

Frederick County Consumer Cooperative

Board of Directors Meeting

April 25, 2019

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Board members present: Megan Schneebaum, Annie Marshall, Sasha Crum, David Cloutier, Sibylle Mangum, Evan Rosenberg, Lisa Williams, Stephanie Walker (late)

Board members absent: John Beutler

Staff members present: Bob Thompson, Sarah Lebherz, Troy Sexton

The meeting was called to order at 6:08pm by Megan Schneebaum, Board President. A quorum was present.

Consent Agenda

The Consent Agenda, including owner refunds for 8648, 7409, and 4900, was approved. Additional owner refunds for 5298, 8152, and 4470 were requested. Sasha moved to accept the additional refunds. Evan seconded, and it was unanimously approved.

Website Tour / Remodel

We rolled out a new website a while ago and it's come a long way. We want to work on and grow. An app for ordering food online will go live in 24 hours. We're close to being able to do special orders online. It'll automatically send a customer feedback email. Online ordering on our website works well. ChowNow will call if the device has fallen asleep, so there's a backup so we receive orders. Weekly specials are outlined on the website. It brings up the list of every single Field Day item. Customers can see our Coop Basics, which shouts out our great pricing. When a customer creates an account, their order history is tracked. Can sell gift cards online now. We then mail the gift card to them. Quick, easy info about each department is available on the main page. More in depth info on the department pages. You can also look up PLUs so you can see what your bulk item is. Can search for bulk items by category. Maintaining the database on the backend. When an item changes, we update it immediately. Featured events are here. Newsletter is online with flipbook feature. We have a directory online to email them. We allow online ownership. More people pay in full when doing so online. Instagram engagement has increased. Expansion info online. Online ownership has caused an increase in ownership join rate. More to come! Digital is the future. We're investing in our content to ensure it's a great website. Right now it's a B – we're improving content and keeping it fresh. Google analytics app tells him when people are on his website. Tells managers what pages they're on. Now we can see where they're going and what interests them. This website doesn't have sliders, which can be difficult with holiday hours. Maybe the featured event should be for new store hours, etc. We can utilize that better. We've discontinued Twitter. That's great feedback! Please send any additional feedback to troy@commonmarket.coop.

Owner Comment Period

No additional owners were present.

Megan asked Michael Healy how other coops handle owner comments at board meetings. A document was provided by CDS Consulting regarding how to handle issues presented to the board. We could change the procedure to listening actively, receiving, at the end of each meeting discussing the issue, then make a decision and action plan. Would we like to proceed with that new process? Focus on listening rather than responding. If it's an operations request, the GM has followed up in the past. The board has been good about directing appropriately. It's the follow-up that's crucial. Getting an email address in the minutes would be great.

Expansion Update

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The demolition is online. Construction is in full force. We're awaiting construction documents to be complete. We're meeting with our contractor tomorrow. We're about 4 weeks behind schedule, but we may be able to compress elsewhere and catch up. The entire drop ceiling was gone this morning. The flooring is being removed. The demo will likely be finished under this permit in the next week and a half. Then lag time before they return to start building under the new permit. Bob will meet with architect soon regarding interior design and lighting. We'll still focus on open glass and possibly skylights. Lots of natural light. Talking about putting a greenscape on the inside wall of the store.

Campaign Update

We have opened another money market account.

We've issued 69 packets thus far. 22 inquires online. 20 packets from out calling. 8 emails. 7 inquires at desk. 3 people call on the phone. A little lag time, but it's looking great! Sarah is managing the lists, etc.

Doing a social media blast and email blast tomorrow. Possibly pictures of us tonight signing our agreements.

Regarding joint ownership of shares, the owner of record must be on the document itself, but a letter can be issued recognizing the joint ownership of the share. The owner of record must complete the forms. People can own C-shares without being an owner if the owner of record dies and the heir would receive the share.

Sarah made caller packets for the board. Voicemails may be the way this ends up working out. They get a letter, a voicemail, then call on their own time.

We did the E-End event on Tuesday, and we were flooded about ownership and campaign information. We'll see what the weight is of the recycled materials. We're discussing hosting more events at the store to drive more of that. The line was incredibly long. Next year we'll be ready at 2:30pm and start at 3pm, or advertise 3:30 and be ready at 3pm. We can consider doing multiple of these events per year. The blood drive is coming up. We're finding more ways we can do this kind of thing.

The dates for the information sessions will be put out tomorrow on social media. Would Thursday, May 2nd work at 5pm or 6pm? Annie can come. Sasha can come 6 – 7pm. May 11th 4 – 5pm Megan and Stephanie can do.

We currently have a greeter at the door, so Chris can do that for the time being. Alie was present during the E-End event, and we'll have someone at the blood drive also.

You can move out of Maryland and keep your share.

Two phones rang indefinitely. Any ideas on how to handle those numbers that don't work? Make a note in your document and Sarah will email that person. If a number is "bad" in some way, a staff member will reach out regarding the integrity of the owner database. You can email in the moment if you'd like. Please just make a note of it.

GM Monitoring Report – B3: Financial Condition & B1: Staff Relations, Compensation, and Benefits

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Bob reported on the process that will be used to administer the staff survey to provide data for the B1 Staff Relations, Compensation and Benefits Monitoring Report. We will be utilizing Carolee Colter with CDS. In addition to the survey data – CDS will randomly interview some staff after the survey results are given. The survey will begin in early May. David recommended we table the monitoring report for B1 until August when the staff survey process is completed. Bob reviewed some of the data that was completed in the monitoring report including the livable wage data and how our median wages compare to other similar positions in Maryland. The Board discussed how the livable wage is calculated and whether or not it is the model that we have used in the past reports. Bob will report back with the data utilizing the CDS/NCG model.

Bob reported compliance with policy B3: Financial Condition. We need to ensure that our metrics match our needs – as we move towards expansion, should we reevaluate? Since we still need data from the CPA (which will be available in May), we will table and revisit in May. Stephanie is more comfortable keeping the old metrics. David – using the pro forma to establish benchmarks is a good way to go. If there's noncompliance, we can understand that with notes. The report is supposed to be a warning signal to the board. If we keep the same benchmarks and we know we're noncompliant, then we lose the warning system that's in place. How do we set new benchmarks that are reasonable? Could we use the pro forma? The net income jumps around the most. The project will also be broken up across quarters. Could we move backwards from the investment we made? Establish numbers that way? The evaluation is based on compliance with policies. Based on that, we should put a note in the policy indicating the long-term plan. Reference benchmarks and keep the initial benchmarks in place. Should we have separate project metrics? As the project progresses, the pro forma numbers could prove wrong. We also shouldn't change the numbers on Bob every quarter. These are meant to be minimums for the health of the co-op. Are we meeting the benchmarks we anticipated? We won't vote on it tonight. We'll discuss it and revisit in May. Megan will draft alternative wording in the report. The additional expense of Lisa's severance was not budgeted and has affected the bottom line. We have higher labor costs than our competitors due to our better wages, so we have to make up for this. The P&L for 3rd quarter is good. All were up over last year. Wellness was even better than budget. Labor was good across the board except in Café. Net income was good across the board except in Café. This is much better than last year, in which every department was down except for Wellness. We've allocated an error to fourth quarter instead of third quarter to help with bonusing. All severances are finished now. YTD, Café is \$164,504 negative. New head chef managed hotels, hospitals. May have been inventory padding in Café – we raised prices, etc. and still didn't meet margin. That suggests there was a counterbalance we hadn't known about. Grocery could be better, but it's shrinking out a lot of product. YTD, we're under our budget, but we're better than last year. We continue to improve productivity, etc. Our budget is pretty spot on.

We'll revisit in May, so feel free to consider more questions. Megan will work on wording. We knew that expenses would be higher due to expansion.

Board Monitoring

The board monitoring indicated board compliance.

October Board Meeting Minutes

Sasha moves to accept. Evan seconds. Unanimously approved.

Candidates Declare

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Megan, Lisa, and David – Megan is running again. David and Lisa are not planning on running.

Odds & Ends

- Board email accounts – Can follow-up with someone using your board email. Sasha will resend SOP.
- Board column in Spoonful – Annie wrote a column in spoonful about Kate. Annie will write another column next time – about the coop principles. We went digital with the newsletter in the past – there's lost institutional knowledge – just talking about how we address or present ideas.
- Call for candidates – went out. Hope to get good responses from that. Info sessions are June 13 6:30 – 7:30pm. June 29 10am – 11am. That meeting will be a campaign work that meeting. We can divide and conquer – some of us doing campaign work and some attending the info session. The deadline is July 12th. Candidate applications begin May 24th.
- CCMA – Everyone going except John, David, Lisa. Bob will consider going.
- Coop 101 – Went great!
- Follow-up work/steps - We will revisit B1 in August. B3 in May. People who are willing to stay for a photo, please do so.

At 8:35pm, Megan motioned to adjourn.

Minutes were taken by Sasha Crum, Board Secretary.