

Frederick County Consumer Cooperative
Board of Directors Meeting
January 23rd, 2020
Page 1 of 2

Board members present: Megan Schneebaum, Annie Marshall, Stephanie Walker, Evan Rosenberg, Melanie Ahern, John Clarke, Sibylle Mangum

Board members absent: Bob Wolpert, John Beutler

Staff members present: Bob Thompson, Ashley Pilahome

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

Consent Agenda

Agenda and owner refunds approved.

Owner Comment Period

No owners present.

Expansion Update

Gary Large, construction manager for the expansion, was in attendance. Gary is excited about the finishes that we have coming and that we are at budget! Originally the budget came in over but fortunately we are now right at budget. UNFI/Supervalu has been a huge help and has a lot experience. We have done the heating and lighting through them and buying it as a package, which will help us save a lot of money. We are so fortunate that we are the first co-op that has been able to build a partnership with UNFI this way. Two years ago, there was no collaboration and now that the companies are together, we are able to have access to their resources. We have turned the project “loose” and work is going! The timeline is looking at September opening now. Gary will provide an executive level schedule for the next board meeting; remember he tracks when we can get in the building to start the fixtures and stocking, not the actual opening date. We are working with NCG in regards to fixtures and how the store set up is going to be.

Capital Campaign Update

Sarah has collected \$12,000 since last meeting and was waiting for the holidays to pass before we start reaching out to more owners.

GM Monitoring: B3 – Financial Condition; B4 – Asset Protection

B3: Though top line sales are slightly down, we have still made progress. We are measuring above our peer groups, which tells us that other co-ops are burning through cash and equity. The sales growth is the part that is concerning as we have dipped a little bit in our co-op peer group. NCG mentioned that they are seeing it around the country. Our profit margins have been holding steady around 40%. Our inventory turns have improved, and we are managing to get our inventory back under control. Aldi seems to be a major competitor in the area where some owners might be heading to shop there. Stephanie moves to approve, Annie seconds, all are in favor.

B4: Asset protection is up to date and everything is on par. Our Asset Protection Manager, Roger, has brought us up to OSHA standards while ensuring our insurance is up to date along with general liability and workers comp. Annie moves to approve, Evan seconds, and all are in favor.

Board Strategic Plan 2020

The Board needs to review over policies and ensure information is up to date. Megan thinks that this plan might have some benefits but right now it is not serving us to our needs and she is looking for feedback on what other Board Members are thinking – should we consider doing a very major overhaul of policies or do we want to reevaluate one policy per month. Annie suggests we look at the policy while we are monitoring it, since we would already be discussing it, but wonders if this is the year to start doing this since we are in expansion. Stephanie believes that this might be a good time to start looking at it, since there is expansion, there isn't a lot else on the board level right now. Megan believes the most sensible way is to look over the policy while we are reviewing it each month however, we might want to look at having a sub-committee look over everything and then bring it back to discuss. Sibylle is concerned that it takes awhile to make changes on the policy – some of the documents are very old and will take a lot of time to review for a group that only meets once a month; she is saying let it take as long as it takes, but we have to be realistic that we are not going to get this done quickly. Annie feels an entire revamp is going to be what we need but knows it's a big project. The board code of conduct has been the only policy that has been updated in some time. Evan suggest that the subcommittee picks the most important policies and then put the other ones on the backburner. Is it possible to talk about the policy while we are reporting on it? Stephanie thinks that we should put the policy behind the reporting and we should start with the templates of the policies not just the policy. Don't tackle another policy until the current policy that we are reviewing is completed and approved.

Board Monitoring: C3 – Delegation to GM, D6 – BOD Committee Principles

D6 will need to be reported on next month.

C3 – All questions were in compliance.

Common Market Policy Records Check

Please take this information home and see if you have anything that is new or updated instead of the dates listed.

Odds & Ends

- Patronage rebate is going great – a little ahead of last year!
- First Saturday BIGGEST of the year, Fire and Ice – February 1st, 11am-5pm –bananas and chocolate bites will be handed out – please let Megan know in the next week if you can attend.
- Board Holiday Potluck – March 7th – we are tentatively going to buy a meat main dish and make a vegan main dish and everyone else bring sides, appetizers, desserts, no cashews – TBA on location – you can bring a guest.
- Planning Grand Opening/OwnerFest 2020/Annual Meeting – we can't physically do OwnerFest at the same time we are opening the store. However, we have to hold a meeting with at least 50 owners present. The board will think on this and will report back with a decision.
- Good of the Order –
 - Evan is signing contract for real estate agent and he is looking to start moving later this year – Evan's seat will need to be filled – it would be just for 1 year.
 - 10 Tickets for Co-op Café in Philadelphia in October.
 - Stephanie is working on budget for next month; Megan would like to increase the dinner price for board vouchers; training for CCMA should be put in a place holder.

**Frederick County Consumer Cooperative
Board of Directors Meeting
January 23rd, 2020
Page 3 of 2**

- Follow up work/next steps

Meeting adjourned at 8:20pm by Megan.

**Frederick County Consumer Cooperative
Board of Directors Meeting
February 27th, 2020
Page 1 of 2**

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: Bob Thompson, Sarah Lebherz, Ashley Pilahome

The meeting was called to order at 6:02pm by Megan Schneebaum.

Consent Agenda

Consent agenda approved by all.

Owner Comment Period

No owners present.

Electronic Monitoring: D3

One comment mentioned that the board was partially compliant to the first question due to a specific situation, however, everything else is voted in compliance. John B. moves to accept, Melanie seconds, and all in favor.

Expansion Update: pro forma and Capital Campaign

\$1,554,000 currently! Another email blast with updated pictures to be going out and possibly one info session in March. Slowly trickling in but we are still receiving them!

Monthly update of project budget summary shows the Woodsboro Bank Construction Loan which we started to draw on last month, but now that the construction budget went up, we need to first kick in our cash. Right now, we are paying out of pocket now and then when we are squared away, we will start pulling from the loan. This also delays the interest on the loan. We drew a large amount from equipment since we finalized the quote on the major mechanicals – the refrigeration package is \$1 million itself. The exterior signage is finalized, and two large signs are going through the permit right now.

Changes in check signer: add Killian Geeslin

Stephanie moves to accept, John B. seconds, and all are in favor of Killian Geeslin being added as a check signer for the company.

GM Monitoring: B9 – Expansion

Because Bob is reporting every month on expansion, we need to decide how we move forward. Gary should have an updated schedule by the end of tomorrow. Sarah will post to the site as soon as she receives it. Annie moves to accept, Evan seconds, and all are in favor.

Recycling at The Common Market

Mom's announced that they are no longer accepting a variety of items through teracycle – we have continued to take these items.

Earth Fare & Lucky's

In the first week so February 2020, both Earth Fare and Lucky's closed their doors.

Finalize and Approve 3-year plan

John B. moves for acceptance, Bob W. seconds, and all are in favor.

Policy Evaluation: D6 BOD Committee Principles

We are comparing B6 to the CBLD template principle and opening it up to discussion on how we feel the current D6 meets our needs. Are there any changes or anything appealing about C7 that we should adopt? Stephanie likes point 3 from C7 – currently there are no reviews of the committees. Evan will figure out how to incorporate 3 without 3a into D6 3. Evan will update the new wording, and next meeting, we will vote on the final copy of it. Next month, another policy will be decided on to overlook.

Treasurer proposes BOD 19-20 Budget

Looking at raising the dinner vouchers from \$15 to \$20. Stephanie would like to open this conversation up because she believes our budget should go down. Stephanie recommends keeping the dinner vouchers at \$15 and cut the training back. CCMA is a large expense and given expansion, Stephanie proposes that we cap the CCMA travel to 4 people. Megan would suggest 5 people. Stephanie will update the CCMA training budget to 5 individuals and the budget dinner back to \$15. The updated budget will be re-presented and sent out.

Odds & Ends

- Lovettsville Co-op Annual Meeting – Annie and Megan went with Sarah – Sarah spoke there.
- Board Bio Page – under revision – in about 1 week there will be some new questions so we can update our Bios on the website
- Calendar changes: April 23rd meeting is being moved to April 16th. June's board meeting will be moved to June 11th. Evan will update the calendar and send it out.
 - Evan will be moving soon, and John Clarke has expressed interest in the Secretary Role
 - Every month we would like Facebook post for a reminder for the board meeting.
 - Ledil is going into the old Kmart place.
 - The Pollinators – Fox Haven will be hosting this file on August 15th from 4:30pm-6:30pm. The Common Market looking at providing a sponsorship to them.
 - Voter Registration – John will check to see what is going on and see who we can host here.
 - Annie would like to know what the policy is regarding going to classes for the Board Members.
- Follow up work/next steps

Meeting adjourned at 8:12pm by Megan.

**Frederick County Consumer Cooperative
Board of Directors Meeting
April 16th, 2020
Page 1 of 4**

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 are 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 lost 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.

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

Frederick County Consumer Cooperative

Board of Directors Meeting

May 28th, 2020

Page 1 of 3 **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.

olks and will incorporate their reflections into our pool of information and impressions.

Expansion update: pro forma and Capital Campaign

We had \$4 million in our proforma and are just a little under that at \$3.97k. There were a little over \$100,000 in changes that needed to be made such as Plumbing. HVAC units and lighting were sourced equipment and is holding well. Sarah feels we are in good shape with that. Gary Large, contractor, feels very good with the progress and most of the things that would need to be changed are behind us changes are behind us. We have not collected any more money, nor made a push, for the capital campaign. We would like to do an update and last call to owners. Sarah would anticipate sending this out at the end next week. John B. moves to accept, Annie seconds, all are in favor.

Contract with Auditor

We will be using the same firm as last year; we are not recommending a new change. Sarah recommends moving forward.

PPP Loan

Sarah explained that there is no harm in looking into the PPP Loan and presented the information. Sarah reached out to Woodsboro bank to see if they are willing to increase their access funds – we are just starting to look at the information and wanted to bring it up in case we would like to move forward with applying for the loan. Stephanie is concerned that this is to go towards payroll and has questions about this and will reach out to Sarah with more specific questions. Sarah mentioned that while we might be okay right now, we might need this down the road. John B. agrees with Sarah and mentions that we do not know what is going to happen before we get to the new store and we want to make sure that we are ready. Sarah will follow up with more information as it is gathered.

GM Monitoring: B6 – Emergency Management Succession; B9 - Expansion

Typically, the Board would ask the GM to prepare their Emergency Management Succession plan, however Sarah and Max were asked to prepare information for what their emergency succession plans would be. Sarah provided her list of contacts and what each contact can be reached for. Max went through his plan with listing Killian and Mike, assistant store managers, as well as Seamus, Fresh Category Manager and Troy, Category Manager.

Frederick County Consumer Cooperative

Board of Directors Meeting

May 28th, 2020

Page 2 of 3
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.

John C. ask for Max to make a memo and John B. asked for Sarah to add phone numbers to her contact memo.

B9 – Expansion was reviewed earlier in the meeting and can be found under section, *“Expansion update: pro forma and Capital Campaign”*

Sales Updates

At the beginning of the year we were right along pace with last year, however, due to the pandemic, we are up. We recently have had a drop in sales and now starting to see it level out. Without the sales from the café, customers are buying more panty and meat items. Transaction count is seeing the same trend but due to the lunch crowd we are seeing average basket up but transaction down. Curbside sales started off low then ramped up very quickly; now we are starting to see a flatting out of sales. While we are continuing to experience some supply issues, we are still on par with last year. We are starting to see more products come back in stock but its hard to tell trends because days are switching from one day to another. Annie asked if we have any people refusing to wear mask and max answered yes but nothing terrible and we have a “gatekeeper” that is maintain safety and count of customers inside at once.

Honor Our Own Month

This month, we are focusing on providing much-needed resources, recognition, and appreciation for our staff as they have worked tirelessly for the community during the last several months. Follow along for updates on what we’re doing to thank our staff by visiting this link: <https://www.commonmarket.coop/just-a-spoonful/honoring-our-own/>

BOD Elections

Annie will be scheduling the Zoom meeting for the Board Info Session and she will invite possible board members and managers that would like to talk. Info sessions are: June 11th at 6:30pm and June 22nd at 6:30pm. It is a requirement for individuals who would like to run attend one of these sessions. Annie has also recently worked on the application as well!

BOD Secretary Election

As we know, our beloved Evan is moving, and we will need to vote on a new BOD Secretary. Megan would like to nominate John C, Evan seconds the nomination and all are in favor. John Clarke will be the new Secretary for the Board.

Frederick County Consumer Cooperative

Board of Directors Meeting

May 28th, 2020

Page 3 of 3
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.

Odds & Ends

- CCMA – Ashley has registered everyone.
- Board Bio Page – please get this over to Annie
- Calendar change June 25 – Megan proposes the date be changed back to June 25th and the board agrees – we will continue to meet via zoom until further notice.
- Annual Meeting Date – as we have discussed already – because we are hoping to open the new store in the middle of September, we decided no owner fest for grand opening – we were looking at October and November. Bob W. suggests November 7th and combined annual meeting and retreat at the same time. We are required to have a quorum at the annual meeting.
- Owner Appreciation – June is OAD month
- Policy Evaluation postponement – Megan proposes to put this to the side for now so they can focus on the GM search and getting that completed – everyone is good with this.
- Good of the Order
- Follow up work/next steps

Frederick County Consumer Cooperative
Board of Directors Meeting
June 25th, 2020
Page 1 of 3

Board members present: Megan Schneebaum, Annie Marshall, Stephanie Walker, Evan Rosenberg, Melanie Ahern, John Clarke, Bob Wolpert, John Beutler

Board members absent: Sibylle Mangum

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

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

Approval of Agenda

Agenda is approved.

Consent Agenda

One additional owner refund was added: #9080.

Minutes and refunds approved.

Owner Comment Period

Owners present: Katie Jackson and Chintimini Keith.

No owner comments.

Electronic Monitoring

D5 – BOD Member Code of Conduct: John C. is currently finding a way to collect all board member signatures and it will be completed.

GM Search Update

Huge step has been taken – the offer letter has been sent! There has been a verbal agreement with the candidate pending final screening. We hope to be able to make the announcement soon!

Expansion update: pro forma and Capital Campaign

We are 75% complete! A lot of movement in construction and equipment in the last month. We are about 50% in with construction building and payments and 87% in with equipment. With the services and equipment from SuperValu and UNFI – a lot is prepayment. A ton of refrigeration is on site! Remaining monthly expenses and interest are starting to come through. Some larger items left are \$1.5 million in construction and inventory. Our primary vendor is UNFI; along with our department managers, UNFI is working on planograms for the store. We have paid for two stages of the project with NCG and still have two more coming; these payments will not come out until the next fiscal year. NCG's support staff will come on site for the store opening in addition to pre-store opening meetings that they will be having with our team. Capital Campaign – we have \$1.57million in c-shares; \$6k raised since the last email we sent out. Sarah wanted to give a quick nod to the timeline - we are still looking on track for September 16th!

Audit Date Change?

In a normal time we would be closing the books and ready by the meeting in August however with everything pushed a little back Sarah would like to propose the audit date change to September 10th with final approval on October 22nd which then will be ready for the November Meeting. Annie moves to accept, Bob seconds, all are in approval. In addition to the Audit Date change, the Board Meeting for September will be moved to the 10th to align with the audit. John C. will update the calendar.

PPP Loan

We were approved for the PPP loan! Just a few more steps and then will be sending it off within the next day. Sarah also reached out to Merry at Shulman/Rogers for some advisement on setting us up in the right path for the forgiveness loan process and she provided us with some great information! We will be maintaining a close eye on all pertinent information throughout the 24 weeks.

GM Monitoring: B5 – Communications and Counsel to the Board

“With our current unique situation, that, The Common Market is in with a GM transition as well as the pandemic crisis. The traditional avenues in which B5 regarding Communication and Counsel between the General Manager and Board of Directors as it takes place is not feasible in its current form. As to adapt, but to maintain as much communication and counsel between the Board, and current IGM, (Max Smith) the following forms of communication have taken place to ensure as proper monitoring reporting as possible.

- Weekly video meetings to communicate changes/updates of operations as well as expansion process during this time.
- Constant open communication through email, phone calls, text messages, etc....
- Impromptu video meetings to address concerns or issues in all forms, but not limited to owner concerns, board concerns, staff concerns, etc....

During this uncertain but pivotal time, the open communication between the Board, IGM, and Management team has been vital to maintain proper reporting for B5 Communication and Counsel. It is in my opinion that through these adaptive techniques used for the monitoring of B5 has been fulfilled in its best respects as possible due to current situation.”

Statement prepared by Max Smith. Board accepts the statement regarding B5 – Communications and Counsel to the Board.

Sales Updates

We are starting to see a negative trend around 10% the last couple of weeks; this would be in trend with the drop the nation is experiencing too. We are currently hovering over 9.5% down ytd and curbside sales have started to go down over the last month. The supply chains are starting to catch up but there remains some key out of stock items not available. The customer’s shopping habits are now transitioning back to smaller buys. We are trying to look at ways to merchandise for the changing normal. The one-way enter/exit of aisles is causing small issues and people are trying to get in and out quickly, so you need to catch their attention.

Honor Our Own Month

It went great! The staff appreciated all the kind comments and words of support that our owners and customers are sharing during this time! We keep them posted throughout the employee breakroom for employees to read! If you would like to read about all about our Honor Our Own Month, you can at:

<https://www.commonmarket.coop/just-a-spoonful/honoring-our-own/>

BOD Elections

Troy and Mike will be researching some other online voting options after feeling that last year’s voting portal was not as user friendly as hoped for. We had 4 attendees at the last info session and two are on the call tonight! Unfortunately,

Frederick County Consumer Cooperative
Board of Directors Meeting
June 25th, 2020
Page 3 of 3

there was a storm that night as well so we are going to have another meeting Monday 6/29 at 6:30pm. The deadline for returning applications is July 10th.

Odds & Ends

- CCMA – several board members signed up for this – overall, many thought it was good! Nothing like meeting in real person but under the circumstances the information provided was nice.
- Board Bio Page – continuing to work on updating the board site!
- Annual Meeting Date
- Good of the Order
- Follow up work/next steps

The meeting was adjourned at 7:18pm.

Frederick County Consumer Cooperative
Board of Directors Meeting
July 30th, 2020
Page 1 of 2

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

The meeting was adjourned at 8:17pm.

Frederick County Consumer Cooperative
Board of Directors Meeting
August 27th, 2020
Page 1 of 3

Board members present: Megan Schneebaum, Annie Marshall, Stephanie Walker, Evan Rosenberg, John Clarke, Bob Wolpert, Sibylle Mangum, Melanie Ahern, John Beutler

Board members absent:

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

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

Approval of Agenda

Agenda is approved.

Consent Agenda

Minutes and refunds are approved.

Owner Comment Period

Owners Wendy McLean and Steve Luke were present. Steve asked questions regarding our reusable plastic bags practice and if we have a plan to stop using them. The General Manager, Román Diaz, took Steve's information down and followed up via email.

Expansion update

- Expansion finances/proforma monthly update
 - One large expense we just incurred was the backflow for the plumbing and it needed to be relocated – it has been fixed but it did cost \$10k. We have had some small change orders but nothing else too big; leaving us with \$22k left in contingency. We have started to order inventory and we do have 90 day terms with our large vendors so they will not hit the books just yet. The startup staffing is starting now! We are waiting for the final inspection for plumbing and electrical, scheduled for 28th. We have a hood inspection on Monday and then we would bring the health department in for the last inspection.
- Capital Campaign update and investor event
 - The C-share deadline was extended, and we recently had an owner purchase a \$10k c-share! The day before we open, we will be holding a private event for the c-share donors!

GM Monitoring

- B7 – Customer Service
 - Román presents that we are introducing a cross-training program that will increase the employee customer service as they will know more about the store and products. We have programs in place to follow up on the customer experience – Román would like to reimplement the Mystery Shopper program. Our basket size is trending upward, but our customer count has decreased – this makes sense as less people are going out or one person might be shopping for multiple houses. Our lunch crowd is gone since the hotbar and salad bar are down. The transaction count is not in compliance however we really feel that this is from COVID. We are going to start walking away from advertising in papers and magazines and starting to concentrate online and cable – this is more environmentally friendly as well. Yelp and Facebook ratings have remained steady and we have a system in place to collect customer

information and read suggestions then follow up. When we can start classes again, we are ready! We are hoping to expand the classes that we can offer with the new location coming. Safety Training is held for all employees and the safety during COVID has been taken extremely high and ensuring that we are over prepared. Annie moves to accept, John B. seconds and all are in favor.

- B9 - Expansion
 - Román is a strong believer that healthy eating is the best cure out there and we see an opportunity to work with the nutritionist at the hospitals and the colleges. We would like to increase attendance at education events! Having two stores will give us more stretch to get more owners and create more sales by buying in bulk between the two stores. With the hopeful increase in sales, we can support more local charities. We would like to really focus on 7th street and really use it as the state of the art new store: we would like to develop a full service bakery, more weekend events, and become a well-known eating outlet by promoting our café as an individual. The café has been named “The Common Table”. We would like to, in spring, to start a vegetable garden for the elementary school. In addition to community, we really want to focus on employee morale! We started a Lunch with Leadership event where a board member will be invited to have lunch with the GM and an employee from each department. We are working on a family meal option that we can serve out of the café. Román reports compliance on all and he feels that our footprint in the market is in a good place. We are supporting local much more than the surrounding stores and believe that we can drive the customers to us with that. Stephanie accepts, Evan seconds and all are in favor.

Diversity, Equity, & Inclusion

- Abolitionist Challenge
 - Sybille has sent a newsletter to the board members to push information out and welcomes feedback and suggestions! This month the newsletter featured information about the Suffrage Movement, Native Indians, and a TED Talk. Sybille has been searching for local facts and information about history in the Frederick area - if anyone has information on who to talk to or where to find information, please let us know! We will be having an official DEI meeting and talk about a starting a charter – a lot of activity happening!
- Common Market speaker series – we are interested in bringing in local speakers about diversity! This really allows us to reach out to more of the community as we are expanding into more of the community. If anyone has any thoughts about potential speakers, please reach out!

BOD Monitoring: D1 – Governing Style

John C. presents the survey – all responses came back as compliant for all questions.

BOD Election Update

- Meet the candidate dates: 8/26 @7pm and 8/29 @10am
 - We had the first virtual meet the candidates last night – 8 out of 9 candidates were there! The last event will be Saturday morning at 10am.
- Electronic Voting update
 - 477 voters have voted as of today! The deadline for the election is September 10th.

Frederick County Consumer Cooperative

Board of Directors Meeting

August 27th, 2020

Page 3 of 3

Odds & Ends

- Lunch with Leadership September – John C.
- Retreat Planning – we need to start discussing what is the retreat going to look like this year?
- Good of the Order
- Follow up work/next steps

The meeting was adjourned at 8:18pm.

Frederick County Consumer Cooperative
Board of Directors Meeting
September 10th, 2020
Page 1 of 3

Board members present: Megan Schneebaum, Annie Marshall, Stephanie Walker, Evan Rosenberg, Bob Wolpert, Sibylle Mangum, John Beutler

Board members absent: John Clarke, Melanie Ahern

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

Owners present: Karen Caffrey

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

Approval of Agenda

Agenda is approved.

Consent Agenda

Minutes and refunds are approved.

Owner Comment Period

Karen Caffrey present.

Audit

LSWG Firm and Tax Professional Jon Holmes were present to review the audit. Barbara started by thanking Sarah and her colleague Janelle on their hard work to complete the audit in a timely manner during this time. Despite COVID-19, we did have a positive sales growth! There were some additional costs that there were incurred because of the store opening. Its important to note that the PPP loan was included on this audit due to the date that it was approved. The audit was presented and accepted by the board. Jon Holmes helped present information on the new tax laws that provided more information to support an informed decision regarding the patronage rebate.

Expansion update

- Expansion finances/proforma monthly update:
 - Sarah presents the budget update: there is not a ton activity on paper since last time however we are plugging away with construction and some final bills. We have officially received our health inspection certificate and should have the occupancy permit in hand tomorrow! We have tons of inventory with wellness and grocery; we have 120-day terms and a lot of deals with UNFI. We have paid a little more to NCG development cost with the 3rd payment just made and final payment due 90 days after opening. A lot of equipment has been prepaid, and we are just waiting on some final pieces. Stephanie ask about the accounts payable; Sarah says that the invoices are paid monthly but not until we receive the final contract amount. Stephanie mentions that usually open contracts are booked towards accounts payable and the retainage is money that is being held back but should be placed in accounts payable. Sarah says that she can send it back to LSWG for review.
- Capital Campaign update and investor event: the invite was sent out and it should be hitting mailboxes between today and tomorrow. We broke it into three groups to maintain social distance. They will receive a tour of the store with some goodie-bags.

- Grand Opening Plans: Soft opening with a ribbon cutting at 8am: The Mayor and a couple of other officials have been invited! The larger opening event will be in mid-October.
- C-share Investor Inquiry: There is an owner's daughter – who contacted us requesting to repurchase a c-share that her mom had purchased. Sarah contacted the attorney to see how this would work and he said that our document allowed us the discretion to do this and it is the board decision on how to move forward. Annie moves to approve the request, Bob seconds, and all are in favor.

Patronage Rebate Proposal

Sarah worked with Jon Holmes to make the proposal and she is presenting that we should be conservative because we are in a time of expansion. John B said that it looks like a good proposal and Stephanie really likes the proposal. At first, we know the plan was not to give any out due to the PPP loan and in the time of expansion but now with Jon analysis, she believes that we should offer a patronage rebate.

Stephanie moves to allocate 100% and distribute 25% to owners. Evan seconds this and all are in favor.

Megan asked should we include a note about why we included the distribution this year? Sarah says that typically the treasure's report from the annual meeting includes the information and that is what is sent with the rebate.

Changes to Check Signers

Sarah requested to move this to next month.

GM Monitoring

- B7 – Ends Policy – Román is going to focus on growing locally! We have been consistent with local vendors with a little over 121 local vendors. Both local vendors that we lost last year were due to them going out of business. A large part of our local sales has always been what we offer in café, due to COVID-19, if you compare to last year, we have sold less. The meat department has picked up a lot of local vendors. This was extremely helpful during the beginning of COVID-19; a lot of grocery stores were running out of meat; however, we were able to keep the meat in stock because of our local farmers. We are now ordering more products from the farms and able to make new products with it, such as our new made in-house sausages. Román would like to increase the number of local vendors in the store by 10%. We have seen a decrease of 13% in customer count during 2020 however our average basket size went up 22%. This is because people are shopping less frequently than before, and people are shopping for multiple households. We have lost the hot bar customers which makes our yearly increase of .5% compared to the budgeted 3%. Román believes it has to do with the new reality that we are facing. Owner equity went up by 17%, dues to other coops went up by 6%, equity in other coops have remained the same. The only item that was not in compliance was the sales growth; all other key indicators in Policy B3 were met. There is a new reality and despite the lack luster sales in Café and Wellness, the highest margin departments in the store, we were still able to meet gross profit margin. John asked if we will be using Lancaster more since Tuscarora is out, Román mentioned we picked up a new farm, District Farms, and their products are doing extremely well for us and that is the direction that we would like to move. Hopefully in the spring we can coordinate a local market in our parking lot! Frozen items are really moving these days! Megan asked about the dues in other coops and Sarah said that dues are done on total sales so if sales go up then the dues will go up. There will be no vote on this tonight since it is not completed yet. The remainder of the report will be presented next month.

Diversity, Equity, & Inclusion

- DEI Committee Charter: Sybille would like to present the draft charter to the board. Sybille says that they have settled on owners being able to be in the committee group. Michael Healy put input into this since this is a board committee so any decisions can still rely on board decisions. Sybille would consider this more of an educational committee and that this group could take numerous routes. Bob votes to approve, Annie seconds, and all are in favor.
- Common Market Speaker Series: we are reaching out into the community and we are asking individuals from different organizations to speak to the board members who are a part of the speak series. Many are asking for a donation that would be around the \$150. The committee is asking for a \$200-month stipend to spend on this. A different speaker would be asked to speak for 20 minutes and we would invite owners to come to the speaker. Stephanie believe that this would be alright, but it would need to be built into the budget for next year and look at cutting something back. Megan asked about how we should go about voting; John B. suggest take it through the end of the fiscal year. Annie moves to vote for it for the rest of the fiscal year, Stephanie seconds and all are in favor.

BOD Monitoring: D9 – Advocacy on Public Issues

Evan presented the report – there was 100% group participate and all votes in compliance.

BOD Election Update

- Electronic Voting update – final night is tonight! Winning candidates will be announced later this month so they can start in the October board meeting.

Retreat Planning

Holding half day events on the 7th and the 8th works best. On the 7th there would be the annual meeting also. Everything will be webinar style. We do need to have 50 owners in attendance. Times, topics, and agenda to be planned. Our general idea was to not jump into anything really in depth but rather do some celebrating and coming right out of opening the store.

Odds and ends

- Thank you/good-bye to Melanie!
- Lunch with Leadership September report – Annie (October – John C?)
- Good of the Order
- Follow up work/next steps

The meeting was adjourned at 8:13pm.

Board members present: Megan Schneebaum, Annie Marshall, Stephanie Walker, Evan Rosenberg, Bob Wolpert, Sibylle Mangum, Alecks Moss, John Beutler, John Clarke

Board members absent: none

Staff members present: Román Diaz, Sarah Lebherz, Susan Schulman, Libby Nuss

Owners present: Karen, Barbara Connley, Ann, Julianna Lufkin, KT Jackson

Guest Speaker present: Claire Madrigal

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

Food for Thought: A Speaker Series

The meeting was started with a 20 minute TED talk style presentation about diversity, equity, and inclusion by Claire Madrigal representing The Frederick Center, which gives a voice to underrepresented or marginalized LGBTQ+ populations in Frederick.

Approval of Agenda

Agenda is approved.

Consent Agenda

Minutes are approved with one change made by John C., strike word NOT from sentence "Its important to note that the PPP loan is not included on this audit due to the date that it was approved." Refunds are approved.

Owner Comment Period

Barbara Connley mentioned that new 7th St. store staff are enthusiastic, but she feels not as knowledgeable, particularly in the Wellness Department, as Rt. 85 staff. In-house training was suggested. Also, she could not find laundry bleach.

Expansion update

- Expansion finances/proforma monthly update:
 - Sarah presents the budget update: the 7th Street store has now been open for 5 weeks, final projects related to construction and opening are wrapping up with final expense bills coming in, primarily an issue with the sprinkler system and some back of house kitchen piping. Professional services are wrapped up and NCG's payment is pending. The equipment budget ran slightly over, but Sarah is waiting for some credits, for example some lighting was returned due to over purchase. Under budget costs include start-up promotions and staffing. Still to fund projects include construction cost and IT; overall it looks like the project will come in \$113,221.00 over budget. John B. commends the team for a project well done.
- C-share Extension Inquiry: Megan asks the Board to consider an extension of the C-share deadline to 10/31/2020. One person wishing to purchase a C-share was unclear about/unable to meet the previous deadline. Sarah commented that she would be in favor of approving this one extension due to the extenuating circumstance but would not want to do this all the

Frederick County Consumer Cooperative

Board of Directors Meeting

October 22nd, 2020

Page 1 of 3

time. Sarah asked for Board approval to be reflected in the minutes. Annie moves to approve the request, Stephanie seconds, and all are in favor.

Changes to Check Signers

A proposal is made to revise the check signing roster, because the checks are now kept at the 7th Street store, as follows: remove Sarah Lebherz and Killian Geeslin as signers and add Román Diaz and Nick Fitzpatrick as signers. Stephanie moves to approve the proposal, Evan seconds, all vote in favor.

Financial Statement 2020

Sarah presents the final financial statement for the 2020 fiscal year which runs from July 2019 - June 2020. Although Owners were warned that there may not be a rebate in 2020, because the new store didn't open until the 2021 fiscal year, a patronage rebate is available in 2020. Vote to approve rebate and retainage adjustment. No questions. Stephanie moves to approve, Bob seconds, all vote in favor.

BOD Calendar 2021

Megan suggests having the calendar finalized by the November BOD meeting, keeping regular meetings on the 4th Thursday of the month. Areas to focus on, Susan and John C. will put together deadlines for the Spoonful magazine, and timing of the election process will be reviewed.

GM Monitoring

- B3 – Financial Condition – Román discusses current budget and expenses. Equity benchmark was met but sales growth is under target in July and August primarily due to COVID-19. Labor expenses are close to budget. Margin is high right now due to free fill to open the 7th Street store. EPITDAD was above projection at 2.97. Owner Appreciation Days during the month of October. Less was spent in the areas of marketing and janitorial services. Overall, the projected loss was expected to be in the \$600,000 range but came in only in the \$300,000 range. John B. discussed the transition period and understands non-compliance. Sarah discusses that we are only looking at a 2-week snapshot of having two stores open and that the next quarter will give a clearer financial picture. John B. suggests continued monthly expansion monitoring in order to identify trends. Sarah states it is easy enough to pull the weekly sales report but reminds the Board that the report won't necessarily have final inventory counts. Megan agrees to continue with the expansion update related to financial condition. No vote tonight.
- A - Ends Policies Part 2 - Roman discusses Community Engagement related to the Spoonful magazine and evaluation of sending/emailing to owners. Discussion of community engagement seen through increased website traffic and approximately 16% increased reach on social media platforms Facebook and Instagram. Education events are continuing primarily remotely, however two in person events are being planned for Nov. and Dec. A partnership with North Frederick Elementary School has been established and Common Market staff will help with the school's raised beds and food drives. Among owners, we need to encourage election participation and improve voter turn-out. Will look at ease of voting and perhaps offer more raffle prizes to those owners who have voted. In the area of recycling, although it is an expense with Terracycle, customers are asking for the ability to recycle plastic bags again. Along those lines, the green initiative has led to the removal of plastic bag use in produce and at the front end. Bulk department has been closed during COVID but customers are happy it is re-opening

Frederick County Consumer Cooperative

Board of Directors Meeting

October 22nd, 2020

Page 1 of 3

with safety guidelines in place. Annie thanked Roman for his report, there being no questions, Bob moves to approve Ends Policy Part 2, Annie seconds. All vote in favor.

Co-op Impact Conference

Megan talked about the Board's recent attendance at the virtual Co-op Impact Conference; Megan attended the Women in the Co-op World forum which was interesting, and she would like to explore bringing in the speaker. Alecks attended the Food Security forum and appreciated the perspective on unique solutions to food insecurity. Roman attended a discussion about Credit Unions.

DEI Update

The DEI Committee intends not to continue with the Abolitionist Challenge as it is not well-organized making content hard to follow and frustratingly deviates off topic. Next DEI meeting is November 4. Co-op Conversations: A Discussion Group will be held Nov. 18 focused on the book, *So you want to talk about race*, by Ijeoma Oluo. The next Food for Thought speaker will be from the Baltimore American Indian Center and will virtually attend at the beginning of the Nov. 19 Board meeting. These events will be mentioned on the Common Market website.

Odds and ends

- Lunch with Leadership September report – Annie attended the October lunch and is happy to be part of this group. Diverse staff attendance, ideas were listened to, great idea Román! Román will send future dates to Megan for distribution to the Board so others can attend also.
- Good of the Order
 1. John B. mentioned that Frederick County Council is looking to expand Farmers Markets which will be an opportunity to grow the local food economy.
 2. John B. also mentioned an article in the Washington Post which leads him to believe there may be a move to change MD alcoholic beverage laws if there is a turnover of elected officials in Maryland. John will watch for availability of liquor licenses through the Marylanders for Beer & Wine group.
 3. Annie mentioned an owner requested outdoor patio outlets at Rt. 85 store to plug in devices if working outside.
 4. Annie visited the recently reopened Hot Bar at Rt. 85 and it is terrific.
 5. Evan is moving into his new home in NC Nov. 12
 6. Megan mentioned that Melanie said thank you for the t-shirt and gift card.
- Follow up work/next steps
 1. John B. will continue to follow the Farmers Market and Liquor License initiatives
 2. Board will prepare for the Annual Meeting Nov. 7 and Board Retreat on Nov. 7 & 8. Barb suggests putting signage in stores about the Annual Meeting. Alecks suggest streaming on Facebook Live. We do need to have 50 owners in attendance for quorum; raffle and watch-bags will be put together by Owner Services; the event will be virtual.

The meeting was adjourned at 8:41pm.

Executive Session Followed.

**Frederick County Consumer Cooperative
Board of Directors Meeting
November 19th, 2020
Page 1 of 2**

Board members present: Megan Schneebaum, Annie Marshall, Stephanie Walker, Evan Rosenberg, Bob Wolpert, Sibylle Mangum, John Beutler, John Clarke, Alecks Moss

Board members absent:

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

Owners present for meeting: Wendy McLean

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

“Food for Thought: A Speaker Series”

Sherry Ayers: a member of the Native American Community – presentation on Native American Heritage Month.

Approval of Agenda

Agenda is approved.

Consent Agenda

Refunds are approved. Minutes will be reviewed and approved at the next meeting.

Owner Comment Period

No Comments.

Expansion update

- Expansion Finances/proforma monthly update
 - This has not changed much since the last meeting due to not receiving the final construction bill. We should be able to have this finalized for next month’s meeting.
- C-share last one! - \$10,000 – \$1.593 million for the final total! The owners really stepped forward and it was so amazing to see this happen – thank you!
- We have posted the income statement from October for review – the quarter is not fully reconciled but we are almost there. Sales figures have been under projection in both stores with labor costs running a little high because of lower sales. Election week sales were slow so the personnel expenses during that time ran over budget however it is getting closer to where we believe it should be. Marketing expenses have been considerably under budget since we are trying different, lower priced, marketing techniques. The Owner Discount total was a little under; we budgeted the discount based on sales projection but since we did not meet sales targets, the budgeted estimate was higher than the actual figure. We are currently below our budget however this financial cushion will be needed as we adjust labor costs accordingly with sales.
- Weekly sales report: – 11/9 Date shown - both stores are running under projection. We have had some surprising days of sales such as election week being surprisingly slow.

C-share dividend payout

Sarah recommends paying out 4.5% of the dividend. John B. votes yes, and Bob seconds. All are in favor. Sarah will draft a letter to be mailed with the c-share payout.

COVID-19 Situation/Response/Customer Feedback

Román Diaz assured the Board that the store management team is being transparent not only with the customer base, but more importantly, with that staff on the recent staff COVID cases. Román feels that the Common Market staff has handled the situation well and that we are maintaining communication with store team members and customers. We are learning from this situation and are continuing to implement new safety procedures including temperature checking, daily health assessments and fully disinfecting each store at least 3 times per week.

BOD Calendar 2021

- John C. is hoping to have the 2021 BOD calendar finalized by December so there is something to roll into the new year with.

GM Monitoring

- B9 – Expansion
 - Román reported compliance on this policy. Román says that he is working on logistics for a military discount to start working with Fort Detrick more closely. Our Event and Owner Service coordinator, Libby, has been keeping a focus on educational events and on which events can continue virtually until we can resume classroom events again. We are working with more local companies, like Glory Doughnuts, to continue to use their partnerships to drive customers and sales. We must continue to focus on our value image and in doing such, we are focusing on different avenues of marketing to reach more demographics within our local community. Last year we spent a lot of money on newspaper marketing and Román feels that the store should redirect our attention to social media. Our goal, by the end of this fiscal year, is to have 140 local vendors in our market. Annie moves to accept, John B. seconds and all in favor.

Retreat Wrap-up

The 2020 Common Market virtual retreat was a great way to interact during this difficult time, and get to know staff better! Thank you for all of those who joined! Looking forward, to hopefully, being back in person next year!

DEI Update

- Co-op Conversations: A Discussion Group – *“So You Want to Talk About Race?”* – by Ijeoma Oluo
 - The feedback and discussion were great! It was a good book and a great conversation!
 - Next month we will be meeting on December 16th – we are Kindred by Octavia E. Butler

Odds and ends

- Green Committee 12/4
- Lunch with Leadership – on hold for now.
- Executive Committee elections – next month, please give them some thought – please send your nominations via email ahead of time.
- Good of the Order
- Follow up work/next steps

The meeting was adjourned at 8:03pm

Frederick County Consumer Cooperative
Board of Directors Meeting
December 10th, 2020
Page 1 of 3

Board members present: Megan Schneebaum, Annie Marshall, Stephanie Walker, Evan Rosenberg, Bob Wolpert, Sibylle Mangum, John Beutler, John Clarke, Alecks Moss

Board members absent:

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

Owners present for meeting: Barbara Conelley

The meeting was called to order at 6:09pm by Megan Schneebaum via Zoom.

“Food for Thought: A Speaker Series”

Lavon Sajona

Approval of Agenda

Agenda is approved.

Consent Agenda

Refunds are approved. Minutes are approved.

Owner Comment Period

Barbara Conelley brings up how places are no longer recycling plastic bags and if we are going to have any solutions to this. Román has stopped all use of the plastic shopping bags within the Common Market but Barbara wonders what we can do to help it as a community.

Expansion update

Expansion Finances/proforma monthly update

- There is about \$8k pending in equipment credit. We prepaid for a lot of equipment from SuperValue and we overpaid a little so we might be getting some credit back. We are currently over in budget a little but those credits from SuperValue might cancel that out.

Sales Update

Last week was one of the slowest weeks that we have seen in a while. The café is struggling with not being able to have the hot bar and salad bar open. We are also seeing some struggled in the Produce departments as well. We are looking at initiatives to add some volume and sales back into these departments. Grocery is still steady with Wellness and Meat just behind. Román does believe that at times we might have customers where they buy in different stores, however, with COVID, if you are not the main shopping place for that customer, then you are missing any of the possible sales that this person might have bought otherwise. We are still working on our value image and looking at having specials every day. Our customer count is not where it needs to be but are basket size is doing well. Stephanie says that while it may not look well compared to budget, it looks good compared to year-to-year growth.

COVID Update

We did not have cases for the first 8 months and we unfortunately had 9 cases over the last few months. We are continuing to take measures and continuing to put safety measures. Owner, Barbara, mentioned that compared to going

to other stores in the community, that the Common Market is above other stores and the service that we continue to offer, is noticed in people by the community.

Produce Product Guidelines

Román is interested in sharing with the Board the operational decision to start brining in local conventional produce. In today's economy, not every customer can afford the organic product prices. While this is a part of who we are, we also have a bigger mission which is to give support to our local community and farmers. They all aren't organic, but they grow the products in a good way and provides us with fresh, clean, local ingredients; some even working towards that certifications. This initiative would give us a more diverse base with a competitive price range that adds value to the market and is a good social initiative. We will never deviate from what we are doing, and our organic options will still be 70-80% of our produce mix. We are planning to put out the idea behind this initiative to the owners and welcome feedback. Román has been working with NCG and looking at surveys. John C. ask what percentage of produce comes from local farms currently and what would the local farmers due to the current organic local farmers that we carry already. Román believes that it will drive more sales and focus to the products; he does not see them competing too much. Alecks ask what standards will you require and how will you vet the farms? Román responds that we are going to research the produce, just because you are local does not mean that you will be able to be in the market. Before we made the change in 2016 to become only organic, we were mostly local before that and we are going back to our roots by doing this. Libby adds that we are going to be transparent throughout this process with the owners and staff. We are still working on bringing the farmer's market to our parking lot and the goal is at the end of their day, we would buy their final products and be able to sell them in our store. Megan agrees about local however also expressed that like with any business, there are individuals who are honest and there are individuals who are not, so we just really need to ensure the consumer sees what the standards and criteria area. Román says that he will ensure that there are some great filters.

BOD Calendar 2021

John updated the calendar and reflected the most up to date information.

Executive Committee Nominations & Election

Stephanie nominates Megan as President, John C seconds.

Annie nominates herself as Vice President, Evan seconds.

Megan nominates John C. as Secretary, Stephanie seconds.

Megan nominates Stephanie as Treasurer, Evan seconds.

All are in favor of this slate of candidates for the positions.

Board Monitoring

- C4 – Monitoring GM Performance – all votes comply. Last question has partial compliance for the timeline as it does not line up when the new GM was hired.

DEI Update

- Co-op Conversations: A Discussion Group – there has been no meeting since the last meeting. The next meeting is the week of the 16th. The book will be *Kindred by Octavia Butler*.
- Upcoming Food for Thought speakers – the next speaker is Román!

Odds and ends

- Green Committee
- Lunch with Leadership - postponed
- Good of the Order
 - In between the last meeting and this meeting, Sarah got a notification that there was a good service release grant available. Sarah jumped on it to see if we were eligible and we were! We have not received the funds yet, however, they can be used towards payroll, PPE, sanitation services, equipment for outdoor dining. Alecks ask what it would be spent on and Sarah says that it would help with payroll with sales being so low lately.
- Follow up work/next steps

The meeting was adjourned at 8:18pm