutier. A quorum was present.

Consent Agenda – accepted.

Refunds: Owner numbers 5746, 4358, 5703 and 1245.

Added refunds: Owner # 5857; moved jobs
Board had previously approved refund for #5156 via email.

John motioned to approve additional refund #5857, Annie seconded and it passed unanimously.

Electronic Monitoring – D2 BOD Job Description; D7 Relationship to Member-Owners

Compliant. Comments: two regarding our role/involvement in reporting and gathering information from Member Owners and if it's sufficient.

GM Monitoring – B6 Emergency Management Succession

100% Compliant.

Annie motioned to approve report, Jim seconded and it passed unanimously.

Discussion: Expansion policy options

David presented options to the expansion policies including what language to include/exclude in each. Discussion followed.

Pat moves to adopt B9 Expansion policy. Lisa presented a friendly amendment to move *proposed items* 4 and 5 in B9 Expansion Policy to the existing policy B3 Financial Condition. Pat accepted the friendly amendments, Kate seconded it passed unanimously.

BOD Budget approval

Expense Category - Note 1 has a typo at the end of line 1: monthly needs to be changed to meeting.

Annie moves to approve Budget with changes, John seconded and it passed unanimously.

Elections update and planning

Nomination period begins June 13th.

Information session: Wednesday, June 25th 6-7:30pm will be run by Mike S and Saturday, June 28th from 3:30pm-5pm will be run by Jim H. Incumbent board members need to pre-commit or pass on running to David by May 31st.

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Mike S. will be acting chair of the Board Election committee while the incumbent committee members are running.
Sue will send application to Annie for finalization.

Odds and ends

Garreth Buckland expressed interest in the upcoming election and voiced a few concerns regarding operations that were addressed by Sarah.

Wellness reset will start June 24th and the new revamped newsletter, Spoonful, was presented for our July/August issue.

Social media status – John B will be contacting Sue, Kate and Pat to meet regarding Owner Linkage.

CCMA plans – Meet at Liberty Village and go from there. Sue volunteered to rent and drive the car.

July 12th Philadelphia workshop on leadership development and CBL 101 basic.

July 13th is the MAFCA meeting in Philadelphia.

Kate Moss and David are attending CBLD on Saturday. Annie and Maria are interesting in both days.

John B will be going to MAFCA not CBLD. Lisa W is considering going to both.

Solveig Mortenson presented a donation request for the Truth in Labeling Coalition that needs funds for an video advertising campaign for GMO labeling. She was redirected to the Marketing department for this request after a brief discussion with the Board. Sue will email the Board with the link to the Truth in Labeling Coalition.

John motioned to adjourn at 7:55pm, Kate seconded.

Notes taken by Sue Leveille.

Frederick County Consumer's Cooperative

Board of Directors Meeting

June 26, 2014

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Board members present: Jim Hanna, Patton Allen, David Cloutier, Annie Marshall, Mike Sincevich, John Beutler, Lisa Williams and Kate Moss. **Board members absent:** Maria Acker arrived at 7:20pm.

Owner present: Alecks Ferguson **Staff members present:** Sarah Lebherz and Sue Leveille.

The meeting was called to order at 6:04pm, by David Cloutier. A quorum was present.

Consent Agenda – accepted (Owner refunds # 2274, 2798, 2766, 1654, 5604, 5061, 5132, 5173, 4224 and 2985)

Additional refunds: #2430 moving and #3279 deceased.

John motions to approve additional refunds, Kate seconded and it passed unanimously.

Electronic Monitoring – D5 BOD Code of Conduct – Full Compliance

GM Monitoring – B5 Communication and Council to the Board - Full Compliance.

Annie motioned to approve survey report, Kate seconded and it passed unanimously.

Discussion: Further discussion of C-shares

After a brief discussion, David is working on finding a Board that did not use preferred shares to speak with.

CCMA Highlights

Annie, Lisa, Jim and John highlighted there CCMA experience including suggestions for a more advanced track on policy governance at the next CCMA, the Co-ops overall role in food systems and how we help effect change, the 4 pillars of policy governance, credit unions, expansion and many other interesting ideas and insights.

Odds and ends:

Sarah presented an opportunity to the Board on July 8th - Food Hub with Mark Eyestone of Fox Haven Learning Center might be formed in Baltimore.

Owner payment plans will change on July 1st to either pay in full or pay \$25 over 8 payments with the first payment due at sign up.

July 12 Philly workshop on Leadership Development & CBL 101

Saturday - LD & CBL Annie, Mike, Kate, Lisa (maybe), David and Maria (same day) Needs to register through CBL. Sunday – MAFKA meeting John B, Lisa (maybe) and Annie.

Good of the Order

Presentations for Information sessions went well. Incumbent and appointed Board members need to submit applications.

John B. – Vermont did pass the GMO labeling act. There is a lawsuit against Vermont.

Board development report – A small meeting was held regarding possible changes to election process for the 2015 Election. They came up with a list of recommendations for candidates to have completed before.

John B motioned to adjourn at 7:45pm, Annie seconded.

Notes taken by Sue Leveille.

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Board Members Present: Jim Hanna, David Cloutier, Annie Marshall, John Beutler, Lisa Williams and Kate Moss

Board Members Absent: Mike Sincevich, Maria Acker, and Patton Allen

Staff Members Present: Sarah Lebherz and Kendra Varnon

The meeting was called to order at 6:04 pm, by David Cloutier. A quorum was present.

Consent Agenda

Owner refunds: 1092, 4457, 4894 and 5356 and approval of June minutes.

Owner Refund 2068 was added to the agenda

Annie moved to approve the additional owner refund, Kate seconded and the motion passed unanimously.

Electronic Monitoring – D4 Officers' Roles

There was a question on the D4.3.4 "The Treasurer will receive, review and present to the Board the results of the annual financial audit by an independent auditor."

This will be changed to "The Treasurer will be responsible for ensuring that the results of the annual financial audit, by an independent auditor, are presented to the board."

John moved to approve the new wording, Annie seconded and the motion passed unanimously.

The remainder of the report was in compliance.

General Manager Monitoring – B3 Financial Condition

Sarah reported on B3: full compliance. We will be having a patronage rebate and the specifics will be available and reported on at the August meeting, once the audit is complete.

Annie motioned to approve report as is. Kate seconded and the motion passed unanimously.

General Manager Monitoring – B2 Financial Planning

Sarah reported on B2: full compliance. She walked the Board through the Fiscal Year 2015 Budget, Projected Cash Flow, Sales Growth, and Capital Expenditure Budget. Sarah reported compliance with all sections of the policy and indicated that the projected budget for the year meets all of the financial key indicators in the Financial Condition Policy. Projections were also made for budgets and cash balances through 2019.

Annie moved to approve report as is. Kate seconded and the motion passed unanimously

Discussion: Review/Revise Financial Benchmarks

Our current financial benchmarks were updated about 3-4 years ago and are due for a review. They are very similar to NCGA's standard benchmarks. Current benchmarks are reviewed in the reports the General Manager presents to the Board.

An article on benchmarks was to be sent out for the Board to read, but was not sent to David. However, the article was found in this month's Co-op Grocer during the meeting. The Board will review the article and discuss at the August meeting.

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CBL 101/Leadership Seminar Reports

Kate reported on her group session at CBLD. She noted how important it is that we are spreading the coop philosophy and building up our resources. We have a responsibility to our community to use our resources wisely. To follow the growth pattern of building our cash, building another piece of the coop and repeat. It was extremely informative to hear stories from other Coops.

David reported on his group session at CBLD. There was a whole section on qualities of servant leadership. He shared how important it is to facilitate board dynamics well. They presented a "business cycle of the Board"; the idea that you have to move from forming to storming to norming to performing. If this is an inevitable cycle, how are we going to prepare for it? By anticipating difficult times, we could spend as much time as possible in the performing stage. It's a cycle that helps you manage what's going on in a particular board. Also, recognizing the way you are processing so you can see how other people are viewing things.

Annie reported on her group session at CBLD. She noted that leaders have to be competent (know what they are doing) and they have to be nice (empathy) Many times people who are good at one, are not good at the other.

That's why it's good to have nice people on the board. You can teach them competence. It's harder to heal old wounds and make people nice.

MAFCA meeting on July 13th – The food was stunning and the meeting was great. The social aspect was impressive because you get to talk to so many different people who are doing so many different things. Next MAFCA meeting is on October 25th hosted by Flatbush Food Coop in Brooklyn, NY

Odds and Ends:

Elections update; we have 13 candidates to run for five Board positions this year. This is the most we have ever had.

Late applications –One applicant turned their application in late. We already had a commitment that they were going to run and they were contacted right after the deadline and turned it in as soon as possible. It puts one more candidate in front of the Owners which brings in more democracy.

The Board President will email all incumbents who have stated they are running about the deadline.

John motioned that we approve her application. Jim seconded and the motion passed unanimously Kendra will put a link to all of the candidate statements on the website.

Jim and Michael will help with the ballot counting on September 23rd. Time TBD.

Good of the Order

- Annie commented that the reset in wellness is SO beautiful; it feels warm, open and welcoming.
- Kate commented that the probiotic case with the mirrors is very nice. Makes it feel larger and stand out.

GM Evaluation

The Board convened to Executive Session at 8:40pm.

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Notes taken by Kendra Varnon

Frederick County Consumer's Cooperative

Board of Directors Meeting

August 28th, 2014

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Board Members Present: Jim Hanna, David Cloutier, Annie Marshall, John Beutler, Lisa Williams, Kate Moss, Mike Sincevich, Maria Acker, and Patton Allen arrived at 6:21.

Staff Members Present: Sarah Lebherz and Sarah Pullman

The meeting was called to order at 6:09 pm, by David Cloutier. A quorum was present.

Consent Agenda

Owner refunds: 4862, 1216, 5802, 1126 and 4773.

In Odds and Ends the minutes state: "Jim and Michael will help with the ballot counting on August 23rd. Time TBD." August 23rd will be changed to September 23rd.

John moved to approve the minutes with the change listed above, Kate seconded and the motion passed unanimously.

Audit presentation

At 6:25 pm, Barbara Roman and Lisa Freshour presented the Audit for fiscal year 2013-2014. Clean opinion was received. Financial statements and the management letter were reviewed. They congratulated us on our efficiency.

This year they made the presumption that patronage rebates would be declared and that the General Manager would be getting a bonus. These numbers are subject to change slightly with the finalization of the corporate tax returns.

Everything will be finalized by Sept 15th.

Audit concluded at 7:07 pm.

Electronic Monitoring – D1 Governing Style

100% compliance.

There was a question about the efficiency of the Electronic Monitoring surveys and it was put on the agenda to talk about in the future.

General Manager Monitoring – B7 Customer Service and Value

Sarah reported full compliance for the report.

We have improved since 2007, we have seen more satisfaction. The customer survey comments have been very helpful with taking action.

We have had mystery shoppers come to the store 3 x a year with a two year contract. We receive scoring on customer service, pricing, cleanliness, etc. We are recognizing staff who gave exceptional service during meetings.

Annie motioned to approve the report as is, Jim seconded and the motion passed unanimously.

Discussion: Review/Revise Financial Benchmarks

The Board discussed other benchmarks and stats/indicators that they may want to include in B3.1 financial report that the general manager reviews with the board annually.

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The general manager will bring a suggested benchmark for inventory turnover to the September meeting. They will vote on whether to include it on the B3.1 policy at the next meeting.

There was a 5 minute break at 7:18

It was back into session at 7:25

Patronage Rebate Proposal

Sarah presented the rebate proposal.

We are approving the allocation of money but the exact values may change. Values will be finalized with the official audit.

Annie motions to allocate 100% of our Owner sourced profits to patronage rebates, John seconds and it passed unanimously.

John motions to allocate 21% of the patronage rebate in cash to owners, Jim seconds and it passed unanimously.

Lisa motions to use the same method of distribution with the same minimum of 2.00, John seconds the motion and it passed unanimously

OwnerFest Plans – September 27

Sarah presented the new t-shirt to the Board and reviewed the schedule for the day.

The meeting will be at 1:30pm, but the Board should arrive around 10:30 to help with set up.

Mike will announce the new directors.

Odds and Ends:

Election/Ballot counting

-The ballot counting will occur on September 23 at 3pm and Mike, Jim & Pat will help.

Good of the Order

Annie talked about the Valley Co-op in Hagerstown. They are struggling as a start-up co-op. Is there anything we can do to help them?

Response – ask them if their board would be interested in a free training session with Michael Healy.

David will also ask Michael if we can pay him to train the Valley Co-op Board the same weekend as our retreat.

Sarah Pullman introduced herself as the new Owner Services & Outreach Specialist.

Annie -gave out National Cooperative Bank clicky pens.

Executive Session

The Board convened to Executive Session at 8:21 pm.

Notes taken by Sarah Pullman

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Board members present: David Cloutier, John Beutler, Annie Marshall, Maria Acker, Patton Allen, Jim Hanna, Michael Sincevich, Lisa Williams and Kate Moss.

Staff members present: Sarah Lebherz, Kendra Varnon, and Sarah Pullman.

The meeting was called to order at 6:03 pm, by David Cloutier Board President. A quorum was present.

Consent Agenda

Consent Agenda was approved.

Additional Owner refunds 4997, 2020, and 1176 were added to the agenda.

Jim motioned to approve additional Owner refunds. Annie seconded and the motion passed unanimously.

Electronic Monitoring – D9 BOD Advocacy

100% compliance

GM Monitoring – A Ends Policies

Sarah L. reviewed the highlights from the report.

Highlights:

- New staff volunteer incentive program started in January
- Newsletter update *Spoonful*
- Community Room events participation is up
- We have continued to have growth in our local purchasing
- New Hire Orientation has been expanded to 4 days; Sarah L. has a time to go over the Ends Policy to help education the staff. She has seen excitement in new staff and they are asking good questions.

David suggested that our local food purchasing increase in proportion to our sales would make an interesting trend line in future reports.

David asked what kinds of things are we able to do to cultivate more local producers in the store.

Response: The vendor might come in and contact us or departments can seek out specific local items. The Produce Department meets with local vendors each year to review agreements. But sometimes we have more demand than the farmer can supply. Our Fresh Manager will start to work more closely with the local fresh providers to increase volume.

Sarah L. suggested having the produce manager and meat manager come in and have a Q&A with the board after the holidays.

Education

David had emailed the board of a co-op that had a failed c-share program; they do still exist, but have not responded. Michael H suggested talking to PCC, because they opted to not have c-shares. It's difficult to find a co-op in the similar position as us (same size, same community, etc.). The board will keep trying to find a co-op to talk to about c-shares before we break any ground. This will be discussed at the retreat.

Formal Patronage Rebate Approval

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John motioned to approve the final 2014 audit. Lisa seconded and the motion passed unanimously. Maria moved to accept the patronage rebate proposal. Pat seconded and the motion passed unanimously.

Election results & OwnerFest plans

Jim reported – that the board was re-elected – David 3 year term, John 3 year term, Annie 3 year term, Lisa 2 year term, and Kate 2 year term. We had 497 ballots this year.

Since there were so many candidates who would like to be more involved with the Co-op, the board decided to contact the other candidates who ran this year and invite them to a structured focus group about the Ends Report and the election process, and purchase their dinner as thank you. David will draft an invitation and email it out to the board to be further discussed at next month's meeting.

OwnerFest - meeting starts at 1:30 and Mike will be announcing the election results. Please come around 10:30 – 11:00. David will send around an agenda for the meeting.

Odds and End

Financial benchmark revision – Sarah L. will present a report next month about possible additional benchmarks

Cooperative Café – November 1, Philly PA (weekend before the retreat) David will send around a final reminder to decide by Oct 5th if you can go. (Kate and John are maybes)

CCMA next year is in Idaho – June 10-13

MAFCA's next meeting is on Oct 25th in Brooklyn, NY

Retreat plans – November 8th. We are going to work on 2 topics: setting up a more formal expansion timeline (exact steps of what we are doing and when) and the revising the election process. We will be able to provide donated training to Valley Co-op as long as they have a couple goals in mind to discuss with Michael H. Annie is going to talk with Michael H. to get some guidelines on goals to set with Valley Co-op. Annie and Michael S will meet with Valley Co-op prior to Nov 9th to help them set up goals to work on with Michael H.

Owner Drive – We are doing a 10-day Owner Drive this October 10th -19th. There will be balloons on registers and bells to ring when we sign up a new Owners. Sarah P. asked if anyone from the board would like to come in on either of the Saturdays to bag groceries and help talk about Ownership. She will be emailing a sign-up sheet around.

Good of the Order

Maria's sons have a bakery at the Urbana's farmers market on Sunday 11-2pm.

John reported on honey – there aren't any plants to get nectar from that haven't been sprayed. We are creating "bee deserts".

Annie would like to thank John for doing the electronic monitoring every month.

Annie motioned to adjourn the meeting at 7:54 Michael seconded.

Notes taken by Kendra Varnon

Frederick County Consumer's Cooperative

Board of Directors Meeting

October 24, 2014

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Board members present: Kate Moss, Jim Hanna, Patton Allen, David Cloutier, Annie Marshall, John Beutler, Lisa Williams and Maria Acker.

Board Members Absent: Mike Sincevich

Staff members present: Sarah Lebherz and Sarah Pullman.

Owners Present: Chris Gretch, Sam Neier, Elliott Haines & Delores Gebus. Susan Debad arrived at 6:10pm.

The meeting was called to order at 6:04 pm, by David Cloutier. A quorum was present.

Consent Agenda accepted.

Additions to Agenda

John motioned to approve Owner refunds #5159, #5453, #2954, #2205, #5021, and #5720 due to moving, Jim seconded and it passes unanimously.

Electronic Monitoring – None

GM Monitoring – A Ends, a second look with consulting panel.

David introduced himself and everyone went around the room and introduced themselves. David explained our Ends policy purpose and Sarah L interpreted our policies. The Ends were revised in 2010 at our Board Retreat.

Our first End –

Our goal is to connect local consumers with local food sources. We have increased purchases of local goods and connecting consumers to local food producers. We were in compliance, showing 5% increase of local goods and 109 total partnerships. We hold a local tasting fair at Ownerfest with 13 local food producers doing demos and about 500 attendees in Ownerfest. We do our Buy Local Week with active demos and promotions. Alecks Ferguson is our demo coordinator and tries to incorporate local businesses.

Second End –

The Second End is to maintain an economically successful and growing business following and expanding the cooperative model. We are compliant; meeting our financial conditions. We show growth in sales and growth in customer count, growth in Owners and growth in Owners' Equity. We are a locally owned co-op and we have been able to give a patronage rebate the last 5 years and that money stays within our local community. We carry manufacturers that are cooperative themselves and we have a growing number of purchases to these companies. One of the things that was missing from the report is that we (the Board) loaned money to a cooperative that struggling in

Atlanta, Georgia. It was \$25,000 and they have been paying us back every month. That was in compliance with growing the cooperative model.

Third End –

The Third End is education related, creating a community that is educated about food, health and wellness choices. This is the hardest one to quantify because there is so much that we do. The things Sarah L. highlighted were our growth in our newsletter distribution, website traffic, social media and increased attendance on our community room classes and workshop events. Also, growth in sales and customer count, growth in New Owners, Equity investment, owner elections and running for the Board, and Annual Meeting attendance; we see these as an effect of the success of our Education Program. 13.6% of our Owners voted in our Election with 487 in attendance at our Annual Meeting. One of the biggest vehicles for education is our staff, we know it's impacting but it's hard to quantify the exchanges they have with customers every single day. Next month, we ask the Board to bring a stack of newsletters to their favorite business to further increase distribution.

Fourth End –

Sarah – This End is to be a model for the use of environmental resources that is increasingly sustainable. This one's never done. We show a steady increase in local, organic, bulk & produce goods, reducing our energy consumption (relative to customer counts) and reduction of landfill waste (relative to customer counts). We are under contract for renewable energy credits for our electric usage through Fiscal Year 2017. The ratio of recycled waste increased this year. The Wooden Nickel count increased a lot too. The battery and CFL program decreased but that could be due to sustainability increasing.

Pat motioned to accept the report, Maria seconded and it passed unanimously.

Break at 7:18; the meeting resumed at 7:35.

GM Monitoring - B3 Financial Condition –

We report noncompliance. The net income did not make the benchmark. The profit margin did not make the benchmark and our labor increased which we expected. Balance sheet ratios are still meeting their targets. Peer group median information has been added to the report. The peer group is comprised of 5 coops similar to ours.

Net income was noncompliant this quarter and it took a downward turn based on profit margin and increased labor. Though it is down, it is within our budget. We don't have an OAD scheduled within this quarter which typically boosts sales and makes labor even out. We also have the expense of the audit. Typically, we budgeted for a loss but we haven't seen it happen in the past but this quarter our sales were under our projected growth. The labor increased because we created our merchandising team – we're expecting that to benefit us. Management will investigate our unexpected gross profit margin dip. As far as capital expenditures; we added a customer module our Point of Sale system so our cashiers will have more access to Equity information. This quarter, we will see capital expenditures go up because we are adding our two new express lanes and new

Frederick County Consumer's Cooperative

Board of Directors Meeting

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register lights. The audit report was clean without any management recommendations. Even with negative net income, cash is still holding steady and our balance sheet ratios are still strong. Inventory did increase. Our Patronage Rebate Vouchers are due to hit mail boxes November 14th.

Annie motioned the report, Maria seconded and it passes unanimously.

Final retreat preparation – November 8

Retreat has been confirmed at the Mount for November 8th. The two basic goals of the retreat are expansion planning and election reform. Sarah L will do a presentation in the morning and Michael will guide our planning process. After lunch, the election reform committee will present their suggestions and we will modify these appropriately. At the end, we will update our strategic plan.

Sunday training attendees will be Annie M., Mike S, Maria, David, Pat Allen, and Jim H, Lisa & Kate.

Odds and Ends -

Valley Co-op cooperation training

Annie reports that Michael Healy and Valley Co-op are in contact. They needed help developing their Board so we offered for them to bring a dozen future board members for a half day of training on Sunday of our Retreat. John offered a meeting with them at his house.

Cooperative Café

The Cooperative Café will be held November 1st in Philadelphia, PA. Kate will go and drive if other people want to go. She already registered. Annie is interested and does want to go. They will drive up Friday night and stay at the Bronson Center.

Good of the Order –

Owner Drive Update

We exceeded our goal of 50 new Owners by joining 57 Owners in 10 days. Sarah P. acknowledged our staff members with the highest number of referrals and thanked the Board for their support during our Owner Drive.

Mid Atlantic Food Co-op Alliance Update

MAFCA's Fall Meeting is scheduled for Saturday, October 25th. The President, Consultant and Treasurer will not be attending so John will be facilitating the meeting. John received an email from Holly, a start-up co-op in Catonsville. She is holding an event on November 15th from 5-7 and asked us to send a co-op expert to present. Jim and Annie are interested in attending.

Other

If our Board Retreat is successful, there is a good possibility that our next meeting will be cancelled.

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Board of Directors Meeting

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WAMU/NPR is having their fundraiser right now and the National Cooperative Bank is a donor and they presented about coops.

The Food Lion in New Market has reduced their organic section.

The Common Market was mentioned in *Edible DC* but unfortunately, they misprinted our name and referred to us as the 'Common Goods Cooperative.'

John motioned to adjourn at 8:36pm, Annie seconded and it passed unanimously.

Notes taken by Sarah Pullman

Frederick County Consumer's Cooperative

Board of Directors Meeting

December 11, 2014

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Board members present: Jim Hanna, Patton Allen, David Cloutier, Annie Marshall, John Beutler, Lisa Williams, Kate Moss and Maria Acker.

Board members absent: Mike Sincevich

Staff members present: Sarah Lebherz and Sarah Pullman.

The meeting was called to order at 6:05 pm, by David Cloutier. A quorum was present.

Consent Agenda accepted

Corrections:

In Owner Refunds, #5999 is actually #5990 and #5082 is listed as other reasons and is not a former employee.

CBLD (Cooperative Board Leadership Development) contract was renewed for 2015.

Electronic Monitoring – D10 Social Media; C4 Monitoring GM Performance

C4 Monitoring GM Performance – 100% Compliance, the timeline has been updated to a new policy stating the GM Performance Survey is done in July instead of August. John Beutler will correct this to ensure accuracy.

GM Monitoring – None

Discussion of Retreat

Annie M & Lisa will be an election committee. They will be presenting new election procedures at the February Board Meeting for a final vote and Sarah L. will approve mid-March. All new information regarding elections will be announced in the May/June issue of *Spoonful*.

Strategic Plan Revisions

The Board will be revising policies going into expansion.

The Board did not conduct a review of the Ends Policy for 2015. It will be revisited in 2016 before expansion.

The Board reviewed the Financial Benchmarks but decided not to revise them.

Monitoring the expansion policy will be determined next month.

Frederick County Consumer's Cooperative

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Kate M., Jim H. and Sarah P. will be creating a focus group for involving outreach for our co-op and greater community

BREAK AT 7:40pm

RETURN AT 7:45pm

Board Draft Calendar

The Board Calendar will follow last year's model with appropriate date changes. The final Board Calendar will be approved at the January Board Meeting.

Elect Officers for 2015

President: David nominated

Vice President: Annie nominated

Treasure: Maria nominated

Secretary: John nominated

Pat moved that the approved board members be elected by acclamation, Lisa seconded. The motion passed unanimously.

Odds and Ends

Kate reported on Cooperative Café and MAFCA. There is a lot of information coming from CBLD expressing the need for the cooperative form of business to be the acknowledged leader in economic, social and environmental sustainability, the model preferred by people, and the fastest growing of form enterprise in terms of positive impact by 2020.

John attended the Brooklyn MAFCA meeting at Flatbush Food Co-op on October 25th. We started with a nice tour of Flatbush Food Co-op where we admired their furniture and cases. They had a presentation on fracking. Cynthia Blair from Park Slope that put together a presentation about developing coops. The Weaver's Way people were unfortunately absent. Newark Natural Foods is expanding into a new space on April 26th in Newark, DE. The summer meeting is going to be hosted by Catonsville and the fall meeting will be in conjunction with the COOP Café, November 1st in Philly. After the monthly conference call, Bob Noble, a consultant for the Keystone Development Corporation, his boss Peggy Fogerty, joined the conversation and informed us that they could have grant money to possibly help fund Valley Coop. Annie will help connect the two entities.

Post-holiday dinner meeting – January 22nd Board meeting will be held at 6pm in the Community Room and dinner at 7:30pm at Pistarro's, in Shab Row. Sarah will make the dinner reservations.

Good of the Order

Sarah L. gave a Sevananda Natural Foods Market update. They have met their obligations with payments being on time. They have paid a little over \$8,000 back and they owe \$16,942.00. Their sales growth is not exactly as projected but they've had 5 positive net income quarters. They have been able to manage their expenses. The labor cost is a little higher than in some months but they're making it work.

We received a request from the Lovettsville Coop to meet with a few board members who helped with expansion. They meet the second Thursday of the month and were hoping to meet with us, in Frederick, on January 8th for a consultation. Annie and Maria volunteered to be involved with this meeting.

Annie presented a very nice thank you note from Catonsville. They raised a \$1000 during their fundraiser. We received 10 minutes to present and all their suppliers got 5 minutes. They're going to stay a buying club but they would like a store front eventually.

John motioned to adjourn the meeting at 8:27 pm.

Notes taken by Sarah Pullman