

**Frederick County Consumer Cooperative
Board of Directors Meeting
January 28th, 2021
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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 M., David C., Lara E.

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

“Food for Thought: A Speaker Series”

Román Diaz

Guests present for Speaker Series: David C., Lara E., Katie J., Wendy M., Juliana L., Karen S., Martha

Approval of Agenda

Agenda is approved.

Consent Agenda

Refunds are approved. Minutes are approved.

Owner Comment Period

Anne Beutler brought up some questions regarding recycling at the store. She is curious to know how often it is being used. Additionally, she wants to know about plastic bags and if we can start recycling them. Román says that John Clarke was at the last green committee meeting and that they have started conversations with another company about the ability to recycle plastic bags. Román will work on getting more informational signage about the recycling and how to use it effectively.

Expansion update

- Expansion finances/proforma monthly update
 - There are no changes right now; we are still currently waiting on the credits from the previous month.

Sales Update

We are continuing to see struggles with our customer count, but the basket size remains steady. We have made great strides with labor and have been meeting our labor goals. We are continuing to add focus to our value image with the community, in addition, we are working on some new owner only sales for February. Sarah mentions that store management is doing a good job with adjusting labor. John B. has been looking at the weekly reports and says its good that we are not losing a substantial amount of money and mentions that he believes we are in good shape. John B. also ask where does the PPP loan end up? Sarah answers that she recorded it as debt forgiveness in the second quarter. Stephanie asks where are we at with our ownership growth? Currently, we have 7,556 owners with averaging 150 per quarter. Our goal this year is 8,000 owners.

Produce Product Guidelines

The owner survey is prepared and will be hitting emails soon! Before that, we wanted to reach out to all the employees and to see how they felt about changing our operations. In addition, Román has talked to NCG and said that it was the right approach to involve the owners and the employees. We are actively gathering information on local farms and new vendors in case we do go in that direction, so we do not have to start from scratch.

GM Monitoring

- B3 – Financial Condition
 - Everything complies, besides, Labor Expense and Gross Profit Margin. The first quarter was rather high because of free fills, which will raise margin. This quarter, with the lack of sales in cafe and wellness (two of the highest margin departments), there have been some challenges and opportunities to look at. We notice that the inventory turns can be improved on and starting to look at that. The net income went up because of the PPP loan and a City of Frederick loan we received for the prepared foods department. Sales growth is at 31%, while this looks like a good number, we are continuing to strive for 45%. It takes time to adjust labor to sales when opening a new store and adjusting the labor of a previous store. To help with the labor cuts, we are not replacing any labor that we lose, but instead offering those hours to our current employees. We have started to price ourselves out of the market and we need to take a step back and look at our value image. The PPP loan was not applied for the EBITDAP calculation because if you put the PPP loan there you would not see the reality of the number. Sarah adds that if she assumed the debt forgiveness, that the number would be extremely high. Inventory turns have dropped and now we need to bring it back up to 17-18. John B asks if out of stock would hurt the inventory turn number. Sarah answers that this would make it higher and that this number is because we have too much product on hand. The auditor's report showed full compliance with this year's audit. In terms of marketing, we have stopped the contract that we have with the newspaper and are channeling the money into other areas that we see will offer more benefits. Since this report does not show full compliance, there will be no vote to accept. We will look at B3 again in April.
- B4 – Asset Protection
 - Reporting compliance for both stores; we received a B on our financial reporting assessment. Annie moves to accept, John B. seconds and all are in favor.
- Discuss change to calendar for March monitoring.
 - We are moving B1, Staff Relations to September –John B moves to accept, John C seconds and all are in favor.

Board Strategic Plan 2021

- What we accomplished in 2020: we followed through on our goals and opened a new store! We have made huge strides in our DEI work and we need to continue to work on the election process. We reviewed the audit from 2019 and there are a couple items that we need to continue to look at. We hired a new GM in 2020 which was a major undertaking. It should be noted that the work that we have accomplished this year was a major undertaking that required many months of hard work and taking some steps back from the strategic work. Our goals for 2021 is to engage ownership, to prepare for the 1-year anniversary, review the wording of the articles of incorporation, and continue to post expansion oversight. Megan's suggestion is to give ourselves the

perspective that our goal for 2021 is to try to maintain our holding as a two-store business and that alone is serious work. Megan will proceed with these goals and present it for approval at next month's meeting.

Board Monitoring

- C3 – Delegation to GM – all reports of compliance with no comments.
- D6 – BOD Committee Principles – all reports of compliance with no comments.

DEI Update

- Co-op Conversations: A Discussion Group – *Farming While Black*.
- Upcoming Food for Thought speakers – February and March –
 - February – Adam Wieser, Common Market Employee in the Deaf Community.
 - March – a potential Construction Co-op representative.

Odds and ends

- Green Committee
 - John C. met with Harrison, Grace and Román about the committee. The big topic was improving upon the store's recycling program and the planned planting of a community garden at North Frederick Elementary School in March.
- Lunch with Leadership - postponed
- Good of the Order
 - John B. received an email from an owner asking if we want to support the plastic bag banning bill (banning the plastic bags would be better than recycling them). John B. will complete the form to support this decision.
- Follow up work/next steps

The meeting was adjourned at 8:23pm.

**Frederick County Consumer Cooperative
Board of Directors Meeting
February 25th, 2021**

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

Board members absent: Sibylle Mangum

Staff members present: Román Díaz, Sarah Lebherz, Susan Schulman, Libby Nuss, Troy Sexton, Adam Wieser

Owners present: Oliver, Annie Garland, Josh F

Guest Speaker & Interpretation: Adam Wieser, Ted Baran

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 being a member of the Deaf Community by Adam Wieser, Common Market Grocery Lead. Interpretation by: Ted Baran. It was another moving presentation about the importance of Diversity, Equity, and Inclusion.

Approval of Agenda

Agenda is approved.

Consent Agenda

Minutes from January 2021 are approved.

Refunds are approved.

Owner Comment Period

None

Monthly Financials

- Expansion Finances
 - Sarah informs the Board that all credits for the expansion project have come in for unused/returned equipment. Therefore, this agenda item can be closed. Sarah noted that with these credits, the overall expansion project came in approximately \$93,000 under budget. The Board commends the CM team & Sarah for a project well done.
- Weekly Sales
 - Sarah presents weekly sales at both locations, noting that weekly sales are trending upward and that labor costs vs. sales are aligning. She notes that as the weather improves, in-store promotions gain traction, and as Covid-19 vaccines are distributed, the expectation is that sales will continue to pick up. Also noted, 7th St. sales are more rapidly increasing while Rt. 85 sales are fairly level, as expected.
- Income Statement
 - Sarah presents the Income Statement and GPM. While the stores are slightly under sales projections, she notices no red flags. Covid-19 is the primary factor in lower sales numbers.
 - Inventory for the Fresh Category: Café, Meat, Produce will take place the night of Sunday February 28.

**Frederick County Consumer Cooperative
Board of Directors Meeting
February 25th, 2021**

Produce Product Guidelines

GM Monitoring

- B9 – Expansion – Román discusses staff development programs including Lunch with Leadership, the Green Team, Involvement of staff in the Produce Initiative and Assistant Manager/Manager development. Roman also announces that both cafes will begin to open their seating areas on a limited basis. Announcements will come first via in-store signage so the program can rollout out slowly and allow for staff training. Announcements via email and social media will follow. New discount programs were discussed including Owner Only discounts and Bundle Deals. These programs have been rolled out slowly explanation will continue on social media, in-store signage, emails and Spoonful newsletter. John B moves to approve GM Monitoring B9 Expansion, Alecks seconds. All vote in favor.

Board Strategic Plan 2021

- D3 – Board Process Agenda Planning; BOD Minutes
 - Megan discusses the Board's plan for 2021 noting that the focus will initially be on maintaining the status quo, continuing to reflect on the opening of the second location, with the ability to re-assess as Covid-19 becomes less of a driving factor in planning and decision making. This may be in FY 21 or at the FY 22 Board retreat.
 - DEI Committee is continuing to gain momentum.
 - The Board will continue to monitor Ends policies and the Election process.
 - The Board will re-assess the Non-Profit Articles of Incorporation.
 - Addition to calendar: November 6 & 7 Board Annual Retreat with Michael Healy.
- Stephanie motions to vote to accept the 2021 Strategic Plan, Annie seconds. All vote in favor.

Board Budget Proposal

- Stephanie presents a high level summary of the Budget Proposal noting increased expenditures in the categories of electronic voting and Food for Thought Speaker Series, decreased expenditures in meeting expenses and networking due to Covid-19. Specific note that CCMA will again be a virtual event.
- Discussion about Michael Healy's fees and having him inform the Board when the Board is getting close to its included allotment of 15 hours in consulting fees.
- Discussion about stipends and insurance.
- Due to virtual meetings projection to be under budget in this category.
- Discussion about the cost of on-line Board election, Marketing Dept will research these figures and report back to the Board.

Annie thanks Stephanie for her work and this presentation. The Board will vote to approve Budget at next meeting in March.

Board Monitoring

- D3 – Board Process Agenda Planning; BOD Minutes
 - John C thanks the Board for responding to the recent survey, there were 8 out of 8 responses!
 - John C thanks Ashley and Susan for their help with the minutes.

**Frederick County Consumer Cooperative
Board of Directors Meeting
February 25th, 2021**

DEI Update

Budget will be discussed at the next DEI meeting. Speakers for next 2 Food For Thought and Books for next 2 Cooperative Conversations will be confirmed.

Alcohol Sales in Grocery Stores

John B. discusses House Bill that was presented in support of allowing beer and wine to be sold in grocery stores in Maryland. John B. testified at the Feb. 19 hearing via Zoom. His testimony was focused on Common Market being able to support local MD wineries and breweries. Next reading of the bill is in April.

Odds and ends

- Lunch with Leadership has been put on hold during COVID-19 but will start up again once staff begin to get vaccinated and positive rates decrease.
- Good of the Order
 1. CCMA meeting will be held virtually June 7-11 and registration rates are very affordable. This was a great event last year.
 2. Thank you to John B. for writing the Board's Spoonful message in the March/April issue, Alecks has offered to write for the May/June issue.
 3. Both John C. and Evan served as Secretary from July 20 – Feb 21 and will be compensated as such.
 4. John C. attended the last Green Team meeting and reports: recycling for gloves and plastic bags is up and running, the whole recycling areas have been streamlined. April 20 e-End will be at the Rt. 85 parking lot from 3-6 PM for an event. Community sponsored recycling was discussed including phones, corks, eye glasses, receipt tape. More virtual recycling classes will be added to the educational calendar. Green Team wears buttons that read "Ask Me About Recycling" for customer assistance. There will be a raffle for Owners who opt into e-receipts. The Board is welcome to help with the Community Garden project at North Frederick Elementary School – Stephanie, Alecks, and John B. would like to help.
 5. Alecks likes the Unpolished Produce program
 6. Roman discussed the Freedges program where free food is offered to the community. Grace B. and Libby will be reaching out to the organizers.
 7. John B. asked if Common Market will be compensating employees for getting the Covid-19 vaccine and Roman said he and Ashley are discussing.
- Follow up work/next steps
 1. March & April Food For Thought speakers need to be confirmed.
 2. April Co-op Conversations book needs to be selected
 3. Alex will write the May/June Spoonful Board Message. Susan will provide deadline.
 4. Alex, Stephanie, and John B. would like to participate in the next North Frederick Elementary School garden project.

The meeting was adjourned at 8:55pm.

Executive Session Followed.

Frederick County Consumer Cooperative
Board of Directors Meeting
March 25th, 2021
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Board members present: Megan Schneebaum, Annie Marshall, Stephanie Walker, Evan Rosenberg, Bob Wolpert, John Beutler, John Clarke, Alecks Moss

Board members absent: Sibylle Mangum

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

Owners present for meeting: Heidi Stone, Jim Wagner

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

“Food for Thought: A Speaker Series”

Due to a last-minute schedule change, Food for Thought is postponed this month.

Approval of Agenda

Agenda is approved.

Consent Agenda

Refunds are approved. Minutes are approved.

Owner Comment Period

No comments.

Monthly Financials

Sarah reviewed a snapshot of the PL for the company. February was one of the better sales months. The store is running under budget for the quarter; we are still carrying a lot of the gross profit margin that we had in the first quarter.

Looking at the current sales and labor, sales have decreased this month which is typical for an OAD month. However, sales are beginning to sales climb as COVID restrictions start to lift and as café operations are slowly opened, there has been a slight increase in those department sales. We are starting to dial back in line with our SPLH and labor. 7th Street has done a great job in labor and adjusting to those needs; 85 is continuing to work on learning how to adapt with the change in sales volume. Román adds that we need to continue to focus on our customer count – the basket size is maintaining.

Produce Initiative Update

District Farms is currently selling in the produce department and next week we will be receiving IMP apples from two local farms. The stores are dedicating two cases to new items – apples and hydroponic lettuce. They will be in a separate case at each location – this will help maintain the integrity of the organic produce. In the next couple months, we will start receiving Stone Fruits from local farms.

GM Monitoring

- B8 – Membership: Román reported compliance with Membership and highlighted that a 4th OAD month will be added this year. We were not able to hold an OwnerFest for our owners last year because of COVID, however, we were able to do Celebration Days at the 7th St. Grand Opening that allowed us to connect with our Owners. We are planning to have an OwnerFest again this year! On July 17th both stores will be holding a Local merchant event – more news from marketing coming soon! We are up 27 community partners since 2018. There was an increase of 6% of Owners in FY20 and Román reports compliance. We seem to be on the same track for the 2021 owner growth. We are continuing to look at how we can add more Owner specials and try to see how we can

respond to the Owners who leave because of the financial hardship of being an Owner. We are continually evaluating what we can do to promote ownership among the staff and how it would benefit them. A couple of staff members have rescinded due to the lack of Owner benefits compared with the benefits they already receive as staff. We comply that 85% or more of Owners use their patronage rebate. John C. asked how our Owner benefits compare to other coops – John B. answered that many coops are different, and Megan adds that we have recently looked at the cost of ownership and it very much depends on the store. We will continue to look into ownership and how we can explore different ways to attract more potential Owners. Annie asked if there are any concerns with the staff members revoking their membership and Román answered “no”. John B. moves to accept, Bob seconds and all are in favor.

Board Budget Final Vote

The Board budget is the same as presented last month – Bob moves to accept, Annie seconds and all are in favor.

Board Monitoring

- D8 – Board Recruiting, Development, and Expense: reports compliance
 - 2 partial compliance, 6 compliance – the COVID 19 prevented the option for in person training – the Board should refocus on training after COVID restrictions are lifted.
 - All complaint on second
- Megan talked about how recruiting efforts could be made better and John B. and John C. said they feel it has been getting better.

DEI Update

- Co-op Conversations: A Discussion Group – the group watched the movie *Just Mercy*. Annie mentioned that the movie was extremely great and they had a wonderful conversation about it. April 21st is the date of the next conversation. The topic will be the book, *We are All Greta: Be Inspired to Save the World*. Individuals from Sunrise Frederick will be joining the group to talk about climate change.
- Upcoming Food for Thought speakers – April & May – we may have a member of the
 - Alecks brought up the idea of looking at other avenues to promote the speaker series and the DEI work.

Odds and ends

- Green Committee – nothing to report at this time, meeting is tomorrow!
- Lunch with Leadership – John C at 20th at 7th Street, John B at Route 85
- LoCo for Local – July 17th
- Co-op Café – 4/17, 4/25, 4/26
- Incumbents next month – please come to April’s meeting with a decision on running for reelection.
- Good of the Order
 - Evan: inquired about the beer and wine – it has not gone anywhere yet – John B explained that the testimony went fine but it was clear that there was not a lot of support for this.
 - John B. informed the Board that MAFCA might reemerge this year in October.
- Follow up work/next steps
 - Email Megan about interest in attending one of the Coop Café sessions
 - Board Retreat in November

The meeting was adjourned at 7:45pm.

**Frederick County Consumer Cooperative
Board of Directors Meeting
April 22nd, 2021
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Board members present: Megan Schneebaum, Annie Marshall, Stephanie Walker, Evan Rosenberg, Bob Wolpert, John Beutler, John Clarke, Alecks Moss

Board members absent:

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

Owners present for meeting:

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

“Food for Thought: A Speaker Series”

Kimberly Scott, President and Founder – Moving Us Forward, Inc. – a nonprofit, discussed advocating for disadvantaged minority communities. (www.movingusforwardinc.com)

Approval of Agenda

Agenda is approved.

Consent Agenda

Refunds are approved. Minutes are approved.

Owner Comment Period

No comments.

Monthly Financials

Sales have declined at the Route 85 as well as 7th Street stores. However, over the last several weeks, we are starting to trend ahead from week to week in sales growth. Sarah explained that as the café sales grow basket size figures might decrease since the basket sizes are smaller for café purchases. John B. said that perhaps with less of a COVID impact we might start to see more people shopping with smaller basket sizes, for things like café items.

Produce Initiative Update

Román says that it is going well, and we continue to move forward with it.

GM Monitoring

- B3 – Financial Condition: Our labor is remaining steady; however, our fixed expenses are a little higher because we are missing sales. The gross profit margin needs to increase. EBITDAP improved from last quarter and broke even this quarter. We continue to work on Gross Margin and Labor costs since those are the expenses we have more control over. To continue to drive sales, we are pushing sales incentives from a value driven point of view with the intent of drawing in new customers. Sarah mentioned that we are not gaining cash quickly enough and that she is renegotiating terms with vendors to ensure we not paying bills too early, which pushes more cash out before it is needed. We made changes to the janitorial expenses and are reviewing larger costly items so we can course correct. In terms of the balance sheet we have cash but until we increase sales, we will need to continue to analyze what is going on which is difficult in the middle of a pandemic. Stephanie asked if there are things that we are doing or can be doing to drive sales. Román answered that Susan is working on reaching out to more communities and that we are evaluating the overall cleanliness of the store. Megan asked if there is a way to get

a snapshot of information to inform the Board when we should be significantly concerned about the stores' financial condition. Sarah thinks that we will know quickly if we do not start gaining cash. Román believes if things have not turned around by fall, then we should be concerned. Stephanie wants to continue to watch the cash line as it looks like the cash decline is less than it was during the prior quarter. The report was in noncompliance so the Board did not vote to accept it.

Document Storage Discussion

John C. opened up a discussion on the Board of Directors' document storage needs and what is required under the D3 Policy – Agenda Planning & Board Minutes, which was reviewed at the February meeting.

- How far back should we archive?
 - John B. suggested going back 5 years on the website.
- Other documents to archive? No additional documents were mentioned beyond what is already being archived.
- Paper files to scan – as needed.
- Is there anything else we should be including in the minutes?
 - Evan said he feels comfortable with the amount of information in the minutes.
 - Megan said that when the minutes record a vote perhaps the minutes should include more of the discussion leading up to the vote, which could be useful to new Directors.
- Meeting minutes packet for New Board members?
 - Alecks said that she read a couple of monthly meeting minutes but would not read an entire year's worth of minutes before joining the Board.
 - Stephanie said that having a report from the prior year compared to what is being reported on might be good for new individuals to become aware of what they will be reporting on.

Stephanie mentioned that having three places to store meeting minutes is too much and that we need to limit the areas where we are maintaining our documents. John C. said it will take some time for additional documents to be gathered and uploaded into the Board's Google Drive folders and he appreciated everyone's input.

Incumbents Declare Intent to Run

Evan and Stephanie announced that they will not be running for the Board this year. The election should be an exciting one; the recruitment process starts now!

Board Monitoring

- C1 – Unity of Control
 - All 8 responses were received and all voted in compliance.
- C2 – Accountability of the GM
 - All 8 responses received, 7 voted in compliance and 1 voted "partial compliance".

DEI Update

There was a great speaker who presented on April 21st from Sunrise, and who spoke about how to use our creativity in climate justice. Two owners were present and participated in helping to brainstorm ways to help more marginalized communities with climate change. The DEI committee is currently reading *Disability Visibility* for the May 19th meeting. The speaker for next month will be Ms. Elizabeth Chung from the American Asian Center of Frederick.

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April 22nd, 2021

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Odds and end:

- The Green Committee update: There are a lot of recycling efforts underway for Earth month! The team has reorganized the recycling areas with better signage. The plastic bag recycling efforts are going well, the team is researching alternatives to plastic clam shell containers and the Common Market has partnered with Key City Compost of Frederick. There is an eEnd e-recycling event at the 7th St. store this week. The team is also working on developing an incentive for Owners to utilize e-receipts and they will be participating in the “Bring a Broom” clean-up event in downtown Frederick on April 24th.
- Lunch with Leadership – John C. joined Román and Ashley for a great discussion with the 7th Street Team!
- “LoCo for Local” event scheduled for July 17th at both stores
- Co-op Café sessions this month scheduled for 4/17, 4/25, 4/26
- Elections – please start getting the word out about the upcoming elections!
- Good of the Order
 - John B – Baltimore Foodscapes – there are a lot of local farms to table items in this.
- Follow up work/next steps.

The meeting was adjourned at 8:32pm.

**Frederick County Consumer Cooperative
Board of Directors Meeting
May 27th, 2021**

Board members present: Megan Schneebaum, Annie Marshall (left at break), Stephanie Walker, Evan Rosenberg, Bob Wolpert, Alecks Moss, John Beutler, Zoe Brittain

Board members absent: John Clarke

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

Owners present: Nancy Norwood

Guest: Johnny Martin

Guest Speaker: Elizabeth Chung

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

Food for Thought: A Speaker Series

Elizabeth Chung, Founder & Executive Director – Asian American Center of Frederick. The Asian American Center of Frederick provides vital services to assist lower income, minority, or immigrant groups reach their full potential through access to health insurance enrollment, interpreter/translation services, ESL and Citizenship classes, mentoring, housing, education, employment, and business development services. <https://aacfmd.org/>

Approval of Agenda

Agenda is approved.

Consent Agenda

Minutes from April 2021 are approved.

Refunds are approved.

Owner Comment Period

None

Monthly Financials

- Weekly Sales

Sarah presents weekly sales at both locations; Sarah informs the Board that she is seeing fluctuations in customer count and basket size at both stores. Both locations are staffing departments but nationwide we are seeing difficulty in hiring. Management continues to look at trends and is being careful with inventory in order to free up cash. As COVID numbers decrease we should see all of these issues balance out.

- Income Statement
 - Sarah presents the Income Statement and notes that Maryland has issued new SUTA rates which the Co-op has to back pay for Jan, Feb, Mar 2021
 - Sarah notes that some funds are in a suspense or holding account since the loan terms have closed but the cash has not yet been received.

Annie asks if Sarah is concerned, and Sarah responds that the management team is optimistic for the future.

**Frederick County Consumer Cooperative
Board of Directors Meeting
May 27th, 2021**

Mask Update

The Co-op continues to follow state and CDC guidelines for in-store mask policy. Staff are still required to wear masks in the store and office. High risk shopper hours are 8-9 AM on Wednesday and Sunday. Curbside/delivery hours have been extended 11 AM – 6 PM. Plexiglass barriers remain up. Stores and offices are cleaned on a regular basis.

John B asks about the staff vaccination rate. Roman responded that due to HIPPA we cannot ask staff, but he feels the rate is over 50% and HR is making it easy for staff to take time to get vaccinated.

Annie thanks Roman for navigating the mask policy and adjusting to change.

GM Monitoring

- B9 – Expansion – Román discusses the move to include a very limited amount of conventional product in the grocery department. Reasoning focuses on offering a more competitive price point on some items, food security, increase in basket size, and is a Co-op core value. Like the addition of IPM to the produce department, the mix would max at 20% conventional. There would again be surveys to staff and owners. Roman notes that he has discussed this hybrid model with other regional Co-ops and a 11-12% growth in 12 months is average.

Alecks states that it is hard to see the value of conventional grocery category products which would support big business and potentially allow GMO products into the stores; whereas it is easier to see the value of IPM produce because it supports local farmers.

John B asks about the supply chain and branding. Roman replied that product would come from UNFI and Super Value in PA. T

Stephanie asks about package sizing in store and Roman described the Bundle Deals and Co-op Stock Up programs.

Annie supports conventional from a food justice point of view and sees the varied price points as a service to Owners.

Zoe asks about communication about the program and Roman responds that it would come through the website, Owner emails, and the Spoonful magazine.

- B6 – Emergency Management Succession – Román presents a document outlining which staff could step into various positions if needed to keep the Co-op running smoothly.

Discussion about making this document public or not because Staff personal contact is on the document.

No vote on B9 of B6 at this time.

Outreach

- Freedge

**Frederick County Consumer Cooperative
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May 27th, 2021**

- **OAD**
 - Megan discusses the Board's plan for 2021 noting that the focus will initially be on maintaining the status quo, continuing to reflect on the opening of the second location, with the ability to re-assess as COVID-19 becomes less of a driving factor in planning and decision making. This may be in FY 21 or at the FY 22 Board retreat.
 - DEI Committee is continuing to gain momentum.
 - The Board will continue to monitor Ends policies and the Election process.
 - The Board will re-assess the Non-Profit Articles of Incorporation.
 - Addition to calendar: November 6 & 7 Board Annual Retreat with Michael Healy.
- Stephanie motions to vote to accept the 2021 Strategic Plan, Annie seconds. All vote in favor.

Call for Candidates

Candidate packet announcement has been made on website, social media, and Spoonful magazine. Application deadline is July 9, 2021. Candidate information sessions are scheduled on Zoom for June 10 and June 21. Additional dates will be added if necessary.

Board Monitoring

- **D2 – Board Job Description**
 - Discussion about how the survey is intended to streamline process and facilitate communication, not create anonymity. Megan will reach out to Michael Healy to ask for ideas on how to improve.
 - Partial compliance
- **D7 – Board Relationship to Members/Owners**
 - Megan discusses that the benefits of ownership could be clearer.
 - Compliant

Thanks to John C for preparing surveys. Note that Zoe didn't vote this time around since she's new to the Board.

DEI Update

Megan discusses Co-op Conversations perhaps taking a pause for the summer or using a different approach. Last meeting there were 10 RSVPS but no one showed up.

The Frederick Center will be the speaker for the June 24 Food for Thought.

Odds and Ends

- Green Team discussed sustainability including working with Key City Compost on sustainable packaging, recycling of clam shells has been put on pause because of the cost/benefit of the program. Garden at North Frederick Elementary School is looking great! Harrison will look for another clean-up project. Next meeting June 18.
- Lunch with Leadership will resume in June, Roman will send dates.
- Loco for Local has excited vendors and community partners for the July 17 event!
- CCMA – Sign-ups are still available. John B suggests the Co-op support Martin's \$90 registration fee. All agree.
- Spoonful – Annie will write the next message from the Board.
- BOD conflict of interest – John C. wants to let everyone know that his son is applying for a summer job at the Co-op. Board decides that they should disclose in advance and remain

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Board of Directors Meeting
May 27th, 2021

neutral if family members apply for paid positions at the Co-op. Additionally, they should not act as a reference and should not pressure Staff to hire family members.

- Good of the Order
 1. John B. states that it was good to see Johnny Martin on the meeting.
 2. Megan states that the Lovettsville Co-op is active in its capital campaign and as of May 2 was over 55% toward its goal of 1.6M.
 3. Thank you to Alecks for writing May/June Spoonful message.
- Follow up work/next steps
 1. BOD monitoring and reach out to Michael Healy.
 2. Libby will organize BOD to man Owner Drive table.
 3. Annie will write for next Spoonful.
 4. Johnny Martin will be sponsored for CCMA.

The meeting was adjourned at 8:59pm.

Executive Session Followed.

**Frederick County Consumer Cooperative
Board of Directors Meeting
June 24th, 2021
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Board members present: Megan Schneebaum, Annie Marshall, Stephanie Walker, Evan Rosenberg, Bob Wolpert, John Clarke, Zoe Brittan

Board members absent: Alecks Moss, John Beutler

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

Owners present for meeting: Lynn Brantley, Toby Schermerhorn

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

“Food for Thought: A Speaker Series”

Clare Madrigal and Nina Carr, The Frederick Center

Approval of Agenda

Agenda is approved.

Consent Agenda

Refunds are approved. Minutes are approved.

Owner Comment Period

No comments.

Monthly Financials

Sarah brought up last week’s sales and showed that there was a good increase. The increase was primarily due to OAD month incentives and the café sales which have been steadily increasing at the 7th street Store. Labor costs stayed in line and there were increases in customer count and basket sizes. Personnel expenses have appeared to stabilize and are in line. Taxes and benefit costs were a little higher because of the increase in payroll tax rates. Miscellaneous income received this month included the patronage rebate from NCG and a non-compliance payment from UNFI. Sarah has estimated a \$25k net income this month, which could be lowered, but year to date she estimated income at -\$243k. Stephanie thought that the income statement does not appear to be as bad as what was projected when initially looking at opening the second store!

Check Signer Change

We are not adding anyone currently and will remove the name of Max Smith, a departing employee.

GM Monitoring

- B5 – Communications and Counsel to the Board
 - Roman reported full compliance on B5. The board was surveyed – all reports presented have complied besides B3; the non-compliance report was related to the financial conditions and key indications of gross margin, sales growth, and net income that the board was informed of throughout the monitoring reports – Annie moves to accept, Bob seconds and all are in favor.

Board Monitoring Discussion Part 1

John C. brought up Board monitoring surveys, which he has noted have not been very useful or robust. Over the last year and a half, 96% of the monthly reports have shown that the Board is in full compliance with the policies and the monthly Monitoring survey reporting has not spurred much dialogue among board members. When reviewing each policy, the Board should consider that board monitoring is not the same as GM monitoring which requires a vote from the board to accept, and if you have one or two noncompliance or partial compliance survey results, it does not mean that something is necessarily failing! Also, the board does not have to be anonymous when monitoring policies, as they are with the surveys, and we should encourage more dialogue when monitoring. John C. asked the board members input on this topic and mentioned he would like to hear what the other members think! After discussion, he suggested that for future board monitoring, the meeting minutes could capture any consensus and specifically if there are areas where we can improve upon in the policy. Bob and Annie said that they agreed with John. The board should keep in mind that an open discussion format was used in the past and it ended up taking too much time but with structure it could work. Megan believes that we need to be able to discuss things as a group and the anonymous voting should go away so we can openly talk about situations together. The board agreed to abandon the survey method for monitoring policies beginning at the next meeting. John C. will send out the policy ahead of time to the Board to review and be prepared to discuss at the monthly meeting.

Call for Candidates/Candidate Packet Deadline July 9th/Info Sessions

A virtual call for candidates will take place on June 30th at 6pm and July 6th at 6pm. The deadline for getting your application in is July 9th closes at 6pm.

Board Monitoring Discussion Part 2

- B5 – BOD Member Code of Conduct
 - Yearly signature and agreement to the code of conduct received by the Board members.

DEI Update

- Co-op Conversations: A Discussion Group – we are taking a break!
- Upcoming Food for Thought speakers –
 - Shana Knight, the executive director of Soul Street

Odds and end:

- Green Committee – Roman gave an update on the stores – compost is going great at both stores, the school garden is going well, recycling is going very well!
- Lunch with Leadership – most likely returning in August
- Owner Drive – 7,900 range
- LoCo for Local – July 17th
- CCMA Wrap-up
- Spoonful
- Good of the Order
- Follow up work/next steps.
 - Susan will check with Libby about DEI

The meeting was adjourned at 8:10pm.

**Frederick County Consumer Cooperative
Board of Directors Meeting
July 22, 2021**

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

Board members absent: Alecks Moss

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

Owners/Guests present: Toby, Loren B, Danzel, Michelle Forbes, Catherine Dorsey

Guest Speaker present: Shana Knight

The July 2021 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 Shana Knight representing Soul Street, which gives a voice and platform to small black-owned businesses in Frederick.

Approval of Agenda

The agenda was approved with the removal of the Monthly Financial presentation.

Consent Agenda

The meeting minutes from June 24, 2021 were approved. Refunds were approved.

Owner Comment Period

No comments.

GM Monitoring

- B3 – Financial Condition – Román discussed the current budget and expenses. All categories were reported to be in compliance except Net Income which is moving in the right direction. It was noted that this benchmark was not established for an expansion period. There were 168 new Owners during June bringing the total number to 7,903. Sarah discussed that a reduction in inventory has increased the cash reserve by 10%. She further mentioned that the depreciation schedule might affect the audit. Stephanie asked if there will be a draft budget for August and Sarah replied that there would be. The Board did not vote on the B3 report.
- B2 – Financial Planning – Román discussed the budget for this fiscal year, which should be more accurate following a year's experience operating two locations which will support more realistic sales goals. Last year's budget was based on pre-Covid projections and market study estimates. The goal is to stabilize cash flow and bring earnings up to 4%. Employee retention is very important in order to achieve Employee Retention Credit. Sarah discussed paying C-shares at 4.5%. There was discussion about equipment and preventative maintenance on older equipment at the Rt. 85 store. Will look at the ease of voting and perhaps offer more raffle prizes to Owners. John B. believes that this is a conservative budget, and that the Co-op can perform better. Annie thanks Román and Sarah for their report. Sarah will email the budget file to the Board for review and vote at the monthly Board next meeting.

**Frederick County Consumer Cooperative
Board of Directors Meeting
July 22, 2021**

Board Elections

The election this year will be conducted by paper ballot only, since there is only one candidate. Megan will upload the candidate's application to the Google drive. Marketing will create a ballot that can be sent in the form of a postcard along with an incentive to vote as well as a QR code link to the website. Marketing will get Board approval for the card. Marketing will also place a ballot box at both store locations.

Board Monitoring – Officer Roles

John C. appreciates all Board members taking the time to review job descriptions & reporting methods. In lieu of the Survey Monkey, Megan asks all Board members to be prepared to discuss two questions at each meeting: what are we doing well and where can we improve.

The following revisions were suggested for Officer job descriptions:

President:

1.5 & 1.6 add the word "individual", to read, "The President has no individual authority..."

Treasurer:

3.1 the Treasurer will give a budget report on a quarterly basis

3.4 remove as this does not happen

Secretary:

4.3 will start doing this

4.4 Create an attendance document and GM compliance reports and save in Board files

The Board will also clarify the number of meetings each member is expected to attend.

DEI Update

The DEI Committee continues to take a summer pause on Co-op conversations. The next committee meeting is August 11, all are welcome to attend.

Upcoming Food for Thought speakers:

August- Sara Varga, discussing Substance Use, Abuse & Recovery

September – intentional pause for Owner Fest/Annual Meeting

October – Michael Hughes, Frederick County Chief Equity and Inclusion Officer

Odds and ends

- Green Committee – Next meeting August 20th. North Frederick Elementary School garden beds being tended by summer camp students with the help of head custodian, Randy. Marketing would like to give Randy a gift card at the end of the summer to thank him for all of his help.
- Lunch with Leadership – August 19th @7th; St. Bob W. and John B. will attend. August 25th @ Rt. 85; Annie will attend.
- Owner Fest & Annual Meeting Planning -
- Loco for Local Wrap Up – Event was well planned and well attended. Thanks to Staff and Board who helped and attended. About 400 in attendance, including many new customers in store.

Frederick County Consumer Cooperative

Board of Directors Meeting

July 22, 2021

Vendors appreciated the exposure and stated that Common Market helped them get their start!

The Board & Marketing would like to have this event again.

- Spoonful Sept/Oct issue – Annie will write the Board message.
- Good of the Order
 1. John B. would like to consider having MACA (Mid Atlantic Coop Alliance) host in Spring 2022
- Follow up work/next steps
 1. Megan will post Lynne Brantley's Board application
 2. John C. will update the calendar indicating that the Treasurer will provide quarterly reports/budget updates.

The meeting was adjourned at 9:35 pm.

Executive Session Followed.

**Frederick County Consumer Cooperative
Board of Directors Meeting
August 26th, 2021
Page 1 of 3**

Board members present: Megan Schneebaum, Annie Marshall, Stephanie Walker, Bob Wolpert, John Clarke, Zoe Brittain, Alecks Moss, John Beutler

Board members absent: Evan Rosenberg

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

Owners present for meeting: Mary McKelvie, Lynn Brantley

LSWG Auditors: Jinnell Luckenbaugh, Barbara Roman

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

“Food for Thought: A Speaker Series”

Sara Varga from Phoenix Recovery Academy!

Approval of Agenda

Agenda was approved.

Consent Agenda

Refund requests were approved. The July monthly Board meeting minutes were approved.

Owner Comment Period

No comments.

LSWG Auditors Annual Report to the BOD

There is a large adjustment in process that has not yet been factored into these statements but everything else has been included in this draft report. Currently there is \$15 million in assets as opposed to \$14.3 million in the previous fiscal year. The cash and inventory categories were the two areas with the largest swing: inventory increased due to opening the second location and a decrease in cash from opening the second store. Property and equipment values showed a net increase of \$1.1 million, having to do with the expansion. The total liabilities are currently \$9.6 million compared to \$8.7 million last year; the two line items that are the main reason are the long-term liability/notes payable that increased and the decrease in the liabilities. Sales increased about 18% and the cost of sales increased 20%. Miscellaneous Income is where the forgiveness of the PPE loan is being recorded. The auditor’s reported that they did not note any internal weaknesses in the system. Stephanie asked about the patronage rebate and how carrying back the state or federal tax could affect this, and Sarah replied that the rebate is based on tax net income and didn’t think it would be affected if we carry it back. Barbara said that variations in the report from last year can be reasonably explained because of the second store opening. Sarah added that they should have the final report completed before the Annual Meeting so the final numbers could be reported to Owners.

Monthly Financials

Sarah reported that the combined store totals from last week were really close to budget. There was a little over \$500k in sales with \$210k at the Route 85 store, which is under budget by about 6% but higher than the previous week. The 7th Street store continued to grow from \$292k to \$302k, or 3% over budget. With Labor, we are struggling with filling positions and lower than we would like to see it. The monthly reporting for July, the Route 85 store is running under budget in labor and occupancy is a little over budget. If sales were in line with the budget, then these figures wouldn’t seem out of place. Route 85’s earnings are low, but we should see that come back with an inventory adjustment so additional gross profit will be seen. The 7th street store was closer in gross profit and personnel expenses just a little

over budget. July's loss is a little more than what was projected however we should see some of this come back with the inventory adjustments. Alecks asked about what is being done to address hiring and Román responded that we are competing against a significant hiring market right now and the Co-op is trying to be competitive in approach and marketing.

GM Monitoring

- B2 – Financial Planning – finalize approval from July:
 - Sarah added that there was a little information about the ERC that might impact fiscal year 2022 but it will not modify anything poorly and should potentially make the fiscal year we just finished look better. The Board decided to move to accept the report as they have already heard Román's intention to move towards the non-compliant areas becoming compliant. Stephanie moved to accept, Bob seconded and all were in favor.
- B7 – Customer Service & Value
 - Román reported compliance on the report. Román discussed cross-training programs, reviewing customer questions, and reevaluating the mystery shopper program. The average daily transaction count is in compliance, and average basket size has increased, but a little below last year's average. Customer count has also increased, along with the total number of Owners. Román reported that Yelp and Google reviews have maintained a 4.5 rating or higher. The Co-op's safety program is effective with training and audits to ensure safety is being maintained. Annie moved to accept the report, John B. seconded and all Board members were in favor.
- B9 – Expansion
 - Román reported non-compliance with this report. The Common Market is continuing to foster local partnerships and promote our values within the community. A lot of value programs have been added in the stores. We are looking at having the bakery open by the end of the year and when the pandemic allows to start hosting more events. We are prioritizing promoting from within and utilizing cross training in the stores. John B moved to accept, Bob seconded and all Board members were in favor.
- Change: the B1 report will be presented to the Board in October instead of September, 2021 – Megan approved this change.
- John C. asked if the October GM report would be moved to September to accommodate the B1 change? – Román replied that he will report on all End's Policies at the September Board meeting.

Board Elections

- Election Administration Update
 - Annie reported that Lynn Brantley is the only candidate running and it will be a low-key election. There will be no electronic election this year and people can vote in person or via email.

Annual Meeting/OwnerFest Discussion

Susan conducted a survey to see if owners would attend an OwnerFest and/or a virtual Annual Meeting. Román's concerns were that in addition to the COVID-19 risk, there would be a lot of effort and expenses put into OwnerFest and

that the attendance would not be enough to justify the work and cost. Román proposed cancelling the 2021 OwnerFest. Susan discussed safety concerns. The Board agreed that OwnerFest should be cancelled. Megan said that she believes that the Annual Meeting will be held on the day that OwnerFest was originally scheduled since notice was already given. The Annual Meeting will be at 4pm on Saturday, September 18th.

Board Monitoring

- D1 – Governing Style
 - What are we doing well with this policy? John B. said that he thinks the Board of Directors have done a good job at focusing ahead and being strategic about what to push ahead on; Megan added that they have excelled at distinguishing the lines between Board responsibilities and GM responsibilities and that they have a great GM to help distinguish those lines.
 - What can we do better with this policy? Getting to meetings - It has been a chronic habit for everyone. Megan is questioned the wording of “staff initiatives” and John B. said that he believes the wording is okay because the Board can initiate things with staff, for example the Board initiated the expansion which was not something the staff came up with; he added that although the Board has responded to this policy well it has been a little more reactive then pro-active. Annie said she gets bogged down in section 1.6, in wanting to get more detail about how the store runs and understanding the Co-op’s administration, which are not part of the Board’s role; she felt that Román is very good at giving the Board the information that is necessary and shouldn’t ask too many details. Zoe brought up that she felt she has less of a voice because as a Board member and that she feels the Board has taken too far of a step away from operations. Megan said that in the past perhaps there was too much of a separation, and that the shift has been slow, however she thinks that that Board is getting better at it. Annie said that she agrees but the discipline of policy governance is very important.

DEI Update

- The DEI Committee’s next meeting is September 27th @ 12:30pm
- Upcoming Food for Thought Speakers – October & November

Odds and end:

- The Green Committee: Oyster Shell recycling will be starting soon and the Co-op is planning to host some composting classes. The team will begin collecting ink carts/electronics at the Route 85 store and are looking to potentially participate in a Fall clean up event. The next meeting will be on September 17th.
- Lunch with Leadership - Román is changing the format to Coffee with Leadership - sitting in the break room during a certain time period for an “open door” chat with interested employees.
- The 7th Street store’s One Year Anniversary - September 16th cake serving from 11am-1pm and 4pm-6pm!
- Lovettsville Groundbreaking event will be on 10/9!
- Spoonful
- Good of the Order
- Follow up work/next steps.
 - Coop Impact Conference in October
 - Discuss Retreat
 - Annual Meeting with be on September 18th at 4pm

The meeting was adjourned at 9:30pm.

**Frederick County Consumer Cooperative
Board of Directors Meeting
September 23rd, 2021
Page 1 of 3**

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.

**Frederick County Consumer Cooperative
Board of Directors Meeting
October 28th, 2021
Page 1 of 3**

Board members present: Megan Schneebaum, Annie Marshall, Bob Wolpert, John Clarke, Mary McKelvie, Lynn Brantley, Gislene Tasayco, Alecks Moss

Board members absent: John Beutler

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

Owners present for meeting: Eric M, Wendy M, Julianna L

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

Approval of Agenda

The meeting Agenda was approved.

Brief Statement

Megan read a response statement to an anonymous letter that the board received through the independent Human Resources hotline from the Staff of Common Market.

Consent Agenda

Owner refund requests were approved. September Board of Directors' meeting minutes were approved.

Owner Comment Period

No Owner comments received.

Monthly Financials & Vote on Consolidated Financial Statements

Sarah noted that now that we have a year of data to compare the Co-op is 4% under projected sales growth from last year. Sales at the Route 85 store are 15% under last year whereas sales at the 7th St store is 5% over last year. It has taken time for the sales from the Route 85 store to transfer to 7th Street store and she had projected negative growth for the Route 85 store. The Co-op is seeing a lift in sales in the last few weeks due to Owner Appreciation Day (OAD) discounts with steady growth. The Co-op is continuing to experience a shortage in labor, and is unintentionally under budget which drives the sales per labor hour up. Basket size has been growing during OAD and customer count has been up and down from week to week.

Megan asked for a vote on the Consolidated Financial Statement; Bob motioned to approve the report, Alecks seconded, and all Board members were in favor. Sarah added that she received the management letter that came with the audit report and she has posted it to the Board Google Drive folders. Although it is not something that needs to be voted on, it is a required piece of communication to share with the Board. There are several notes that the auditors included in the memo that the Board should be review. Now that the Board has voted to approve the report, it will be considered final as of this date and the "Draft" markings will be removed.

NCG Risk Committee Email & Letter

The Board received a letter following the September Board meeting, from the National Co-op Grocers (NCG) National Risk Management Committee bringing awareness to the Co-op's financial conditions and Staff turnover rate. This letter is a requirement of NCG and the Board is aware of the ongoing issues and financial concerns and engaged to help monitor and address these issues.

C-shares Dividend Distribution

Sarah mentioned that it is the Board's decision for C-Share Dividends to be paid to investors. Sarah mentioned that she had budgeted for the C-shares dividends to be paid on December 1st. Annie moved to proceed with the C-Shares dividends payments, Bob seconded, and all Board members were in favor.

GM Monitoring

- B1 - Staff Relations, Compensation, & Benefits – Part One
 - Román informed the Board that the entire Staff survey has not been prepared so he will only review the first half that has been completed. Román reported compliance on the report since it shows improvement from the 2019 survey. He will be working with consultants to assist with diversity and harassment training and talked about the open positions and how the Co-op is promoting them. There was 90% participation in the survey, which requires a 3.25 score or higher to be in compliance. Román has been looking at each category of the survey and will have a more complete plan once the final survey is available. The Co-op will update the employee handbook in the next six months and will work to keep employees more informed and engaged. One question that did not meet compliance, was in reference to an individual's pay increase reflecting the quality of work that they perform. Román will assess this topic and evaluate what can be done to address this. The second part of the survey will be presented in November and the next Staff survey will be administered in 2023. Gislene asked if there is data available for responses based on tenure and Román said there was not since it was anonymous, but the employees who participated had to have been with the company for at least 60 days.
- B3 – Financial Condition
 - Román reported that the current ratio is high but that is mainly due to the credit that the Co-op received and that although net income is not in compliance, the Co-op budgeted for a loss, and were close to that budgeted rate. The Co-op is in line with peer group debt to equity and sales growth is under budget. The labor expense is still under what was budgeted and will most likely stay under for a while until we are able to hire additional staff. The Gross Margin is not meeting compliance and has been mainly driven by the perishable departments. Inventory turns have increased a little from the last period and quarter; the audits were completed and in compliance. The quarterly income statement was close to budget with about \$220k under projection for sales. Gross profit is under due to the loss of sales and margin, however the Co-op has also been under in labor costs, which lead to savings. The Co-op over performed in expenses to make up for the lack of sales. Sarah added that the decrease in the margin is a major concern with most of the issues coming from the fresh meat department and the Wellness department, however, we believe the Wellness department will bounce back quickly. The fresh departments are the major concern while grocery and wellness are holding strong. The Café has been meeting its target at the 7th Street store while at the Route 85 store we are finding it to be more of a sales mix issue and not a pricing concern. Gislene asked Román what he will do to counter the meat issues and Román replied that the Co-op is restructuring the meat department and hiring two new managers instead of a director for the position. The Co-op is exploring better practices and product mix. Megan asked what a realistic time frame

would be to see improvement and Román says a quarter. The report does not show compliance with Policy B3. Annie moved to accept the B3 report as presented noting that it shows non-compliance with this policy and understanding that Roman has a plan to get into compliance. John C seconded, and all Board members were in favor.

DEI Update

- The November Food for Thought speaker will be Aje Hill
- Looking for speakers for the December meeting
- The next DEI Committee Meeting is Monday, November 1 @12:30

Odds and Ends:

- Annie – announced to the Board that she will be resigning from her position on the Board and that this will be her last meeting. The board thanked Annie for her efforts and dedicated service to the Co-op over the last 21 years.
- Annual Board Retreat planning - November 6 & 7; Michael Healy, Columinate Board consultant will be monitoring and will send out the agenda and Zoom link. Co-op managers have been invited.
- Green Committee – no meeting was held this past month; Susan added that the Common Market was recognized by the Frederick County Office of Sustainability and Environmental Health Services for its sustainability efforts. Sign up available at the Route 85 store for the Stream Link Tree planting event on November 20th and December 4th.
- Turkey order distribution at the store – sign up to help hand out turkey orders at the store!
- CBL 101 – opportunity for new Board members will take place on November 13th.
- IMPACT Conference – only a few days left to watch the recordings.
- MAFCA?
- Good of the Order – thanks to Ashley for recording the meeting minutes!
- Follow up work/next steps

The meeting was adjourned at 8:27pm.

**Frederick County Consumer Cooperative
Board of Directors Meeting
November 18, 2021**

Board members present: Megan Schneebaum, John Beutler, Lynne Brantley, Mary McKelvie, Alecks Moss, Gislene Tasayco, Bob Wolpert,

Board members absent: John Clarke

Staff members present: Román Diaz, Sarah Lebherz, Killian Geeslin, Nick Fitzpatrick, Susan Schulman, Paul Springer

Owners/Guests present: Ann Andrex, Angella Urso, James Morrell

Guest Speaker present: Aje Hill

The November 2021 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 Aje Hill founder & Executive Director of I Believe In Me, Inc, which gives support to at risk youth in Frederick.

Approval of Agenda

Agenda was approved.

Consent Agenda

The meeting minutes from October 28, 2021 were approved. Owner refunds were approved.

Owner Comment Period

Angella Urso expressed her concern that staff are required to wear masks during their work shifts. Roman will follow up with her.

Monthly Financials

Sarah presented monthly financials noting that we are generally holding close to the budgeted bottom line. 7th is up 11% over last year while Rt. 85 is 16% down. Both stores are under budget for wages which is actually not a good thing, this is an indicator of being short staffed. Rt. 85 is experiencing need for equipment repairs and maintenance. Megan asked about replacement vs. repair and Sarah said at this time it is still OK to be putting money into repairs, but some replacement is happening – such as freezer doors. MS Johnson is handling this work. John asked if lack of labor is contributing to downward trend. Sarah replied that labor shortage definitely contributes to lost opportunities for sales when there isn't enough staff on the floor and shelves aren't fully stocked.

Staff Survey Results Presentation

James Morrell, Columinate Co-op, shared a brief overview of the results of the Oct 2021 staff survey. The staff survey is an opinion survey with the goal of gathering data, to identify strengths & weaknesses, and to set benchmarks for future goals & priorities. Themes that emerged with generally high scores included strong DEI presence and job satisfaction. Areas of opportunity include stronger communication and organization. A meeting of store managers will be held December 9, 2021 for more in depth review and to establish follow up priority for staff.

GM Monitoring

Frederick County Consumer Cooperative

Board of Directors Meeting

November 18, 2021

- B1 – Staff Relations, Compensation & Benefits – Part 2– Results to the bi-annual staff survey were presented with the average scores for all questions topics above the benchmark of 3.25 supporting compliance with the policy. Responses show that Common Market’s DEI values, high quality customer service, and department management/operations is very high – above 4.0. Areas of improvement include communication, compensation, and Co-op management with scores in the 3.4 and 3.5 range. Immediate changes will be that quarterly reviews will start in 2022, a new HR manager will come on board in December with a focus on training, orientations and communications. John B moved to approve B1, Gislene seconded. All voted in favor.
- B9 – Expansion – Román discussed how expansion brings the opportunity to support local producers – up 55% since 2020; grow our customer and Owner base – over 8,000 Owners and increase our outreach with local community partners. Opportunities to increase revenue include developing the full-service bakery, hosting more events and classes, increasing customer count and basket size. Employee training and development will help to retain and hire employees. Gislene moved to approve B9, Lynn seconded. All voted in favor.

Staff Update

Susan Schulman, Marketing Manager, gave a brief overview of marketing department goals and plans.

Board Calendar 2022

A draft of the 2022 was presented, missing items will be filled in and the final will be voted on during the December meeting.

Retreat Follow Up

Suggestion boxes have been placed in both store locations for the public and in both Staff break rooms for Staff input.

The Staff Liaison nomination and election will be handled by marketing department, the Staff Liaison will attend December BOD meeting.

Gislene and Alex will work on a follow up to Staff memo.

DEI Update

The December Food for Thought speaker is the San Mar Treatment Foster Care Center. The next committee meeting is December 6 @ 12:30, all are welcome to attend.

Odds and Ends

- Green Committee – Next meeting is December 10.
- Lunch with Leadership – Will begin in January 2022.
- CBL 101 wrap up – Gislene attended and gleaned information that she will compile.
- MAFCA – Common Market will host in May 2022
- Beer & Wine Bill – John Beutler continues to follow.
- Executive Committee nominations & elections – will take place in December, BOD should think about running for a position. Job descriptions are in Google drive & ask Megan any questions.
- Good of the Order – Just an FYI that Lovettsville Co-op have reached phase 2 of their capital campaign.
- Follow up work/next steps
 1. Next BoD retreat will be held in April

**Frederick County Consumer Cooperative
Board of Directors Meeting
November 18, 2021**

The meeting was adjourned at 9:28 pm.

Executive Session Followed.

**Frederick County Consumer Cooperative
Board of Directors Meeting
December 16, 2021**

Board members present: Megan Schneebaum, John Beutler, John Clarke, Mary McKelvie, Alecks Moss, Gislene Tasayco, Bob Wolpert

Board members absent: Lynne Brantley

Staff-Board Liaison Joe Asim

Staff members present: Román Diaz, Sarah Lebherz, Killian Geeslin, Blair Barnes, Susan Schulman

Owners/Guests present: Lara Ecker, Annie Marshall

Guest Speaker present: Kathleen Prest

The December 2021 meeting was called to order at 6:05pm by Board President, Megan Schneebaum via Zoom.

Food for Thought: A Speaker Series

The meeting was started with a 20-minute TED talk style presentation by Kathleen Prest from San Mar Treatment Foster Care who seeks to find families able to provide a safe and nurturing home for children who have experienced past trauma.

Approval of Agenda

Agenda is approved.

Introductions

New HR Manager, Blair Barnes, was introduced and welcomed.

New Staff-Board Liaison, Joe Asim (7th St Produce Manager), was introduced and welcomed.

Consent Agenda

The November 19, 2021 meeting minutes were approved.

Owner #4619 requested a refund on 12/16 but to date has not completed the paperwork provided by Owner Services.

Owner Comment Period

No Owner comments made.

Monthly Financials

Sarah presented monthly financials noting that we are generally holding close to the budgeted bottom line. Labor at both stores is under budget which is actually not a good thing, this is an indicator of being short staffed. HR will begin with new recruiting tactics this month and into January. The Café is pulling back open hours at the Rt. 85 store and will publish scheduled closures to provide the best customer service possible. All food production will happen at 7th street which will work as a commissary and distribute Grab & Go items to the Rt. 85 store. The Thanksgiving sales figures looked good, shelves were well stocked which brings optimism for the remainder of the December holidays.

Staff-Board Liaison Update & Plans

Joe is excited to have been elected by his peers to this position. A detailed job description for this position will be written. Joe presented Staff communication to the Board and will come up with a method to compile and distribute to the Board.

**Frederick County Consumer Cooperative
Board of Directors Meeting
December 16, 2021**

Staff Department Focus - HR

Susan Schulman, Marketing Manager, gave a brief overview of staff appreciation and recruiting that has taken place in the 6 week period that the new HR Manager position was filled.

Board Calendar 2022

A draft of the 2022 was presented, discussion about the date of the Spring Retreat now scheduled for May 14-15. Several Board members have conflicts and will email their schedules to Megan.

Executive Committee Nominations & Elections

Megan Schneebaum nominated & unanimously elected as Board President

Mary McKelvie nominated & unanimously elected as Board Vice President

Gislene Tasayco nominated & unanimously elected Board Treasurer

John Clarke nominated & unanimously elected Board Secretary

DEI Update

The January 2022 Food for Thought speaker is Aaron Stephens, Special Projects Director with The Arc of Frederick County. The February 2022 Food for Thought speaker is from February - Partners in Care Frederick. The next committee meeting is January 3 @ 12:30, all are welcome to attend by Zoom.

Odds and Ends

- Green Committee – Next meeting is January 7, including new 7th St. staff rep Joe Eastwood. Need to find a rep for Rt. 85 store.
- Lunch with Leadership – Will begin in January 2022.
- CBL Training Calendar – CBL 101: January 15, 11 AM – 2:30 PM
- MAFCA – Common Market will host in May 2022
- Beer & Wine Bill – Sarah will set up a conference call with the lawyer and John Beutler to discuss resubmitting paperwork.
- Q1 Board working meeting – Jan 13 to discuss Ends Policies; send other agenda items to John C.
- Good of the Order – Lovettsville Co-op is in phase 2 of their capital campaign; Banner School 5th graders sent lovely handwritten thank you notes after their Common Market field trip; John C enjoyed distributing Thanksgiving turkeys.
- Follow up – look at Columinate Co-op events

The meeting was adjourned at 8:38 pm.

Executive Session Followed.