

**Frederick County Consumer Cooperative  
Board of Directors Meeting  
February 24<sup>th</sup>, 2022**

**Board members present:** Megan Schneebaum, Mary McKelvie, Gislene Tasayco, John Clarke, Aleks Moss, John Beutler

**Board Staff Liaison present:** Joe Asim

**Staff members present:** Román Diaz, Sarah Lebherz, Susan Schulman, Blair Barnes, Nick Fitzpatrick, Joe Eastwood, Armando Martinez

**Owners present:** Juan Ducos, Judy, James Wagner, Toby Schermerhorn, Donna Pearlman Annie Marshall

**Guest Speaker:** Hong Wei Xu, Site Director, Partners in Care

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

**Food for Thought: A Speaker Series**

The meeting was started with a 20-minute TED talk style presentation about Partners in Care focusing on Diversity, Equity, and Inclusion.

**Approval of Agenda**

The meeting agenda was approved.

**Consent Agenda**

The meeting minutes from the January 27, 2022 Board meeting were approved.

Owner refund requests were approved.

**Owner Comment Period**

Jim Wagner commented on the strong community engagement with the Black Owned Business market event held at the 7<sup>th</sup> St Store on February 23, 2022.

**Monthly Financials**

Sarah presented the January income statement. As a consolidated number, the Co-op is still under budget by about 5%, but the number is up 1.1% over last year. This was to be expected and things are moving in the right direction. The 7<sup>th</sup> Street store sales were 7% over for January at a 35% margin. After the upcoming quarterly inventory (March 31, April 1) the margin should be close to the 37% margin budgeted. Both stores are doing well controlling shrink and tightening up receiving SOPs.

Joe E. brought up the loss of foot traffic at the Rt. 85 Store vs a gain of foot traffic at the 7<sup>th</sup> St. store. The proposed Cafe re-opening at the Rt. 85 location should help with foot traffic. Blair and Sue have done a great job hiring in this area.

Jim asked about the budget and Sarah said it has been hard to predict with COVID, Café closures, general staffing issues and inflation. 2020 and 2021 have been real anomaly years. Comparing with our last “normal” year 2019 is something we look at too.

**Staff-Board Liaison Update**

Joe A. presented Staff feedback and request notes in taken from the Board suggestion box:

1. Suggestion from Bug to have more than 1 Human Resources (HR) person since we now have 2 stores.

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2. The Staff would like to have ASL classes. HR would like to start building the training and orientation program and will take this request into consideration.
3. Staff have begun to ask about not being required to wear masks at work. Leadership team is watching numbers and when we reach the “low community transmission” rate will consider doing away with the mask requirement.
4. The Art Wall has been a huge hit. Proposed having one at the Rt. 85 store. Yes! Marketing will help implement. Michelle Garver has offered to be the Rt. 85 coordinator.

Megan requested that Joe A. upload these requests to the Board Google drive so that the Board can properly respond to requests.

**Staff Department Focus – 7<sup>th</sup> St Produce**

Joe Asim, 7<sup>th</sup> St Produce Manager reported to the Board about a recent Produce Department reset with the supplier Four Seasons which has created better flow in the Produce Department. The department has won several awards recently through Four Seasons. T-shirts were ordered for both Produce Departments with a portion of the winnings! Seedlings are coming soon for spring. Joe would like to start organizing farm visits again for team building purposes. Joe would love to donate more produce that now goes to compost and would love to pursue the possibility of a community Freedge.

Nick commented that there is great synergy between both store Produce Departments and that palate drops are helping with value image in the departments.

Jim asked if there were supply chain issues. Joe replied that things are better than 2 months ago, and our situation benefits from purchasing locally.

Toby suggested selling in threes – she buys less when there isn’t a bundle of three.

Megan thanked Joe for all of his hard work and dedication and said that he can approach the Board at any time if there are areas where the Board can help.

**GM Monitoring**

- B9 – Expansion
  - Román presented business expansion opportunities and plans. He also noted that 2020 and 2021 were anomaly years. Data showing compliance: How expansion helps the Co-op attain its Ends, information to Board on expansion activities, looking at unmet business potential in the community, support from current Owners. Not reaching compliance yet is financial viability. This category is moving in the right direction with focus on margin, price initiatives, new products on shelves and following consumer trends.

Aleks commented that being visible in the community and forming strategic partnerships helps with marketing. Jim asked why MOM’s is significantly less expensive on some items, for example Frontier garlic, Spectrum Canola oil. Román replied that he asks staff to price compare regularly and will follow up on those items.

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Megan asked that when a policy is in non-compliance, a statement about how the policy will be brought into compliance along with a timeline.

John B. moved to approve the submission of GM Monitoring report for B9 with a request for plans to bring the B9 report into compliance. Alecks seconded the motion. All voted in favor.

**Product & Price Strategy**

Román presented a strategy to curate product assortment to appeal to the diversity of the community in support of the Co-op's Ends. The product pricing will reflect the Co-op's vision to be accessible to all, regardless of socio-economic status. The products will include some conventional but primarily natural and organic, following the NCG's good, better, best assortment strategy.

John B. commented that this is the reason for the expansion to 7<sup>th</sup> Street. The Rt. 85 store's space constraints wouldn't allow for this type of product expansion.

Leadership is working with NCG on Owner messaging.

**Board Monitoring**

- C1 – Unity of Control
  - Megan stated that the Board speaks with one voice and addresses the GM with one voice. Further discussion on the self-monitoring questions, what is working well, what can be improved? The Board voted to accept changes by email.
- C2 – Accountability of the GM
  - The Board will begin quarterly reviews of the GM, just as Staff will begin quarterly reviews. The GM is the Board's official link to operational success.

**Treasurer Proposes Budget – postponed to March**

Gislene has withdrawn from the Treasurer position. Sarah can help draft the Board budget. Michael Healey from Columinate said this is common practice.

**Board Nomination Process Update**

Eight applicants applied to be appointed to the Board. There are now three seats open. The Board will review applications and make a decision on appointments in approximately 1-2 weeks. New appointees need to be slated into specific seat replacements so that the Board can reestablish nine seats with three Board members aligned with three year staggered terms. Megan commented that three former Board members said they could help temporarily, if necessary, it is nice to have their support.

**Strategic Plan Discussion**

Megan proposed to delay discussion of this agenda item until a full Board membership is in place. All Board members agreed.

**DEI Update**

The next meeting is on Monday, March 14 @12:30 PM.

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**Odds and ends**

- Sarah Lebherz has celebrated her 25<sup>th</sup> anniversary working for the Common Market – the Board sincerely thanks her for her commitment!
- Lunch with Leadership – Mary really enjoyed attending & getting to know Staff better. Next dates: 12:00 noon Mar 17 @ Rt. 85 Mary and April 7 @ 7<sup>th</sup>. Megan will email the Board to see who is available to attend.
- GM Vision – Román presented and will distribute copies to all staff mailboxes, bulletin boards and at manager meetings.
- Beer and Wine Bill – John B. still following process and testified in person.
- Supermarket Employee Appreciation Day – All Staff members received a \$25 gift card from the Board and Leadership team thanking them for their hard work.
- Green Committee – Need Rt. 85 rep. Adopt A Road successful, sign being made, schedule to clean 7<sup>th</sup> Street will be sent to Staff and Board.
- CBL – All can attend, this is an amazing resource.
- Lovettsville – Common Market donated a \$100 gift certificate to their groundbreaking event & mentioned their progress in the Spoonful.
- CCMA registration for hybrid conference June 9-11 – this is the annual Co-op grocery store conference and we have some budget for travel.
- Next Quarterly Meeting – April 14. Attended by Board members only.
- Spring Retreat – May 14 & 15.
- Follow up
  1. Megan and Sarah will work on budget
  2. Mary will work on Board nomination process

The meeting was adjourned at 9:00 pm.

The Executive Session Followed.