

Frederick County Consumer Cooperative
Board of Directors Meeting
July 30th, 2020
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Board members present: Megan Schneebaum, Annie Marshall, Stephanie Walker, Evan Rosenberg, John Clarke, Bob Wolpert, Sibylle Mangum

Board members absent: Melanie Ahern, John Beutler,

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

The meeting was called to order at 6:04pm Megan Schneebaum via Zoom.

Introduction of Román Diaz – New General Manager!

Week 3! We are doing so far so good!

Approval of Agenda

Agenda is approved.

Consent Agenda

Minutes and refunds are approved.

Owner Comment Period

Owners present: Chintimini Keith, Katie Jackson, Alecks Moss, Zoe Britain, Ryan Prenger, Tiana Massaquoi
No comments.

Expansion update: pro forma and Capital Campaign

We are currently working on getting a temporary occupancy permit so we can start some moving into the Administration offices! Progress meetings are happening a lot and trying to stay on top of the daily schedule. Project Budget Tracking: we still have over 1 million to draw for construction however we are a little over in professional fees just due to the timing of everything. 85% of the equipment is on site! Sarah proposes extending the capital campaign to September 30th. Bob makes motion, Evan seconds, all are in favor.

GM Monitoring

- B3 – Financial Condition
 - The store experienced extreme growth in March and then started to take a little dip. Our Prepared Foods department has seen the largest dip with the hot bar and salad bar being closed. The influx of sales really helped the peer group; the debt to equity was a little higher than our peer group but we did take on some more debt with our expansion. Our sales growth is comparable to stores in our peer group. We were not compliant with the net income. We did have a significant amount of expenses related to COVID-19 (janitorial services, plexiglass, mask, gloves, etc.), with the store-wide profit margin being dragged down a lot, it impacts that net income. Wellness and Café reported the lowest sales growth due to the impact that COVID has had on those departments. The YTD is still very strong and holding at .7% sales growth for the year.
- B2 – Financial Planning
 - Sarah presented the budget: we are assuming that we will have -22% growth at the 85th store due to the opening of 7th street along with COVID. When talking about personnel budget, it will not include the

support staff since they support both stores; we will look at them as their own unit. We conducted a market study with a full year sales assumption of \$17.3mil; we have taken that number along with the opening of the 7th Street store to reduce it to \$13 million. The 7th Street store has a lower margin than the Route 85 store so there is built in room to stabilize. It would be nice to eventually clean up signage at the Route 85 store once we are done with the 7th street signage. We are not assuming any new debts, preferred shares or redemption. The PPP loan is assumed to be forgiven in 2021 and is under other income (debt forgiveness) – this has been recommended by the CPA. We are looking at projecting \$30.8mil between the two stores with a 37% margin and net income of .2%. We are looking at a loss in cash during the first year but then will continue to gain in subsequent years. We need to focus on labor and how we will plan for that; if we are basing labor on last year – then we might be too low – we really want to ensure that we are staffed well at both locations.

Megan suggested that the board does not vote on this so Roman is not held accountable to the financial condition during his first month.

GM Update

With the new store, Roman, believes that we are going to be setting a bigger mark in the area!

Diversity, Equity, & Inclusion Committee Updates

- “How to be AntiRacist” Seminar Discussion – the board members attended a webinar , held by Ibram X. Kendi - that talked about experiences that they have had primarily in the African American community: <https://www.youtube.com/watch?v=-9MlCTYpqrQ>. Annie really loved the webinar and felt he was very personable. Great open conversation between board members!
- TED Talks
- IMPACT Conference
- The Abolitionist Challenge
 - Board members who would like to sign up for the challenge, please let Megan know.

BOD Monitoring: D4 – Officers’ Roles

This month’s board monitoring discussed the officer’s roles and responsibilities. The board all voted in compliance.

BOD Elections

- Meet the candidates scheduling – we have a wonderful number of individuals who are interested in running! Annie is setting up the meet the candidate’s sessions – 2 will be held!
- Electronic Voting update - We are offering this again, however, we are using a different company this year. You can call in your vote this year as well! We are hoping that this encourages folks to vote since we will have different ways to do so. If you want a paper ballot you will need to go into the store and ask for one.

Odds & Ends

- Co-op Impact Conference
- Good of the Order
- Follow up work/next steps

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The meeting was adjourned at 8:17pm.