

Frederick County Consumer Cooperative

Board of Directors Meeting

June 27th, 2019

Page 1 of 5

Board members present: Megan Schneebaum, David Cloutier, Evan Rosenberg, John Beutler, Stephanie Walker, Lisa William, Sibylle Mangum, Annie Marshall (late)

Board members absent: None

Staff members present: Sarah Lebherz (left at 6:33 p.m.), Bob Thompson, Max Smith (left at 6:15 p.m.), Alexandria Pallat

Owners present: Barbara Conelley, Saph Lune, Gema Ahern, Melanie Ahern, Leslie Barkley

The meeting was called to order at 6:03 p.m. by Megan Schneebaum, Board President.

Consent Agenda

- June 13 minutes
 - Approved
- Owner refunds (4689 & 8044 – out of area)
 - Approved

Owner Comment Period

- Megan briefly explain what the owner comment period is for & how we respond to comments – via email, if further communication is desired
- Barbara Conelley: She previously sent an email, and this is a follow up. She was upset when she came in a few months ago and certain items in Bulk were put in plastic bags, and is upset by “compostable” plastic produce bags because, due to her background, she recognizes plastic does not truly biodegrade. She is also upset by corporations continuing to use more plastics instead of decreasing plastic use. She would like to put pressure on vendors to use truly recyclable items. She also desires more education on consumers bringing in own containers and tare weight education for staff.

Expansion Update

- B9 – Expansion finances/proforma monthly update

Bob:

- Gary leaving Waynesboro to open his own green construction company
- Gary will be intermediary & remain as point of contact for Bob on project
- Gary will be using this expansion project as the big project on his “resume”
- Approvals for permitting process are moving slowly – permitting will be broken into 2 pieces: city will approve construction that does not involve health department.
 - Gary is confident construction will begin in July.
- Have lost 1 -2 months on construction due to waiting

Sarah:

- Financial tracker was adjusted to be more reader-friendly
- Over budget on professional services and still have to complete architectural fee
- Additional C-shares we can raise should be able to offset overages in budgeting
- Settlement fees also came in a little over budget
- \$1.2 million into project, including purchase & legal/negotiations as part of purchase
- Property taxes now match the assessment value
- Part of legal fees involve legislation for liquor license, which did not happen, and Capital Campaign

General:

- It was decided to not refer to the expansion monitoring report as B9 because then it would need to be voted on. Instead, it will be referred to as Expansion Finance Update.

Capital Campaign Update

- Status: Sarah
 - It was a success!
 - Collected \$150,000 at Open House on June 15th through 48 investors
 - One check bounced
 - Current C-shares collected: \$1.28 million
 - Received an additional \$20,000 today – owner who had previously purchased \$10,000 purchased another \$15,000 today
 - Still see activity on C-shares, but not following up as actively
 - Still sending out email every few weeks
 - Potentially activating it again in September – perhaps 4 weeks instead of 6
 - Ownerfest would be a great opportunity to activate the Campaign again – this will be under discussion at a later time

Bob:

- Berkshire Co-op (Western Mass.) ran a Capital Campaign and only raised \$250,000 of their \$1 million goal – we feel this indicates our owners are very excited about our process and illustrates we can be successful with a second store.

Board:

- Board presented Sarah with a gift card as a “thank you” for her efforts in the Capital Campaign
- Discussion on other co-ops who are running Capital Campaigns for both expansions and grand openings

GM Monitoring

- Results of survey (B1) will be discussed at next meeting

Bob:

- B6 – Succession
 - Max is showing good signs of success in his position
 - Max & Bob have gone through emergency manual of the store
 - Co-op is in good hands succession-wise with Max and Sarah, and Bob will work hard to make sure Max is fully trained
 - Annie made the comment that Max always seems perfectly cheerful and level at the store
 - Young leaders in the store are growing and developing their skill set
 - Annie moved to accept B6, Megan seconded. It was approved.
- B5 – Communication To The Board
 - Based on survey, Board feels GM abides by policy; however, there are some complaints regarding timeliness on budgeting, etc.
 - We have had to overcome a lot of issues, so it has been a process.

Frederick County Consumer Cooperative

Board of Directors Meeting

June 27th, 2019

Page 3 of 5

- Megan wanted to verify with Board that the survey was the most effective way to evaluate these policies. Board agreed it is effective.
- David moved to accept B6, Evan seconded. It was approved.
- Saph Lune asked about where this policy/survey comes from, and Board explained the survey is response to the Board, which is the governing body of the co-op.
- For owners considering running for the Board (4 of the 5 present), John explained the process of assessing compliance with Board policies.
- Policies are developed with consultants and based on other co-op Board policies. They are meant to fit based on what the Board needs to know.

Break at 6:45 p.m.

Megan called back to session at 7:04 p.m.

- Sibylle returned late
- It was announced Evan will be Secretary

GM Monitoring, Continued

- Catching up plan
 - Next month: D2, D7
- Board site
 - Low data storage of current site
 - Evan & Megan discussing transition from Google site to a better organized site
- D5 – BOD Member Code Of Conduct
 - Megan proposed to re-insert the clause that any paid employee who is also a Director will resign from the Board if/when the employment ends.
 - Barbara asked why employees cannot be on the Board. Megan explained that employees can be on the Board if they are owners and not direct reports to the GM, but that when their employment ends, they must resign from the Board. However, the individual could run again.
 - Discussion on limiting conversation via email – David suggested prohibiting deliberation in email, not necessarily conversation/voting
 - Discussion on first point in the Code of Conduct
 - David suggested simplifying the first point to make it clearer what the “good of the co-op” means and how the Board achieves that
 - Make it less vague, less legalistic
 - It has been decided to postpone this topic until next month
 - Megan will email everyone what was approved last year
 - Megan requested everyone come prepared next month with comparisons of the old and new versions

Frederick County Consumer Cooperative

Board of Directors Meeting

June 27th, 2019

Page 4 of 5

Diversity, Equity, & Inclusion Committee Update

- Megan & Sibylle met with Elizabeth with the Asian American Center of Frederick regarding diversity in the co-op
 - Interest in forming a partnership with the co-op
- Invite her in to speak to Board about what they do and her vision for partnering with the co-op
- Megan was struck by the broadness of the mission of the Asian American Center of Frederick
 - Serving a broad community
- Saph inquired about the point of diversity – is it to make the staff of Common Market more diverse?
 - Megan explained that while that is an option, increasing the diversity of the Board is something they are focusing on.
 - Sibylle mentioned that attracting the appropriate diverse audience is an issue.
 - Saph inquired if the audience is owners (are they not diverse enough?), and Megan explained we do not have data on that type of information.
- Just the beginning of a conversation
- Gema expressed she does not see diversity, inclusion, etc. as an issue because she believes the co-op is diverse based on what she sees when she shops.
- David expressed this conversation is more constructive when we clearly identify what aims are, noting the conversation about the first point in the Code of Conduct.

CCMA

- Megan explained one take away was a discussion with someone who works with co-ops to identify diversity goals, etc.
- It was Megan, Evan, and Stephanie's first time; Annie was the only repeat conference-goer.
- Evan expressed that he sees that co-ops have transitioned from the "hippie co-ops" of the past.
- Bus tour: visited 3 stores
 - Evan feels our store is more open, referring to physical space, than the stores he visited.
- Annie felt diversity seminars were very eye-opening.
- Megan mentioned this is the Common Market's 45th year in existence.
 - Mention this at Ownerfest
- Compared to other comparable co-ops, our annual meeting is phenomenal.
 - Other co-ops struggle to get attendees.

Odds and Ends

- Email accounts
 - As expansion continues and we increase owner numbers, it looks more professional to use the Common Market email addresses.
- MAFCA
 - MAFCA = regional co-op group – Mid-Atlantic Regional Co-op Alliance
 - John is the regional representative
 - Quiet
 - Phone meeting has not happened
 - We would like to host a meeting soon

Frederick County Consumer Cooperative

Board of Directors Meeting

June 27th, 2019

Page 5 of 5

- Co-op Impact Conference 10/1 – 10/4
 - Alexandria, VA
 - Hosted by NCBA
 - Co-op businesses, not exclusive to food co-ops
 - Megan will send interested parties the information if they would like to attend
- There is an artist co-op in Frederick
 - Connect and reach out
- Elections: Candidate submission deadline 7/12, next session 6/29 10 a.m.
 - Info Session Saturday, June 29 at 10 a.m. & Wednesday, July 10 6 p.m.
 - Annie, Megan, & Sibylle will be present
 - Discusses co-ops, how the Board works, what to expect as a Board member
 - 4 seats will be available
 - Megan is the only one of those positions who is running again
 - Coming in as a new Board member, you come in as a Director
- Good of the Order
 - Bob: grocery business
 - Aldi is planning to open more stores
 - Lidle is “imploding quickly”
 - Dollar Stores are growing
 - Natural food stores growing, stores that look like a co-op but are not
 - UNFI purchased SuperValue
 - Kehe thinks UNFI will stop selling small unique items, will only sell big movers, so a second relationship with Kehe will be vital
 - Because Whole Foods will not be filled by Amazon, we may see better prices from UNFI
 - Some challenging times for grocery business, but good opportunity for co-ops
 - Privately held grocery stores are competitors for WalMart
- Follow up work/next steps
 - Megan will email last Code Of Conduct to everyone and check on Xecunet and touch base with artist co-op.

Megan adjourned for Executive Session at 8:01 p.m.