

**Frederick County Consumer's Cooperative  
Board of Directors Meeting  
January 14, 2016  
Page 1 of 2**

**Board members present:** David Cloutier, Annie Marshall, John Beutler, Jim Hanna, Michael Sincevich, Kate Moss, Lisa Williams, Sibylle Mangum, and Elina Myers

**Staff members present:** Sarah Lebherz and Sasha Crum

The meeting was called to order at 6:01 pm by David Cloutier, Board President. A quorum was present.

**Consent Agenda**

Consent Agenda was approved. 4 additional refunds came in after the official agenda was sent out:

1879 Moved  
5839 Moving  
2645 Found a coop or natural foods store closer to home  
2395 Moved

John moved to approve the additional refund requests and Jim seconded. The motion passed unanimously.

**Electronic Monitoring –C3 Delegation to the GM; D6 Board Committees**

100% compliance. 8 members responded.

**GM Monitoring – B3 Financial Condition; B4 Asset Protection**

Sarah reported compliance and reviewed some of the highlights.

B4 Asset Protection: Sarah reviewed the progress of National Coop Bank and security upgrades that have been implemented to protect the Common Market's data as well as our consumers' data.

Kate moved to accept report, Mike seconded and the motion passed with a majority vote of 7.

B3 Financial Condition: Sarah reviewed some of our low points and potential reasons for these. She also addressed the issue of balancing margin and labor.

Wellness has improved greatly. Our highest departments this past quarter were Café, Wellness, and Meat. Gross profit margin was not in compliance.

Annie moved to accept the report. John seconded. The motion passed unanimously.

**Search Committee Report**

Lisa reported that the Search Committee selected Carlisle Group as its GM search agency. Carlisle anticipates that it will find approximately 10 candidates, of which the Search Committee will then select about 2 for interviews. This portion of the search should be concluded by the end of March.

**Approve Calendar**

Jim moved to approve the calendar with recognition of potential changes to the newsletter deadlines. Annie seconded, and the motion passed unanimously.

**Odds and Ends: Good of the Order**

MAFCA is having a Board retreat.

Sasha will contact Board members in early February if a second round of Patronage Rebate calls is necessary.  
Board members signed up for shifts at Boonsboro GreenFest.

**Executive Session**

David moved to adjourn. The Board convened at 7:18 pm.

Notes taken by Sasha Crum

**Frederick County Consumer's Cooperative  
Board of Directors Meeting  
February 25, 2016  
Page 1 of 2**

**Board members present:** David Cloutier, Annie Marshall, John Beutler, Jim Hanna, Lisa Williams, Mike Sincevich, Sibylle Mangum, and Elina Myers

**Staff members present:** Sarah Lebherz and Sasha Crum

**Owners present:** Caitlin Morris

The meeting was called to order at 6:07pm by David Cloutier, Board President. A quorum was present.

**Consent Agenda**

Consent Agenda was approved. Two additional refunds came in after the official agenda was sent out:

6100 Moved

1338 Moving

John moved to approve the additional refund requests and Annie seconded. The motion passed unanimously.

**Electronic Monitoring –D3 BOD agenda planning**

100% compliance.

**GM Monitoring – B3 Financial Condition**

The Board approved Sarah's report last meeting. Sarah will present the third quarter's full report at the April meeting. Thus far, labor has been close to compliance, while sales growth has fallen short, in part due to snow closings. February has also had poor weather, but has been fairly strong due to OAD.

**BOD Budget proposal 2016-17**

Lisa proposed a draft 2016-2017 budget to be finalized and approved at the March Board meeting. There were no suggested adjustments.

**Odds and Ends: Good of the Order**

**March Board Meeting:** David proposes a March Board meeting date amendment, due to his and Sarah's absence. Tuesday, March 22<sup>nd</sup> at 6pm is agreed upon instead of the original March 24<sup>th</sup> date.

**Market Study Status:** There have been delays due to weather, however, Sarah is working with Dakota (the firm performing the market study) to collect information to present at the April Board meeting.

**Inactive Ownership:** The Board asks that the Inactive Ownership list that is to be presented in March include the reason each Owner on it is considered inactive.

**MAFCA :** Organization would like Common Market to host a meeting on August 6<sup>th</sup>, 11am – 4pm. Backup date is July 17<sup>th</sup>.

**Ownerfest 2016:** Usually Ownerfest is the fourth Saturday of September, but to avoid competition with other events, September 17<sup>th</sup> is being proposed this year.

**CCMA:** Board attendance confirmations are requested so that accommodations can be booked. The conference will be held June 9-11 in Massachusetts. Commitments are needed by the March Board meeting. Annie, Lisa, and Mike know at this time that they wish to attend.

**Common Market Classes:** Annie took Rachel's sauerkraut class recently and encourages other Board members to take advantage of the class offerings as another way to experience the store and interact with employees, customers, and Owners.

#### **Search Committee Update**

Carlisle has presented the Search Committee with 5 candidates, clearly pre-vetted from among the applicants the firm has received. Four phone interviews have taken place, with the fifth scheduled for next week. Two candidates appear to be particularly strong, who will be invited to visit the Co-op soon. Mid-March will be the cutoff for accepting applications. In-person interview dates will be established soon.

#### **Executive Session**

David moved to adjourn. The Board convened at 7:00 pm.

Notes taken by Sasha Crum

**Frederick County Consumer's Cooperative**  
**Board of Directors Meeting**  
**March 22, 2016**  
**Page 1 of 2**

**Board members present:** David Cloutier, Annie Marshall, John Beutler, Jim Hanna, Lisa Williams, Sibylle Mangum, Kate Moss, Michael Sincevich

**Staff members present:** Sarah Lebherz, Kathleen Weaver, Sally Fulmer, Lisa Morrissey, and Sasha Crum

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

**Consent Agenda**

Consent Agenda was approved.

*[Michael Sincevich, Sarah Lebherz, Kathleen Weaver, and Sally Fulmer were not present.]*

**GM Candidate Interview**

*[Michael Sincevich, Sarah Lebherz, Kathleen Weaver, Sally Fulmer, and Sasha Crum were not present.]*

**GM Monitoring – B1 Staff Relations, Compensation, and Benefits; B8 Membership**

Lisa reports that the Common Market management was not in full compliance of policy B1 due to a violation of the clause regarding nepotism and other potential favoritism. The Board was aware of the conditions of the violation, and the IMT was formed to address the issue and to create greater compliance. The livable wage model and employee satisfaction have decreased slightly and worker's compensation is high. Increased wages and improved training systems are being implemented to address these concerns.

John moves to approve the report, Annie seconds, and the motion passes unanimously.

Sally reports compliance in policy B8. The Board chooses to change the Refund-Due-to-Dissatisfaction threshold from a raw number to a percentage.

Annie moves to accept the report, Kate seconds, and the motion passes unanimously.

**BOD Budget Proposal 2016-17**

Lisa has made no changes since last meeting to the budget due to no objections last time.

Jim moves to pass the budget as proposed, John seconds, and the motion passes unanimously.

**Inactive Owner Report**

Sarah suggests first terminating those Owners in Accounts Receivable, who are actively costing us money. The list will be revisited at the April Board meeting.

**IMT Implementation and Questions**

**Frederick County Consumer's Cooperative**  
**Board of Directors Meeting**  
**March 22, 2016**  
**Page 2 of 2**

The IMT reports successful collaboration.

**Odds and Ends: Good of the Order**

**Market Study coming in April:** Field work is happening now. Report should be available for the April Board meeting.

**CCMA:** Kate, Annie, Jim, and Lisa plan to attend.

**Election season:** The schedule has been updated.

**Youth Art Show:** Kate, Jim, Mike, and possibly Annie shall assist. Mike & Kate shall cover 11:30 – 1:30, and Annie & Jim shall cover 1:30 – 3:30. Lisa W. will assist if Annie can't.

**MAFCA:** Next meeting is April 10 in Brooklyn at the Leffords Family Community Coop and shall feature a non-GMO presentation. There shall be an extended conference in Philadelphia in September. Another conference shall possibly take place in Baltimore in November.

**Executive Session**

John motions to adjourn the meeting at 8:47. Annie seconds.

Notes taken by Sasha Crum.

**Frederick County Consumer's Cooperative**  
**Board of Directors Meeting**  
**April 28, 2016**  
**Page 1 of 2**

**Board members present:** David Cloutier, Annie Marshall, Jim Hanna, Lisa Williams, Sibylle Mangum, Kate Moss, Elina Myers

**Staff members present:** Sarah Lebherz, Kathleen Weaver, Sally Fulmer, Lisa Morrissey, and Sasha Crum

The meeting was called to order at 5:58pm by David Cloutier, Board President. A quorum was present.

**Consent Agenda**

Consent Agenda was approved.

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

Six Board members responded. Two members reported partial non-compliance on C2 #2. Some Board members wondered if there was a more concrete way to measure whether there was compliance by the GM in certain areas. It was determined that this would be explored further with the new GM.

**GM Monitoring – B3 Financial Condition**

Sarah presents for the third quarter. Labor expense is noncompliant, though everything else is compliant. Adjustments have been made for this, and labor expenses are down from the last two quarters.

Kate moves to approve the report, Annie seconds, and the motion passes unanimously.

**Market Study Report**

The Board and the Interim Management Team review and discuss options presented in the Common Market's commissioned marketing report as pertains to seeking a second store location.

**Inactive Owner Report**

Sasha presents Owner Services' inactive Owners report alongside a proposal for the Board of which Owners to refund and why.

Kate motions to accept the proposal and move forward as recommended. Annie seconds. The motion passes unanimously. 116 inactive Owners are refunded.

**IMT Presentation and Questions**

The Interim Management Team presents changes and plans for the future:

- 1) Rebranding and changing how we're perceived. A Good, Better, Best strategy will be implemented to help breakdown the misconception that we are more expensive than our competitors by appealing to different audiences. New slogan: "local starts here." The new basics line will make us competitive, and the new slogan will differentiate us.
- 2) Ownership and the Community Partners program are receiving a rebranding.

3) The Café will be expanded.

**Odds and Ends: Good of the Order**

**CCMA:** Sibylle, Annie, Lisa, and Kate are going. Alecks and Sasha are going from staff.

**Good of the Order:** Board nomination session dates are set and will need volunteers.

Annie reports that Mike is extremely ill and proposes a Common Market gift card be sent to the Sincevichs. Kate motions a \$200 gift card be sent. Jim seconds, and the motion passes unanimously.

**Executive Session: GM Hiring Discussion**

David motions to adjourn the meeting at 8:54.

Notes taken by Sasha Crum.



**Frederick County Consumer's Cooperative  
Board of Directors Meeting  
May 26, 2016  
Page 1 of 3**

**Board members present:** David Cloutier, John Beutler, Annie Marshall, Jim Hanna, Lisa Williams, Sibylle Mangum, and Kate Moss

**Staff members present:** Sarah Lebherz, Kathleen Weaver, Sally Fulmer, Lisa Morrissey, Nick Fitzpatrick, and Sasha Crum

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

**Consent Agenda**

David suggests agenda changes: 1) that the café expansion would be moved higher on the agenda to accommodate Café Manager Nick Fitzpatrick's timeframe, and 2) that the policy revisions be moved down the agenda.

Owner #5458's refund request is added and approved by all. The agenda is approved.

**Electronic Monitoring – D2 BOD Job Description; D7 Relationship to member-owners**

All Board members responded.

**GM Monitoring – B6 Emergency Management Succession; B9 Expansion**

The IMT requests an extension for B6.

B9 Expansion is posted; Sarah presents each department's ideas and efforts for promoting local products and furthering the Co-op's ends. New rebranding information was included that outlines information from each manager on how he or she will support the new endeavor:

**Café:** Increase local purchases and community table dinners. Classes draw local participants and provide opportunity for education on local foods and sourcing.

**Wellness:** Implement department tours to demystify the Wellness Department. Facials, etc., could be included. The Wellness Manager is attending health fairs to further emphasize the store.

**Meat:** Establish Common Market Pork brands. Organize more farm visits to further inform staff.

**Grocery:** Work with Marketing to promote demos, especially local ones. Emphasize local eggs with activities/demos.

**Front End:** Further promote the Bring-a-Bag program to encourage use of fewer bags. Add a "Local Impact" line to receipts so that customers can see the total amount they've contributed locally with each shopping trip.

**Produce:** Bring in local farmers for fresh demos so that customers can discuss the demoed product with them.

**Perishables:** Department is limited in physical infrastructure. Replacing the store's back cases will enable a wider selection to be offered.

Annie moves to approve. John seconds, the motion passes unanimously.

**Discussions: New GM/IMT Transition & Café**

In April, the Café was given abbreviated hours. The Café Manager presents a plan for new service hours.

- 1) **Why were the hours changed?** Café was growing at an unsustainable rate for years. Equipment was overworked; the physical layout was altered many times; new projects were launched; daily back stock reached a volume as to block traffic; a regular backlog of 20+ purchases to be filtered through one machine was a regular occurrence; staff were overworked, causing high turnover and regular indications of high stress due to the pressure; need room to be able to grow and improve, not just maintain: a breaking point was reached.
- 2) **How was reducing service to these hours the appropriate fix?** The Café Manager evaluated different options with his operations team and determined that 9am-6pm service hours were the best compromise of all factors. This allowed staff to not have to habitually work overtime due to increasing staff turnover, and would decrease busyness behind the scenes; the lunch hour is Café's busiest time, and when Café was open for dinner, this meant dinner foods had to be prepared at the same time as Made-to-order lunch items were being created. This served to create chaos in the kitchen, so stopping hours at 6pm provided a great decrease in traffic and activity during the Café's most congested hours. Not opening until 9am meant fewer employees had to arrive at 6am to prepare, allowing for more reasonable shifts throughout the day without having to overwork staff to stretch the hours. This new system was not entered into lightly.
- 3) **What will be done for the future?** Café is expanding hours beginning June 1<sup>st</sup>. This is meant as a means of making for an accessible and easy shopping experience without compromising staff working conditions and without stressing the Café's physical accommodations. An email will be sent to all Owners explaining the changes, and the Board will be kept abreast of updates.

Hours beginning June 1:

9-8 soup & salad

11-7 hot bar

9-6 service line

#### **Candidate packet for BOD election**

June 18<sup>th</sup> 1-2pm and June 29<sup>th</sup> 7-8pm are the candidate information sessions. Annie shall attend both, John will attend the 18<sup>th</sup>, and Jim will attend the 29<sup>th</sup>.

Sasha will send around a Powerpoint for the info session to confirm if it's good.

#### **Policy Revisions for GM/Board/Staff Relationship**

David is offering revisions to the Policy to adopt; the Board discusses if they should be added. The IMT indicates that involving other managers in GM actions so that there is greater awareness and internal monitoring has been a helpful step, and suggests it be added as a requirement via the Policy. Language is discussed to be implemented to create more concrete, inclusive, and thorough reporting of GM reports for the Board. It is being suggested that it should be required that other managers be consulted before the GM presents reports to the Board. The Board would like to wait until the new GM is in place before determining if a Policy change should take place.

**GM Transition Discussion**

June 13 Bob Thompson will start as the Common Market's GM. HR is meeting with him.

**Odds and Ends: Good of the Order**

**CCMA:** The Conference-attending Board members are leaving Wednesday afternoon; they have rented a vehicle for this purpose.

**Good of the Order:** May 31<sup>st</sup> is the next meeting. MAFCA is meeting at the Common Market August 6<sup>th</sup>. The agenda for that day will be a tour at 11am, lunch at 12pm, and a meeting from 1-4pm. A representative of the Common Market will be selected as a speaker, as well as a community representative such as House in the Woods farm or Patriot Farmers. A space needs to be secured for 12 – 4pm to accommodate attendees.

**Spoonful GM Article:** The Board will prepare this. David will reach out to Bob to incorporate any notes he would like to include.

David motions to adjourn the meeting at 8:56.

Notes taken by Sasha Crum.

**Frederick County Consumer's Cooperative  
Board of Directors Meeting  
June 23, 2016  
Page 1 of 2**

**Board members present:** David Cloutier, Annie Marshall, Jim Hanna, Lisa Williams, Sibylle Magnum, Kate Moss, and Elina Myers

**Staff members present:** Bob Thompson and Sasha Crum

**Owners Present:** Linda (Malaila) and Jim Wagner

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

**Consent Agenda**

Approved.

**Electronic Monitoring – D5 Board Member Code of Conduct**

Partially compliant: Members will be properly prepared for a Board deliberation.

Non-compliant: Members will not express personal opinions of the performance of the GM.

Non-compliant: Members will use email sparingly to communicate regarding Board business.

Otherwise compliant.

**GM Monitoring – B6 Emergency Management Succession; B5 Communication and Counsel to BOD**

B5: tabled for next month.

B6: Kathleen Weaver is the immediate emergency management successor. This will be revisited in December.

Kate motions to approve, and Elina seconds. Motion passes 6 to 1.

**New GM on-boarding: BOD relationship, observations about operations, sketch of expansion timeline, etc.**

Board is concerned by trends in margin and labor. Bob discussed his observations on why these negative trends were taking place, and long-term means of fixing them.

**Elements for new GM integration:**

1. Monthly informal support meetings with the Board. Open line of communication between Board President and GM. Create understanding of expectations. Do not instruct specific operations agendas. *Board agrees to implement this.*
2. Quarterly check-in of 3 questions for Board to ask:
  - a. What challenges have come up?
  - b. How are you dealing with them?
  - c. How's it going with building new relationships on behalf of the coop?
3. Quarterly check-in questions to the Board:
  - a. How does the GM interact with the full board and individual directors?
  - b. Are the GM's reports clear and focused?
  - c. How well does the GM communicate?
4. Agenda for the quarterly meeting
5. Orient GM to co-op's board process

- a. There are two levels of orientation: 1) Your coop and board's process 2) general coop governance
  - i. What do you want your new GM to know about your board?
  - ii. What do you want the new GM to know about cooperative governance?
6. Board should not lower monitoring standards, and should maintain solid reports, etc. Board should indicate if it sees any issues, etc. Should provide supportive and constructive criticism.
7. Communication and support to the Board policy

#### **Revisions to Policy B1 Staff Relations**

One proposed revision has proven controversial: B1.7 – That the GM shall not fail to consult appropriate managers in preparing and reporting monitoring reports to the Board.

A General Manager may wish to include in his reports information he/she does not want shared with staff. Current GM Bob Thompson offered an interpretation of the policy that staff would remain informed because they would, with his guidance, provide the necessary information for the reports themselves. This interpretation of the policy was deemed acceptable to the Board.

Annie moves to accept policy amendments as changed and suggested, Kate seconds, and the amendments are unanimously accepted.

#### **CCMA reports**

Overall impression was disappointment, but positive conversations were had. A GM coaching program and cooperative development services were aspects of the conference that were also helpful. Conversations were had regarding Blue Zones, which is a promising program. There was an overall impression of collaboration and community that was encouraging, but also a riff of exclusion and barred communication that was disappointing. Board consensus regarding next year: will confirm if the conference will operate differently before attending.

#### **Odds and Ends: Good of the Order**

BOD candidate sessions: June 18 (1-2pm), June 29 (7-8pm). Annie, John, and Jim Wagner attended the first info session. Jim and Annie will attend the second one.

MAFCA arrangements: August 6<sup>th</sup>, MAFCA is meeting here. Appears they'll meet at library.

Café update: Sales have declined since hours change. The Café work area should be addressed, but not expanded since its business will be divided with the new store. Café hours will be reviewed again.

#### **Good of the Order:**

- Kate will follow up regarding the bill to Carlisle, the GM recruiting service we used.
- Mike L. is making a plaque for Sarah Lebherz, and the Board will take her out for dinner. Annie will figure out how much that will cost.
- Plans for the store pillars to be used as valuable advertising space of the store's virtues.
- Goal: all meat to come from within 20 miles of the store and to be guaranteed in stock.

Annie motions to adjourn the meeting at 8:41pm.

Notes taken by Sasha Crum.

**Frederick County Consumer Cooperative  
Board of Directors Meeting  
July 28, 2016  
Page 1 of 3**

**Board members present:** David Cloutier, Annie Marshall, Jim Hanna, Lisa Williams, Sibylle Magnum, and Kate Moss

**Staff members present:** Bob Thompson & Sasha Crum

**Owners Present:** Jim Wagner, Vincent Townsend, and Meghan Schneebaum

The meeting was called to order at 5:59pm by David Cloutier, Board President. A quorum was present.

**Consent Agenda**

An Ownership refund request, which was submitted just before the meeting, was added to the agenda:

Owner #7161 – dissatisfied with services

Five of six Board members voted in favor of approving the refunds as amended and accepting the agenda.

**Owner Comment Period**

Vincent Townsend has been an Owner for 15 years and is currently the Common Market's Produce Buyer. He wishes to become more involved with the Board and the Co-op.

Meghan Schneebaum has been an Owner since moving to Frederick three years ago. She is running for the Board.

**Electronic Monitoring – D4 Officers' roles**

The Board responded with the following assessment of the Board's officers' fulfillment of duties:

President: full compliance

Vice President: full compliance

Treasurer: full compliance

Secretary: compliance

**GM Monitoring –B5 Communication and Counsel to BOD; B2 Financial Planning; B3 Financial Condition**

B5 - Some reported non-compliance, and some partial-compliance based on the GM's performance and communication with the Board. This is feedback based on the previous GM, and therefore it less relevant now.

David moves to accept the report as submitted. Annie seconds, and the motion receives unanimous approval.

B3 – Bob indicated that the necessary net income for 2016 was not met, and that labor was too expensive. When the audit is complete, it will shed more light.

Annie moves we accept report as submitted. Kate seconds. There is unanimous acceptance.

B2 – Bob displayed the 2017 forecast for each department, as based on historic productivity. Assuming a 3% increase for employee wages and bonuses, these staff cost increases would put us over; costs would otherwise be well below where they needed to be.

A new staff assessment program is being implemented in September that will help address these concerns. Potential bonus awards will be assessed at this time for hourly employees, based on 5 different components. Managers will receive bonuses based on their departments' productivity and financial gain. This is a different bonus structure than has been used in the past.

Bulk water machine will be installed in August, which reduces the co-op's carbon footprint and costs.

A more all-season pergola design for the café's outdoor seating area is being researched.

Overhead overstock has been added in the store, which will reduce labor and space issues in the back. Security cameras, delivery door security, and the POS are all receiving upgrades. New shopping carts will be procured.

#### **Discussion of GM Written Report**

Bob presented his 5-year projections for the business:

The business is twice as inefficient as it was 5 years ago. The measures taken over the last 5 years that have led to this result were taken in anticipation of a second store, which hasn't been opened yet. In essence, the Co-op has been paying for a second store without the profit. Labor has to move with prices, too. In short, the store has too many staff members, doing less work.

Evaluating FY 2016's profit against costs and bills, some departments are struggling. Café has lost \$1.5 million in the last two years, but is now paying more attention to our margin. Staff shifts will be reassessed in Café to prevent staff from crowding each other. Meat & Seafood is hurting due to shrink costs. Wellness is carrying the store.

Kate moves to accept the report as submitted. Jim seconds, and it is unanimously approved.

#### **Review of Board Nominations & Meet the Candidate Session**

The election packets have been mailed.

Saturday, August 20 at 1pm was selected as the Meet the Candidate Session date. Marketing will determine a location that works best this event, and let Annie know.

#### **Audit & Board Meeting Minutes**

Regarding the minutes for the Executive Sessions that took place, John will ensure in future that appropriate minutes are taken and kept when staff are not present to take minutes.

#### **Odds and Ends:**

Final MAFCA arrangements: MAFCA will be taking place August 6<sup>th</sup>. As a representative speaker from the Co-op, Annie suggests Mark, as he's an award winner and can speak about the farm and produce. Bob can greet the MAFCA group and provide a store tour. The 35-40 people will be divided into two groups. David will inform John, and John will let Mark know. Café has worked out food arrangements. Jim, Annie, and Sibylle will be attending.

**Frederick County Consumer Cooperative  
Board of Directors Meeting  
July 28, 2016  
Page 3 of 3**

September Newsletter: Annie would like to write a piece about the benefit of voting and the role that plays in Ownership. Annie will draft it, and then send it to the Board. Next time, C-shares and capital will be discussed (after Ownerfest).

Ownerfest: The August board meeting will be the last meeting before Ownerfest.

Good of the Order:

Enabling Bob to sign checks and have access to the CM bank accounts: Lisa motions, Annie seconds, and the motion passes unanimously. Secretary must certify, but he's out of the country.

The Board's retreat date is November 12. The Co-op Café is November 5, which is run by Coop Development Services.

Jim motions to adjourn, Annie seconds, and the meeting comes to a close at 8:19pm.

Notes taken by Sasha Crum.



**Frederick County Consumer Cooperative  
Board of Directors Meeting  
August 25, 2016  
Page 1 of 3**

**Board members present:** David Cloutier, Annie Marshall, Jim Hanna, Lisa Williams, Elina Myers, Sibylle Magnum, John Beutler, and Kate Moss

**Staff members present:** Bob Thompson & Sasha Crum

**Owners Present:** Jim Wagner

The meeting was called to order at 5:59pm by David Cloutier, Board President. A quorum was present.

**Consent Agenda**

Two Ownership refund requests were added to the agenda: Owner # 4160 (deceased) and Owner # 1788 (moved).

John motioned to approve the agenda as amended. Annie seconded, and the motion was passed unanimously.

**Owner Comment Period**

Two members of Swarthmore Coop's Board were in attendance: Pam, the Board President, and Ines. Swarthmore Coop is a 5,000 sq. ft. store that engages about 5.7 million customers and 2,000 members.

**Presentation of Audit**

Barbara, President, and Lisa, the audit manager, presented the audit's results. The report outlined the full financial status of the Coop and described the procedures used to determine this.

FY 2016 includes increased sales, assets, and cash flow. The Coop remained out of debt, and had fewer expenditures due to repairs, etc., and depreciation decreased from last year. The Coop holds \$2.7 million in equity and enjoyed a \$33,000 increase in patronage.

Despite a 5% increase in sales and growth in all departments, the Coop experienced a loss versus last year. Total liabilities increased. Some expenditures increased, such as staff salaries, benefits, professional fees, and marketing expenses. The Boonsboro farm lease was extended for a year.

The Audit Report recommends that assets be divided among more institutions than currently, and that a backup plan be instituted for the IT Department, due to all systems being accessible by only one person.

**Electronic Monitoring – D1 Governing Style**

This topic was tabled for next meeting.

**GM Monitoring –B7 Customer Service and Value; B9 Expansion**

**B7 – Customer Service & Value**

There is overall improvement in the store. Staff works hard to ensure a clean environment, and now nimbleness is also being emphasized. Wellness is doing especially well. Café and Front End have some opportunities. But overall, our Owners indicate customer trust. The Owner survey revealed that 75% of Owners are excited about helping local farms. Our new branding and signage will appeal to this trust and these values.

Jim moved to accept the report as presented, Kate seconded, and it was unanimously approved.

#### **B9 – Expansion**

The Market Study was thorough. Most important, however, is addressing our inventory operations across any and all of our stores. Splitting our wholesalers from one source to multiple could help prevent extended out-of-stocks and smooth over the damage from receiving an incorrect order. Ideally, this could allow more offerings without compromising our standards.

In terms of internal readiness, the emphasis is on refocusing staff. This entails improved customer service training, incentive plans for good performance, and putting structures in place to prevent staff theft. Future financial reports should reflect the efficacy of these new practices.

Kate moved to accept the report as presented, John seconded, and the report was unanimously accepted.

#### **Follow-up on Multi-Year Financial Plan and Any Other Updates**

Bob monitored July's financial performance (especially as pertains to the new 5-year plan he has implemented), and projected the Coop would lose \$41,000 that month. The Common Market lost \$25,000 in July, overspending by \$10,000 in labor and not meeting margins. Labor costs have become better, however, by merging positions and not replacing staff who have left.

Café will return to its original hours.

#### **MAFCA Report**

The Common Market-hosted MAFCA event went well. Twelve coops were represented. Sibylle, Jim, Annie, and John attended. Nick and Greg presented on meat, and attendees loved the information. Lunch went smoothly. MAFCA took the opportunity to consider its purpose. Once-a-year, half-day meetings will most likely be the future structure of events, akin to a "mini CCMA." It proved an easy meeting.

#### **Patronage Rebates:**

The Book income reported a loss for the Coop, but the Tax income revealed a profit. In short, the Coop overpaid its taxes based on projected profits, and falling short of those profits, initially reported a loss. The Coop will have a net profit once the excess in paid taxes is returned. The Patronage Rebates must be distributed and redeemed, or taxes must be paid on the residual amount.

Bob recommends 100% of profits should be allocated to Owners. John motions to approve, Kate seconds, and the allocation percentage is unanimously approved.

To keep the dollar amount each Owner receives comparable to prior years, Bob recommends 60% of the profits allocated to Owners be distributed among Owners, versus the required 21% minimum. Annie motions to approve, Elina seconds, and the allocation percentage is unanimously approved.

**Frederick County Consumer Cooperative  
Board of Directors Meeting  
August 25, 2016  
Page 3 of 3**

Kate moves that the Coop adopt the same distribution method and \$2 minimum as last year. Annie seconds, and it is unanimously approved.

**Retreat Planning: General Topics?**

The retreat will take place in Libertytown on November 12, 2016. Working with the new General Manager, raising capital (C-shares), site decisions for expansion, and topics Bob would like to discuss will be among the issues covered.

**Odds and Ends:**

Ownerfest: September 17<sup>th</sup> - the Board will arrive at 11am to help out, wearing Coop shirts and name tags. Sibylle needs a new name tag.

Ballot Counting: Annie, Jim, Sibylle, and Elina will help. The Coop receives about 500 ballots each year (generally a little over 10% voting rate). The ballot counting will take place September 15 at 6pm in the Conference Room.

**Good of the Order:**

Fracking - Fracking is a controversial practice in which natural gases are harvested from the ground. This practice is disliked by some due to concerns of chemical contamination of water sources, and manmade earthquakes. However, this is not an issue that is agreed upon, and therefore it is not deemed appropriate by the Board to take an official stance. There is no consensus in the community, and therefore the Board chooses to refrain from signing the petition in question (one presented by an Owner that would commit the Common Market to standing against fracking in Frederick County); the Board does not feel it has a right to take a stance on behalf of the Ownership on this issue.

Some Board members feel that there is no reason not to inform people about the issue, based on people's right to be informed, not necessarily because of the issue itself; the people have a right to know about an environmental issue. Other Board members feel the Board doesn't even have the right to talk about the issue, or to circulate the petition. It is within the scope of the ends of the Coop to discuss this issue, but communication may not even be appropriate; fracking is a greater issue in Washington County than in Frederick County. One opportunity to raise awareness about the concern without the Board being a direct sponsor would be to ask an advocacy organization such as Climate Action to advertise in *Spoonful* about the petition. The Advocacy Committee of the Board could sponsor a November/December ad. The Board could present an informational statement in the store, or host a forum. Lisa, Jim, and Jim Wagner (a Coop Owner) will form the Advocacy Committee for this issue, in which they discuss fracking and what the Board should do about it.

Good of the Order – Elina and Sibylle will need new name tags.

Owner Jenny Lynn had the idea of having educational booths throughout the store, regarding such issues as electric vehicles, bottled water, GMOs, etc.

New videos are being produced by the Coop to help discuss and educate Owners and customers on various aspects of the store, its ends, its operations, etc.

The Board adjourned to Executive Session at 8:36pm.

Notes taken by Sasha Crum.

**Frederick County Consumer Cooperative  
Board of Directors Meeting  
September 29, 2016  
Page 1 of 3**

**Board members present:** Lisa Williams, David Cloutier, Elina Myers, Jim Hanna, Annie Marshall, Megan Schneebaum, Kate Moss, John Beutler

**Staff members present:** Bob Thompson, Sasha Crum

**Owners Present:** Vincent Townsend, Frank Herring, Lillian Elliott, Mary Siuta, Jim Wagner

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

**Consent Agenda**

The Board discussed how meetings' minutes are presented, and agreed it should cater to those who were not in attendance. Additionally, last month's minutes did not reflect the Executive Session that occurred, and therefore must be edited. Annie moved that the agenda thus amended be accepted. Kate, Lisa, John, David, and Annie approved.

**Owner Comment Period**

**Frank Herring** introduced himself and inquired about a nonprofit in connection with the Common Market that would focus on nutrition for the community. Implementing a nonprofit arm of the Common Market has been debated before, but there are no immediate efforts to create a nonprofit branch at this time.

**Mary Siuta** asked what internal controls were in place to prevent staff theft. Bob said measures had been put in place in his few months as GM to prevent such occurrences, including three firings directly related to theft, the creation of a position at the Coop designed to prevent loss and to improve security in the store, and a change in policies.

**Lillian Elliott** commented that she was disappointed by the limited sales during Owner Appreciation Days (a month-long Owner benefit three times a year that includes promotion of Ownership and special discounts). She also indicated that she perceived an increase in prices over the last year, based on comparing last year's receipts to her current ones.

**Final Audit Results**

The Board discussed the Audit Report it had received at the last Board meeting. The co-op has addressed security risks due to limited IT staffing by partnering with ExecuNet to assist in storing and ensuring access to sensitive information. The co-op is also reviewing its Account Payable schedule, as the audit recommends.

Kate motioned to accept the audit report as submitted. Jim seconded, and it was unanimously approved.

**Electronic Monitoring – D1 Governing Style; D9 Advocacy**

The Board's internal evaluation of its own performance this month pertained primarily to the Board's responsibilities and leadership of vision within the Coop. Six of nine Board members responded. The electronic survey showed compliance with all areas, though concerns were raised about not concluding advocacy topics and about meeting absences.

**GM Monitoring – A Ends**

Bob's report was reviewed, and will be reviewed again at the October meeting, at which point it will receive a vote.

**Quarterly BOD/GM structured discussion**

CDS Consulting Coop's *Check In with the New GM* guide has set questions (three each for the GM and for the Board) to help guide conversation with the Board and the new GM.

***What challenges and surprises have come up for you in your new position?***

A challenge has been familiarizing the management of the store with new procedures and creating streamlined consistency. Bob is seeking to emphasize a big picture, long-term perspective with his staff. A goal is to create a comfortable, open environment for all staff.

***How are you dealing with them?***

Working individually with each Manager and HR is helping to provide consistency and openness throughout the Coop. Some systems that have been cumbersome are being addressed to provide staff with more flexibility. The Board expressed interest in seeing a report of Exit Interviews, and would like to work with the General Manager to understand indicators of whether matters are staying on course. Bob is working with HR to address staff issues internally. A culture of inclusiveness and recognition will be promoted.

***How's it going with building all your new relationships on behalf of the coop?***

Jonathan Warner is looking for expansion locations. Bob is working with KehE and UNFI. Lillian indicated that she appreciates customer service. She'd like to see the GM talk to customers and introduce himself. Bob added that he plans to be in the store all morning every morning.

***How does the GM interact with the full board and individual directors?***

The Board indicated that communication with the GM has been excellent, and recognized Bob for balancing all that he must do and communicating about it well.

***Are the GM's reports clear and focused?***

The Board views the increased information in the monthly reports as helpful.

***How well does the GM communicate? Does s/he respond to questions, especially questions s/he can't answer, without defensiveness or anger?***

The Board agreed that Bob responds to questions well, though it wanted more visibility regarding staff relations and increased communication regarding significant changes. The topic will be addressed in greater depth at the retreat in November.

**Retreat Planning**

Bob and the Board discussed adding the following topics to the agenda for the Board's annual retreat:

- Review coop metrics: view the Common Market's productivity against the norm amongst coops nationally
- Adapting staff policies w/a potential HR presentation
- The GM's handling of customer complaints: the Board was pleased that Bob handled an angry customer tweet.
- C-share campaign and funding expansion
- The "new normal" for coops, including an evaluation of growth in the natural foods sector vs. coop growth
- Furthering the message that the Common Market is a cooperative
- Staffing, and implementing a structure of fewer staff who are better paid doing more work

**Operations Updates**

IRA program – Due to moving beyond 100 employees, The Common Market has had to close its staff IRA program and is working towards making a traditional IRA program accessible to its staff, with matching.

The Farm – Currently, the Common Market has a year-to-year lease. The farm needs further investment, but it's a risky investment since it is owned by a second party. Growing the farm is also difficult while attempting to expand. Bob suggested continuing another year and discussing it.

**Compiled results of monitoring reports 15-16**

John presented the official compilation of GM monitoring reports for the previous fiscal year.

**Odds and Ends:**

Fracking – Due to concerns raised by Owners, the Board has formed an Advocacy Group about this issue, so as to research the matter and to decide whether to take action. The Group found that Frederick County would not be affected by fracking, and has therefore chosen not to take action at this time. The Board will discuss in the future whether to expend time and funds informing Owners about fracking.

The Board adjourned to Executive Session at 9:01pm.

Notes taken by Sasha Crum.

**Frederick County Consumer Cooperative  
Board of Directors Meeting  
October 27, 2016  
Page 1 of 2**

**Board members present:** Lisa Williams, David Cloutier, Elina Myers, Jim Hanna, Annie Marshall, Megan Schneebaum, Kate Moss, John Beutler, Sibylle Mangum

**Staff members present:** Bob Thompson, Sasha Crum

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

**Consent Agenda**

Ownership refund requests for Owners 3375, 4050, 7297, and 2436 were on the consent agenda.

**GM Monitoring – A Ends & B3 Financial Condition**

A Ends – This GM report provides information on how the Co-op is meeting its ends. This report review is a continuation of what was covered last meeting. John moved to accept the report, Kate seconded, and it was unanimously approved.

B3 Financial Condition – The GM reports compliance with most portions of the financial condition policy, but reports non-compliance with the targets established for sales growth, net income, and costs for labor. A few areas in particular are a focus for bringing the Co-op to a stronger financial position in the future:

- A concern is the Co-op's labor costs. To address this, staff are being moved to departments where they can be more productive, staff scheduling is being overhauled, and staff who choose to leave the Co-op are not being replaced. The Co-op hopes to have labor down to 21% next year, which is the standard of the best co-ops across the nation. This will be achieved through better scheduling of truly committed, efficient employees.
- Another concern is food waste. A new coupon system has been implemented to incentivize purchasing food about to expire, preventing waste due to food expiration.
- Wholesale contracts are being renegotiated with some of the Co-op's food suppliers to help keep retail prices reasonable and margins within a profitable range.
- The Co-op will be seeking to write better orders and to utilize more efficient storage practices to drop overall inventory in the store.

Annie moved to accept the report, John seconded, and the motion was unanimously approved.

**Retreat Preparation**

The Board has prepared an agenda that will cover a review of the state of the Coop with Bob so that the Board may be informed, an expansion timeline for the coming year, a Preferred Share roll out plan, and a study of the necessary funds for expansion.

**Advocacy Committee**

A proposal to advocate against fracking was presented to the Board via Lisa who presented some information. Discussion centered on the relevance of the issue to our Ends policies. After discussion, Kate moved that the Board not initiate advocacy on this issue at this time. Elina seconded, and the motion was unanimously approved.

In light of recently passed federal laws overriding state laws on GMOs, John moved that the Board dismiss, for the time being, GMOs as an active issue of the Advocacy Committee. Annie seconded, and the motion was unanimously approved.

**Frederick County Consumer Cooperative**  
**Board of Directors Meeting**  
**October 27, 2016**  
**Page 2 of 2**

**Odds and Ends:**

CBLD Renewal – Membership fees are due for CBLD, which provides informational services to the Board. Kate moved to renew, Jim seconded, and the motion was unanimously approved.

Update resolution on authorized check signers – The Board authorized Woodsboro Bank to remove a former employee as a check signer. David moved to inform Woodsboro Bank to remove the former employee as a signer for the Common Market's account. Kate seconded, and the motion was unanimously approved.

Good of the Order – The Common Market generally donates \$20-25 to Turning Point Acupuncture for its annual Unschool of Yoga fundraiser, but this year the Board would like to add \$30 to the standard donation. Jim moved to authorize \$30 be donated by the Board to the event, Elina seconded, and the motion was unanimously approved.

The Board adjourned to Executive Session at 7:29pm.

Notes taken by Sasha Crum.



**Frederick County Consumer Cooperative  
Board of Directors Meeting  
December 8, 2016  
Page 1 of 2**

**Board members present:** Lisa Williams, David Cloutier, Elina Myers, Jim Hanna, Annie Marshall, Megan Schneebaum, Kate Moss, John Beutler, Sibylle Mangum

**Staff members present:** Bob Thompson, Sasha Crum

The meeting was called to order at 5:56pm by David Cloutier, Board President. A quorum was present.

**Consent Agenda**

Ownership refund requests from Owners 6462 and 3350 were on the consent agenda. October's Board meeting minutes were removed from the consent agenda to make amendments. The changes were approved, though the specific vote was not recorded.

Five additional Ownership refund requests were made by Owners 6038 (moving), 6315 (moving), 6881 (other: dissatisfied with investment return), 3216 (other: financial needs), and 7001 (moving). John motioned to approve the additional refund requests. Jim seconded, and it was unanimously approved.

**Owner Comment Period**

No Owners were present.

The Board will forward email or other online feedback pertaining to operations to Bob and Phyllis in an effort to increase engagement of Owners and acknowledgement of their views.

**Electronic Monitoring**

There was none this month.

**GM Monitoring – B9 Expansion**

Bob presented progress made and planned for the Co-op's expansion, and outlined internal improvements made that will enable the Common Market to shoulder the initial burden of growth.

Kate motioned to accept the report, Annie seconded, and the motion was approved by Kate, Annie, David, John, Jim, Lisa, and Elina.

**GM Updates: Capital Requests**

Bob asked the Board for \$160,000 for equipment and appliance improvements, especially to increase efficiency in Café.

Annie motioned to approve these expenditures as submitted by the GM for a total of \$160,000. Jim seconded, and the motion passed unanimously.

**Retreat Follow-up & 3-Year Plan**

So as to best address all of the issues that arose at the Board retreat, David proposed the following timeline for reviewing and discussing each topic:

Jan-Feb: Board meeting schedule/agendas

Jan-Mar: Market study

**Frederick County Consumer Cooperative  
Board of Directors Meeting  
December 8, 2016  
Page 2 of 2**

Jan-Apr: Performance metrics/Board understanding

Apr-Jun: Research competitors

Devising a plan to raise capital for expansion was not discussed at the Board retreat, so David will add that to an upcoming agenda.

**GM Insights**

Bob presented information regarding the grocery store market, highlighting the success of stores that maintain a low margin and the value of using low labor hours.

**Elect Board Officers**

Lisa nominated David for President. Annie nominated herself for Vice President. John nominated himself for Secretary. David nominated Lisa for Treasurer.

The Board officers slate of Cloutier as President, Marshall as Vice President, Williams as Treasurer, and Beutler as Secretary was unanimous approved.

**2017 Board Calendar Draft**

The Board retreat for 2017 (FY 2018) will be moved to the last week of October. The November and December Board meetings will be held the second week of their respective months, as per usual. Bob will review the reporting schedule that has been used and will confirm if he'd like to amend it. Owner Services and John will communicate regarding the 2017 Board election timeline.

**Odds & Ends:**

Addition to B1 Staff policy – This issue will be addressed in March when it is already scheduled to be reviewed by the GM and presented to the Board.

January post-holiday annual dinner meeting planning – This will be a short meeting followed by a holiday dinner. Board members and the GM are invited to bring guests, though the Co-op will only cover the meals of the Board members and GM. A private room is preferred, so Brewer's Alley and Reina will be called to confirm if this is a possibility.

CBLD renewal – The necessary agreement form was signed.

Good of the Order – Valley Coop has opened a Go Fund Me campaign to raise funds to remain in operation.

A new sign has been made for the highway with the Co-op's new logo.

The Co-op will host a Christmas dinner for staff on Dec. 23.

David motioned to adjourn the meeting at 8:33pm.

Notes taken by Sasha Crum