**Frederick County Consumer Cooperative**

**Board of Directors Meeting**

April 21, 2022

**Board members present***:* Megan Schneebaum, Mary McKelvie, Armando Martinez, Toby Schermerhorn,  Alecks Moss, John Clarke, Joe Eastwood, Juan Ducos

**Board members absent:** John Beutler

**Staff Liaison absent:** Joe Asim

**Staff members present**: Román Diaz, Sarah Lebherz, Susan Schulman, Blaire Barnes, Nick Fitzpatrick, Grace Scott

**Owners present:** Juliana Lufkin, Annie Marshall, Maryrose Wilson, James Wagner, Owen Feris, Trish  Bodine, Piper Gross, Karen Cannon, Karen Russell

**Guest Speaker & Interpretation:** Davin Feris

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

**Food for Thought: A Speaker Series**

The meeting was started with a 20-minute TED talk style presentation by Davin Faris, Co-founder, the  Sunrise Movement Frederick, a youth social justice movement working towards a livable future for all  and fighting for climate justice.

**Approval of Agenda**

The meeting agenda was approved.

**Consent Agenda**

The minutes from the March 2022 Board meeting were approved.

Owner refunds were approved by the Board.

**Owner Comment Period**

James Wagner, an Owner for 12 years and environmental inspector with the state of Maryland, voiced concerns about the Board of Directors, he feels there has been a lack of transparency related to Board  appointments because 1) scores have not been provided to applicants, 2) he believes there is bias in  encouraging BIPOC, LGBTQ Owners to apply and 3) he feels the Bylaws don’t have a provision for checks  and balances.

**Monthly Financials**

The Board agreed to move the B3 GM monitoring report as part of the May Quarterly Financial Report.

The Rt. 85 store is about 18-19% under sales compared to last year, but the gross profit margin is up 2%.  The 7th St. store is up 10% in sales and up 1% gross profit margin. Consolidated sales growth is about 2%  over last year, with slow and steady improvement. Both locations have had cost increases from  vendors, who are experiencing fuel taxes and delivery fees that have not been seen before.

**Staff Board Liaison Update**

Questions and suggestions from staff:

1. Patrick H would like to see starting wages raised for the Café team and a review of standards.  He also feels bulk water should be free for all. He pointed out that the Bylaws state the Co-op is  non-profit and so we should not make a profit. Megan commented that we are not a 501-C-3  and don’t have this non-profit status, rather that we share profits with Owners when the Co-op  is profitable.

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2. Steph W feels Owners should be able to volunteer to help pay for their Ownership. Blair stated  that that idea would violate current OSHA regulations.

3. Joe would like to plan another Employee Art Show.

4. Armando discussed PTO rates and Employee 401K. The Board commented that they can’t  change these policies, but Román, Sarah, and Blair would discuss.

**Staff Department Focus – Grace Scott, Assistant Store Manager Rt. 85**

Grace provided a detailed overview of each department that she has been managing as the search for a  store manager has taken place. Grace has focused on cleanliness, cross merchandising, live demos,  community room events, Co-op U classes through NCG, and customer interaction.  Produce – focused on reducing waste, high standards created 4% lift in sales margin, opened space to  increase visibility. Create sense of abundance, non-alcoholic beverage set moved to front case. Wellness – short staffed due to medical leave. Sales slower, newer items selling well including package  free and zero waste.

Grocery – great leadership in the team, reorganization in warehouse, training for staff, onboarding.  Taking chances on cross merchandising has paid off!

Meat and seafood – limiting waste, cases well stocked, prices going up 18% with key vendor Autumn  Olive Farm, adapting and working with vendors. Customers want more variety in seafood, so bringing  over from 7th- will look at results.

Café – struggling with staffing, trying to bring services back on-line. Customer oven for Heat & Eat  program purchased. Prices raised in line with competitors.

FE – manager is engaging staff and customer service. Co-op captain Connie is warm and energetic.  Round up fundraiser to offset the costs of Terra Cycle going well.

**GM Monitoring**

B6 – Emergency Management Succession

Román presented the list of staff members who would be able to run operations of both stores if  needed to avoid disruption for 6 months. Sarah Lebherz, CFO, would be the primary successor.

John B moved to approve the GM Monitoring B6 Emergency Management Succession report, Alecks  seconded. All Board members voted in favor to accept the report.

**Product & Pricing Strategy Updates**

Román discussed the visit from the NCG team who discussed the need for Co-ops to curate store  product mix in such a way to appeal to the community in which the store is located. Part of the appeal  of a Co-op is accessibility & removal of barriers so the community can take advantage of the Co-op.  Good, Better, Best strategy allows all shoppers to choose what appeals to them and gives visibility to  other items that are out there.

**Board Monitoring**

C3 – Delegation to the GM

John C presented the current version of the policy and asked the Board for discussion. Armando stated that he feels the policy is wordy, vague, talks in a circle. Megan presented the Columinate policy  document, and all agree that it is more straightforward. John C. will send a revised version to all Board

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to review, making sure the document addresses all points and doesn’t miss anything. The Board will  vote on a revised version of Board Policy C3 at the May 2022 Board meeting.

**Treasurer Nomination/Election & Upcoming Budget**

Megan nominated Juan to serve as Board Treasurer until December 2022. Mary seconded. All Board  members voted in favor.

The draft budget is due at the May 2022 meeting and will be approved by June 2022; Juan will review  Sarah’s draft.

**Board Election Process Update**

Megan asked Incumbents to declare their intent to run in the next election. Megan stated she will run,  John C. will not run due to increased work obligations.

All appointed candidates will also be on the slate because all Board members must be elected by  Owners, according to the Bylaws.

Mary leads the Board Development Committee. Juan and Toby volunteered to assist.

Election Timeline:

April 21 Incumbents Declare Intent

May 31 Packets Available

June 4 & 14 Information Sessions

July 18 Applications Due

August 14 Election Begins

September 10 Election Ends

Jim suggested wording should include: All Owners in good standing are invited and encouraged to run.

**DEI Update**

The next meeting Monday May 2 @ 12:30pm via Zoom. All are welcome to attend. Discussion will  include upcoming Food for Thought Speakers.

**Odds and ends**

• New Rt. 85 Store Manager, Dennis Pick, starts Monday April 25

• Lunch with Leadership: May 12 @ Rt. 85, Alecks will attend.

May 19 @7th, Mary will attend

• CCMA meeting will be held virtually & in person June 9-11 in Sioux Falls, SD. Registration rates  are very affordable & budgeted for. This was a great event last year.

• CBLD Training Calendar: 4/24 Presidents’ Round Table, 5/3 Financial – Toby & Nick will attend,  5/11 Board Admin Round Table, 5/21 Explorations in Governance. Details and registration  coluninate.coop/events.

• MAFCA – September 11 @ 7th St.

• Spring Retreat May 14 & 15 via Zoom

• Outdoor Board Lunch June 26, venue TBD

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• Follow up work/next steps

1. Budget

2. Board Monitoring C3-Delegation to the GM, review and vote on Columinate policy wording 3. GM Monitoring B3 – Financial Condition

4. Board Monitoring D3 - Board Agenda Planning & Meeting Minutes

The meeting was adjourned at 9:05pm.

Next Meeting May 26, 2022

Executive Session Followed.

Minutes were recorded by Susan Schulman