

**Frederick County Consumer Cooperative
Board of Directors Meeting
September 23rd, 2021
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Board members present: Megan Schneebaum, Annie Marshall, Evan Rosenberg, Bob Wolpert, John Clarke, Zoe Brittan, John Beutler, Stephanie Walker

Board members absent: Alecks Moss,

Staff members present: Román Diaz, Sarah Lebherz, Ashley Pilahome, Susan Schulman

Owners present for the meeting: Mary McKelvie, Lynn Brantley, Gislene Tasayco

The meeting was called to order at 6:07pm by Megan Schneebaum via Zoom.

Approval of Agenda

Agenda was approved.

Consent Agenda

Refunds were approved. August meeting minutes were approved.

Welcome New Board Members!

Annie welcomed Lynn Brantley to the Board of Directors (BOD) and expressed gratitude toward the outgoing Directors, Stephanie, Evan, and Zoe!

Nominations and Voting on Board Appointments

Gislene Tasayco and Mary McKelvie were nominated to be appointed to the board. Annie called for a vote for Gislene and Mary. All Board members voted in favor. Welcome Gislene and Mary to the BOD!

Owner Comment Period

No comments received.

Final Audit Review

Sarah presented to the BOD on the balance sheet that the ERC had posted, changing, the net income for the year. According to the income statement, wages decreased by that amount which also changed the tax. LSWG has been completing the final, final draft audit report and we should have it next week once their formal processes are complete. Sarah noted that there might be a slight tax adjustment in the final version. The Board needs to approve the draft before it can be included in the annual report and the draft needs to be approved prior to October 15th. Megan said that an email approval is acceptable as long as there are no major questions. Stephanie asked if she needs to update the treasurers report and Megan suggested keeping it in Stephanie's name since she presented it. Stephanie will update the report with the new numbers. Sarah will inform the Board when the final report is received.

Patronage Rebate Proposal – N/A

It was announced that there will be no patronage rebate this year. Sarah mentioned that the team might send something out about not receiving the rebate along with the annual holiday message. Bob asked if the report is posted on the website and Susan said, that although the Spoonful is posted, the annual report and treasurer's report are sent to the Owners via email. John B said he thought that sounded reasonable.

Monthly Financials

Sarah reviewed the financials report and mentioned that last week saw an increase in sales to around \$518k. The One Year Anniversary event at the 7th Street Store increased sales at that store. In addition, next month is an OAD month and

there has been an increase in customer count too, though basket size has decrease a little. The Co-op is extremely short in labor which is hampering sales growth particularly in the fresh food departments. Wellness Department sales have been increasing and could help with the profit margin since the department carries a higher expectation for margin. Sarah reviewed the Quarterly sales to date: the Route 85 store is running 6% under sales budget, wages are also under budget, however occupancy expenses are over budget again since sales goals were not achieved. The 7th Street store is doing slightly better and is closer to budget; wages are under budget but not to the extreme as with the Route 85 store. The occupancy expense at the 7th Street store is on budget and operating expenses were higher, however that figure will be updated. Administration expenses are running under budget. The consolidated report revealed 3% under budget in sales between the two stores. This quarter had budgeted for the biggest loss because sales are typically the lowest. Sarah mentioned that the sales growth has been limited due to high turnover in staff. She also mentioned that we are looking at how the meat department is being managed and have identified opportunities for fixing the margin of error.

GM Monitoring

- A – End’s Policy
 - Román presented the final Ends report for the year and reported compliance on all expect the patronage rebate category. Román reported an increase in local partnerships and in connecting customers with local food providers. We organized and hosted the “Loco for Local” event to highlight these great local vendor partnerships. Although we have more local producers, they have had less sales percentages; this might be because since the new store opened there are a lot more SKUs to choose from. The Co-op is very close to having 8,000 owners and its total owner equity has increased. Since there will be no rebate this year, the Co-op is considering adding an extra coupon for the holidays. Román reported that dues at other Co-ops increased by approximately 5%, the equity in other Co-ops increased 12%, and there was a 6% increase in clicks on their website. Although the Co-op did not have much attendance in the community room this year due to the COVID-19 pandemic, a lot of events were hosted online with great participation. Since this year’s BOD election had less candidates than normal, only 1.37% of Owners participated in the vote. It is likely that if there had been more candidates on the ballot, the percentage would have been higher! The recycling program has been so successful that the cost is being evaluated. John B moved to accept the Ends report, Annie seconded, and all BOD members were in favor.

Board Monitoring

- D9 – BOD Advocacy on Public Issues:
 - What is the BOD doing well with this policy? Annie said that the policy and the committee are doing well and that we should be careful to not take political stances. She doesn’t think opportunities present themselves and that the BOD does okay with this.
 - Is there anything we can do better with this policy: John C said he was not aware of any incidents where the policy has been exercised so there is nothing to add or improve upon at this time.
- John C proposed a different approach to BOD monitoring. The last month’s monitoring discussion led to a lengthy conversation which indicated the BOD needed further opportunity to resolve. He pointed out that the monthly BOD meetings are public meetings which are primarily organized for updates to the BOD and Owners. He suggested a way to prevent excessively long meetings that the BOD should consider meeting on a quarterly or bi-monthly basis at “BOD working” meetings. These meetings would be attended by BOD members to accomplish work that the BOD need to resolve such as BOD policy reviews. The meetings would have fixed agendas with desired outcomes. Evan said that when he worked on a different board they would meet like that

and a working group would bring the condensed discussion to the full board for review. John B said that he thought it this sounded like an additional BOD retreat. Gislene said she thought this would be a good idea and that it would allow people who are in the smaller groups to get into strategic conversations. Megan liked the idea, but added that the BOD could also add a second retreat to the CBLD membership. John C proposed two options: add quarterly meetings in addition to the monthly meetings or assign a working group to look at BOD policies in more detail, and then bring it to the BOD at the monthly meetings. Megan said she is in favor of including the entire board in decisions; Annie said she is concerned about the extra time that would be spent when a lot of time has already been spent on these topics. Gislene said that the BOD could reevaluate after a couple meetings and Stephanie suggested moving the speaker series to a quarterly basis and limiting the amount of information shared during the GM reporting. John C will schedule quarterly meetings after the retreat with the draft 2022 BOD calendar.

DEI Update

- The next DEI Committee meeting will be on September 27th @ 12:30pm
- Upcoming Food for Thought Speakers – Speakers scheduled for October & November!

Retreat Planning and CBLD Renewal

Megan proposed signing up for the CBLD Complete plan which would provide more consulting time with the consultants or an extra retreat. The BOD is considering increasing the amount of time outside of board meetings; might consider not having a second retreat but quarterly meeting instead. Stephanie said that the budget is lower than what the CBLD Complete rate is this year however there is funding leftover from the election since a full election did not take place this year. John B said that they should sign up for the CBLD Complete plan, and Annie agreed. All BOD members were in favor for the complete plan. The 2021 Retreat will take place on Saturday November 6th and 7th – 9am-1pm – an email has been sent out and asked some of the employees who attended last year to attend to attend this year too.

Odds and end:

- Green Committee – John C gave an update: oyster shell recycling has been established at the 7th street store, October and November compost classes have been scheduled, a recycling class scheduled as well. A virtual tour might be planned for Frederick County recycling, more to follow. The Frederick News Post community garden tour is being planned, and the North Frederick Elementary school garden will be looking to do some winter prep. October 22nd is the next scheduled meeting.
- Coffee with Leadership? – Román has had 11-12 meetings so far.
- CBL 101 – November 14th – if new board members are interested let Megan know.
- Lovettsville Groundbreaking event is scheduled for 10/9, 12pm-3pm.
- Impact Conference – October 4th – 8th – if you are interested, please let Megan know
- *Spoonful* – if anyone is interested in writing an article, please let Susan know.
- Good of the Order
 - John B will not be at the October's Board Meeting
 - Zoe, Evan, and Stephanie. The BOD thanks them for their time on the board.

The meeting was adjourned at 8:27pm.