

**Frederick County Consumer Cooperative
Board of Directors Meeting
April 16th, 2020
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Board members present: Megan Schneebaum, Annie Marshall, Stephanie Walker, Evan Rosenberg, Melanie Ahern, John Clarke, Sibylle Mangum, Bob Wolpert, John Beutler

Board members absent: N/A

Staff members present: Sarah Lebherz, Max Smith, Ashley Pilahome

The meeting was called to order at 6:05am Megan Schneebaum via Zoom.

Approval of Agenda

Agenda is approved.

Consent Agenda

February 27th Meeting Minutes approved.

Owner Comment Period

Owner Zoe Brittain present via Zoom video.

Barbara Conelly present via Phone audio.

No comments.

Expansion Update: pro forma, Construction and Capital Campaign

Things are still moving on sight! There is a giant crane there and they are placing large air conditioning units. Inside they are finishing the dry wall framing, working on the floor. The wall and seating area of the café is starting to be formed and the duct work is going in. The support center area will soon be getting the ceiling closed. We are still in a good place with the timeline. We have paid the portion that we have had to pay ourselves and now we will pull from the loan. We will still cover utilities, fees, builders risk insurance etc.; however, big expenditures will be pulled from the loan. Sarah feels comfortable where we are holding. There has been no fundraising for the capital campaign, due to obvious reasons this is not a focus for us, and we will not be holding any in person meetings or info sessions for the campaign at this time.

GM Monitoring: B3 – Financial Condition

We are reporting full compliance for all benchmarks. We have the inventory estimated at 38.6%. We were able to calculate an estimate of this by averaging the last two quarters of inventory and using the most recent inventory from Café in January. Sales growth is extremely strong at 7.1% growth. February had an extra day which provided a little boost however with the mad rush of sales at the end of March, it helped with the labor cost percentage to go down since sales went up. Debt to equity still very strong – last quarter we were negative and trending down from our peer group. Currently we are seeing the NCG peer group's trend down for sales. Labor Expense is at 21% - which is the lowest it has been in almost 10 years. We are doing well compared to our budget – at this point we projected a loss because of the 7th expenses but we are currently sitting with a positive net income and cash is still holding steady. Owner numbers are still going up which is nice to see – a lot more online enrollment. Stephanie made motion, Bob second and all are in favor.

NCG Renewal

We are a little late with our NCG contract, but they have graciously let us sign it. The Board votes to approve Megan signing it and Sarah, as the CFO, to sign it.

Operations Update

When looking back we want to be able to say that we overcompensated for COVID-19 instead of undercompensating on preventive measures. We have about 4,500 masks on hand which should last us about 5 weeks for staff. We purchased hand sanitizer from McClintock Distillery and encouraging social distancing by limiting the number of staff allowed in offices and placing signage around the store. The Curbside program launched last Thursday and already over 200 orders are pending. 20-25 orders are fulfilled a day; we are utilizing the café employees, since certain departments are closed temporarily, to help curbside run effectively. If staff want to work, we want to be able to provide hours along with the PPE, to them. Café is the one with the biggest changes – we using it as merchandising space for new programs. Coffee, juices and sandwiches are still being made to order. The café will be the hardest spot to come back in when everything is reopened. Bulk is doing great – we are packaging them in house. Plexi glass is around the registers and now limiting 40 customers in the store at a time. The “gatekeeper” is monitoring the ins and outs and the customer flow – we are making serpentine corals in produce that is managing the crowds more and helping to reduce lingering. Operations are changing and staff are adapting to a new normal. The goal we need to continue to focus on is can we continue to do more and continue to follow local and state governments. We still are experiencing out of orders/stocks from the supply chains and closures of supply warehouses. Stephanie asked with decreasing the number of people in the store, are we seeing the outside line increase. Max answered that usually only on Wednesday mornings the line will get a little long but nothing longer than 10 minutes. John made motion, Stephanie second and all are in favor.

Board Budget – Vote for Approval

Stephanie presented that the board meeting stipend will be kept at \$15 and that the training for CCMA did decrease. Bob made motion, Annie second and all are in favor.

Board Monitoring

- D8 – There were two votes of partial compliance and once question posed of what training is available to the board - Megan answered that if a Board Member finds something that they are interested in that is applicable to board work it can be brought up as a training in addition to: 101, Café Co-op options, and the Impact Conference.
- C1 – Unity of Control – Compliant.
- C2 – Accountability of the GM – Partial compliance on Question 1.

GM Search Update

The Board signed a contract with the Carlisle Group and we are in several of the initial phases with the search process with them. Board members should have received an email from them today about it – please complete that survey by Monday so we can continue to move forward with the search. The Carlisle Group has a constant pool on candidates that they are looking at and they are happy to match them to us, but they will not do that until we have completed the first couple of steps. The search is still going on despite current events and the candidates that we are looking for is who have experience working in this industry, so they are currently working or have recently worked during the pandemic.

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Candidates Declare

Materials have been approved to begin the call of candidates. We did make sure that we added in all the materials that we do not know when the information sessions will happen or how they will be held due to current circumstances.

Annie and John B. plan to run again. Melanie will be moving and will not be running for her position again

Odds & Ends

- Call for Candidates
- Good of the Order
 -
- Board Bio Page
 - We got a good start! Lets continue to work on this!
- Follow up work/next steps

Addendum to Minutes:

Approval of Owner Refunds

Unanimous Approval via email for the following owner refunds:

Owner: 5728 – moving out of the area

Owner: 7405 – wife has an owner account

Owner: 7125 – found a coop or natural foods store closer to home

Owner: 8715 – Won't be in the store as often since I won't be working here anymore

Owner: 8912 - moving out of the area