

Frederick County Consumer Cooperative

Board of Directors Meeting

January 27th, 2022

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

Board members absent: Lynn Brantley, Bob Wolpert

Staff members present: Román Diaz, Sarah Lebherz, Susan Schulman, Blair Barnes, Eric Moser, Nick Fitzpatrick, Joe Asim – Staff Liaison

Owners present: Judy, Mary Hardin, Annie Marshall

Guest Speaker & Interpretation: Aaron Stephens, Special Project Director, The ARC Frederick County

The meeting was called to order at 6:10 pm by Megan Schneebaum via Zoom.

Food for Thought: A Speaker Series

The meeting started with a 20-minute TED talk style presentation about The ARC and their Culinary Training Academy in Frederick. It was another moving presentation about the importance of Diversity, Equity, and Inclusion.

Approval of Agenda

Agenda is approved.

Consent Agenda

Board Meeting Minutes from December 2021 were approved.

Owner refund requests were approved.

Owner Comment Period

None

Quarterly Financials

Sarah highlighted the highest weekly financial totals to date – Week 37: Christmas, and Week 39: Blizzard.

Note that these sales were achieved with only 10.9% labor. Things are slowly moving in the right direction. Cash on hand saw a slight dip due to expected equipment repairs at the Rt. 85 store. Further discussion of the Coop's financial status was included in the GM Monitoring as B3 – Financial Condition mentioned below.

Staff-Board Liaison Update

Joe presented Staff feedback and request notes received in the Board suggestion box:

1. Suggestion to make sure that Curbside Staff workloads are reviewed based on the number of curbside orders and the importance of having a curbside option for Owners.
2. A request for more buttons with pronouns & messaging: “happy to help from 6 ft. away” – Susan said Marketing can make these this week.
3. 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.
4. A concern that with departmental cross training, team members will be inefficient – management will keep an eye on this.
5. The Café team has been offered tips and would like to accept, but not allowed to. Discussion followed about the equity of only one department receiving tips. There was further discussion about how tips affect payroll and taxes.

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6. A request for gender neutral restrooms. Staff has access to gender neutral restrooms in the warehouse/back of house area. Signage will be updated to remove gendered images.

Discussion about gender neutral restrooms for customers is ongoing with Board and Leadership team.

Staff Department Focus – Café

Eric Moser, Director of Prepared Foods was welcomed. He oversees the Café at both store locations. He updated the Board about staffing and the difficulty that the industry is seeing nationwide in foodservice. Having Sue Leveille on board working as a recruiter has been a tremendous help; she has prescreened great candidates. Based on the number of recent new hires, the Café at Rt. 85 is scheduled to reopen the beverage service line on February 2nd with the sandwich line to re-open in March. Eric met with Mark Pependice of National Co-op Grocers (NCG) who is pleased with the direction our cafes are going and the quality of staff, systems in place and training programs.

Alecks asked about cross training and Eric replied that it is happening, particularly for people from other departments to help run the register while baristas prepare food and drink – it can get difficult from a quality perspective to have people from other departments making food and drinks.

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

GM Monitoring

- B3 – Financial Condition

- o Román presented Financial Indicators; categories showing include: Current ratio, Debt to Equity, Labor Expense. Categories showing non-compliance included Net Income, Sales Growth and Gross Profit Margin. Margin less wages, EBITDAP and Inventory Turns categories were rated as “TBD”.

- o Items of note – sales growth at 7th street is strong. There is opportunity to improve sales at Rt. 85. Looking at receiving policies to help with margins. The Café at Rt. 85 will be opening and should help overall sales.

- o Megan thinks it would be helpful for when there a isn't a benchmark reached, to understand where the GM, Román, would like it to be. In the future, Román will provide information about the steps he is taking to reach compliance.

John B motioned to approve Roman's report on B3, Mary seconded. All voted in favor.

- B4 – Asset Protection

- o Román discussed the protection of assets, including repair, insurance and payroll systems. The only area of non-compliance was the budget for maintenance and repairs. Routine maintenance on older equipment had not been followed and as a result, there has been more spent on repairs than budgeted.

- o John C asked what will happen if Rt. 85 store equipment needs more repair since 98% of the budget has already been used? Román mentioned that we are expecting to spend \$30,000 for the remainder of the fiscal year so will most likely go over budget and will have to pull from another GL account.

Board Monitoring

- D2 – Board Job Descriptions

- o John C presented the policy with the Board. John C and Megan will review and revise for vote at next meeting.

Board Nomination Process

The Board recently had two Directors voluntarily resign and it is the Board's responsibility to fill these seats in a timely manner according to the Bylaws. Alecks motioned to approve an open call for candidates. John C. seconded. All voted in favor. Marketing will work with Megan and Mary on a timeline and messaging.

Strategic Plan Discussion

Brief Board discussion about the need to include in a strategic plan, Bylaw revisions and discuss Board Member retention.

DEI Update

Next meeting – Monday, February 7 @12:30 PM. Next Food for Thought Speaker – Partners in Care Frederick.

Alcohol Sales in Grocery Stores

John B. discussed the Maryland 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 focused on the Common Market being able to support local Maryland wineries and breweries. The next reading of the bill is in April.

Odds and ends

- Lunch with Leadership 12:00 noon: Feb 24 @ Rt. 85 Mary and John B will attend. Mar 3 @ 7th Alex & John C will attend.

- GM Vision – Román will distribute hard copy to all staff mailboxes

- Beer and Wine Bill – John B. still following process, now going through Ron Young's office.

Trying to get an appointment with lawyer, Lian.

- Green Committee – Need Rt. 85 rep. Next meeting Feb. 4 @ 11 AM.

- CBL – Mary & Joe went to CBL 101, it was an invaluable experience and amazing resource.

- Lovettsville – Common Market donated a \$100 gift certificate to their groundbreaking event.

They are still selling C-shares.

- Jim Hanna passed away. Common Market will donate to charity.

- MAFCA – still planning for a date in May 2022.

- Spring Retreat – May 14 & 15.

- Follow up

1. Megan will email Board asking for feedback & strategic plan input.
2. Megan will talk to Joe about how best to follow up with Staff feedback and input.

The meeting was adjourned at 9:15 pm.

Executive Session Followed.

Frederick County Consumer Cooperative

Board of Directors Meeting

February 24th, 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

th 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

th 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 th 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.
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

7th St Produce

Joe Asim, 7th 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 Freeedge.

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

- o Román presented business expansion opportunities and plans. He also noted that 2020 and 2021 were anomaly years. Data showing compliance: How expansion helps the Coop 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.

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 7th 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

- o 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

- o 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.

Odds and ends

- Sarah Leberherz has celebrated her 25th 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 @ 7th. 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 7th 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.

Frederick County Consumer Cooperative

Board of Directors Meeting

March 24, 2022

Board Members Present: Megan Schneebaum, John Clarke, John Beutler, Mary Mckelvie, Toby Schermerhorn, Alecks Moss

Board Staff Liaison absent: Joe Asim

Staff Members Present: Román Diaz, Sarah Lebherz, Blair Barnes, Nick Fitzpatrick, Joe Eastwood, Armando Martinez

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

Food for Thought

There was no food for thought speaker this month. Donating stipend CDF & NCBA/CLUSA's Disaster Recovery Fund to aid Ukrainian Coops.

Approval of Agenda

The meeting agenda was approved.

Consent Agenda

The February 24th 2022 meetings minutes were approved.

Three Owner refunds were approved.

The April Board Meeting will be held via Zoom on April 21st, instead of April 28th

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Owner Comment Period

Gislene Tasayco gave her resignation due to a new job.

Ms. Schneebaum welcomed the newly appointed board directors: Juan Ducos, Joe Eastwood, Armando Martinez and Tobin Schermerhorn.

Monthly Financials

Sarah presented the January and February combined quarter to date statement to the Board. She reported on the following categories:

- Taxes and benefits financials were within budget
- Occupancy expenses were over budget
- Operating expenses were under budget
- Consulting and legal fees were over budget
- The stores were 6% under budget in sales

Overall customer count has increased compared to last year. However, the average transaction count is down, possibly due to the café at the Route 85 store only providing beverage services. The focus will be to bring in new customers.

Alecks asked if the limited café is affecting the overall revenue at the Route 85 store. Sarah believes it has definitely had an impact on sales. The Route 85 store does not get the same lunch time rush as it used to, now that the café has been open only for beverage services.

Toby suggested there should be more marketing for online ordering from the café. She was not aware that orders could be placed online. It would be more convenient to order from the café online and pick up the food at the store when shopping because orders often take a long time to prepare. Toby also suggested that the Common Market conduct an Owner survey to see what changes could be implemented at the store to potentially bring in more customers.

John Clarke asked what impact curbside pick-up has had on the current financials. Sarah said curbside sales are included in total sales and that they generate about \$10,000 per week.

GM Monitoring

B8- Membership

Román presented the state of Ownership of the Coop. He has projected that Ownership will grow at least 5% with no more than 0.25% loss of Owners. Most Ownership refunds were from people moving. Román presented ways to attract more Owners including Reduced class fees, OAD months and \$5 off \$50 spent coupons for Owners. Benefits are promoted, board communication, board meeting dates are posted. As of March 2022, there are 40 community partnerships. This is up from 27 community partnerships in 2018. Ownership growth is at 6.1%, owner refunds were less than 0.25% of active Owners. Only 2 refunds were submitted due to dissatisfaction. Growing Ownership strategy includes welcoming new Frederick residents with a welcome bag and promoting Ownership with outside events. Everything was in compliance except not holding Owners Fest due to the COVID-19 pandemic.

Alecks M. moved to approve the submission of GM Monitoring report for B8. Mary M. seconded. All BOD members voted in favor of accepting the report.

Proposed Board Budget

Sarah presented the proposed board budget with an overall 5% increase in this year's budget. In person Board meetings may start in July. Increased costs included electronic Board elections, Board meetings and trainings. The Food for Thought speaker series will continue. Sarah will adjust the legal fees in the budget.

Board Monitoring

D8- Boarding Recruiting, development, and expenses

1. The Board will offer sufficient and timely training to Directors for governing.

Joe E. states that he thinks hourly employees, not on the Board should be able to clock in for meetings and trainings. He also suggested making sure meeting minutes and Board meeting times/dates are posted at both locations for staff to see.

2. The Board will prudently incur costs for governance and Board operation

No comments.

3. The Board will conduct an annual campaign through its Board Development Committee to educate owners about Board responsibilities and recruit owners to be candidates of the Board of Directors

Megan stated that it has been disappointing to only have as little as one Owner interested in serving on the Board with several seats open. We need to do more to get people interested in serving on the Board. Mary M. suggested a recruitment table event at each store to add visibility and answer any questions from potential applicants. Toby suggested that more education/information on the Board should be made available to Owners. We need to communicate to Owners better on what serving on the Board means. Alecks suggested using Board introductions on social media and noted that this was something that came up during Lunch with leadership.

There were no changes to Policy D8 at this time, it was agreed that the Board needs to pay more attention to this policy.

DEI Update

Sunrise movement Frederick will be present at the next DEI meeting, to be held on Monday April 4th at 12:30pm.

Odd and Ends

- For now the Board and the General Manager agreed to stop reporting on GM monitoring policy B9 – Expansion since the 7

th Street store has been open and the Board no longer need to monitor (unless we identify an expansion opportunity in the future). Sarah and Román agreed to discontinue reporting on GM Monitoring policy B9 – expansion.

- Green Committee- Joe E. and Román presented and update to the Board. The next meeting will be held on April 22nd at 12pm. The Committee has adopted a road next to the 7

th Street location and

has committed to cleaning up the street twice a year. The downtown Frederick Broom Cleanup event will be held on April 30th from 8a-12pm.

- Lunch with Leadership - Román informed the Board that the next scheduled events are:

- Route 85- May 12th at 12pm

- 7

th Street – May 19th 12pm

- Beer and Wine Bill- John B. presented to the Board that the 2022 effort is wrapping up. He stated that the legislation is ready to go but we have to have the delegation behind us to pass the bill. The beer and wine bill will be back on the agenda in October. State elections will be happening in November.

- MAFCA- John B. shared that the next event is scheduled for September 11th at the 7th Street location. Virtual and in person. Typically, 11a-4pm but those times could change.

- CBLD- Presidents round table will be April 24th. May 3rd Financial Training, May 21st CBL 101.

- CCMA June 9th

-11th virtual or in person in Sioux Falls, South Dakota.

- **Good of the Order**- Alecks declared to the Board that she participated in the Black owned business event at the 7th Street store and she collected money for her products.

- Additional items mentioned were the need for the Board to update its photos and the Employee Art Fair will be held March 31st from 5pm-7pm at the 7th Street store.

Meeting adjourned at 8:20pm

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.
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 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
 - 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

**Frederick County Consumer Cooperative
Board of Directors Meeting
May 26, 2022**

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

Board members absent: Joe Eastwood

Staff members present: Román Diaz, Sarah Lebherz, Susan Schulman, Blaire Barnes, Jason Sweadner, **Owners present:** Lillian Elliot

Guest Speaker & Interpretation: Atiya Wells

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 Atiya Wells from the non-profit organization Backyard Basecamp. After the presentation it was suggested that the Co-op could possibly donate some plants/seedlings to their garden in Baltimore.

Approval of Agenda

The Board approved the meeting agenda.

Consent Agenda

The Meeting Minutes from the April 2022 Board meeting were approved.

Owner Refunds requests were approved – Owner 9356 requested a refund due to alkaline water not being included as a free Owner benefit.

Owner Comment Period

Lillian Elliott – joined the meeting to hear about the future of the market.

GAP Standards - Meat

The Global Animal Partnership: is an Animal Welfare & Humanity Certified food labeling program, assuring customers that the meat they are buying comes from animals that are raised without the use of antibiotics, added hormones, or animal by-products. Common Market Meat & Marketing Departments went through a training, and several of Common Market's meat vendors are already certified meaning that we can begin labeling products with these standards. This is a good marketing program for customer education.

Staff Department Focus

Jason Sweadner, Meat & Seafood Manager from the 7th St. store presented updates about the meat department. Camaraderie, cross merchandising, working closely with the Rt. 85 store and training are contributing to increase in sales. Megan asked how the Board can support, and Jason replied that his team is in a good place, but he appreciates the offer for open communication.

Staff Board Liaison Update

No Update.

Frederick County Consumer Cooperative

Board of Directors Meeting

May 26, 2022

GM Monitoring

B3 – Financial Condition & Monthly Financials

Sarah reported on the monthly financial situation not hitting the sales benchmark, but noted improvement with net income from - 2.9 to -2.2. The increase comes from less legal and consulting fees and labor has picked up. Weekly sales – Sweet 16 saw a huge pick up to 2.6 sales growth & great spirits at the Rt. 85 store, took some from the 7th store with solid numbers of 2.2 % growth overall.

Román presented an action plan for non-compliance items – hiring for & opening the Café at the Route 85 store, and opening the bakery will give us a better margin and more in-house variety will help sales. Sarah noted that the market studies prior to opening were a little off track and could never have predicted the COVID-19 pandemic, supply chain issues and inflation.

Megan – thanked Román for the non-compliance plan and the date for improvement. John B – commended Román for a thorough overview.

Toby – asked at what point would we take a different strategy with the Route 85 store? Megan replied that we have not set a benchmark or deadline, and this is not the situation or plan that we have. Sarah mentioned that there is three years left on lease.

John B moved to approve the GM Monitoring report: B3 Financial Condition, Alecks seconded. All voted in favor. Juan stepped away during the vote and Joe was absent for the meeting.

Board Budget Proposal

Juan presented the Board Budget and noted that it did not change very much from last year. An increase in legal fees was added by Sarah for proposed By-law change process.

No questions were asked, and Megan thanked Juan then asked for a motion to approve. A motion to approve the Board Budget was made by Alecks and seconded by John C. All voted in favor.

Call for Candidates/Candidate Packet Deadline

Mary has review the Candidate packet and proposed the following edits or additions:

- A write in area for pronouns and accessibility aids

- Preferred name line
- Availability: in person, zoom, either/hybrid
- Ask a question regarding the candidate's commitment to DEI
- Question #4 add community; question #5 not necessary
- What skills or talents would you bring to the Board?
- Board or leadership experience
- Disclosure – are you an employee or a former employee of the Common Market?
- Teamwork – how do you do it?
- What does our Co-op mean to you?

- Note the Information Sessions planned for June 4 & 14 have been pushed to July 12 and 16.

Board Monitoring

- C3 – Delegation to the GM – vote for approval
 - At the May Board meeting, John C. discussed updating language that is more readable and clearer, based on language from Columinate. John C. presented the updated language for this policy and asked the Board if they proposed any changes. John B

Frederick County Consumer Cooperative

Board of Directors Meeting

May 26, 2022

thought the update was fine, same essence just more readable. John C motioned to approve the updates, John B seconded. All voted in favor. John C will update the policy register to reflect the approved changes for Policy C3.

- D3 – Board Process Agenda Planning; BOD Minutes
 - Would like to consider D3.2.1. Recommended having the agenda packet completed no later than midnight on the Tuesday before the meeting so everyone has a chance to review in time.

Retreat Wrap Up

Michael Healey with Columinate put on another meaningful retreat. The Fall retreat is in November – on the calendar for 5 & 6, 2022, presumably virtual. Megan will confirm the dates and location with Michael Healey.

DEI Update

The next meeting will be June 6 at 12:30 PM via zoom. All are welcome, register on the Common Market website to receive link.

Upcoming Food for Thought Speakers – June: Kate McShane, Maryland Center for Gender & Intimacy
July: Lacy Walker, Fox Haven
Aug: The Religious Coalition

Odds and ends

- Green Committee – Next Adopt-A-Road event in July, Electrify Everything June 15 5-7 PM at the 7th St. store.
- Lunch with Leadership – at the Rt. 85 store June 16 with John C attending, 7th St. June 23 with Toby attending. Lunch at noon.
 - Annual Meeting Planning – 10/1 meeting on zoom. Toby on plane till afternoon. Alecks available after 3 PM. Fall Fest will be in person on 10/8. Alecks and Toby will not be available.
 - Loco for Local – July 30th 10 am – 2 pm at the Route 85 store.
- CCCMA – 3 people going in person, Armando, Roman, Toby. Mary, Megan and Nick will attend virtually.
- CBLD- Next meeting of 101 on July 16. Toby attended the last one and thought it was a good introduction. Financial one was good and even if you can't attend all 4 you can listen back because they send link to the recording.
 - MAFCA – September 11, 2022, at the 7th St. store need staff liaison to help with tech support.
 - Outdoor Board Lunch scheduled for June 26th.
- Spoonful – Armando will write, due June 10. Focus on Summer, Summer/Grilling Season, July 4th & Labor Day, importance of where you spend your \$\$.
 - Good of the Order
 - Farms to Schools
 - FHH
- Annual meeting Oct. 1, Board Lunch June 26, lunch w leadership, Mary and Susan will edit candidate packet.

The meeting was adjourned at 9:40pm.

Executive Session Followed.

Minutes taken by Susan Schulman

Frederick County Consumer Cooperative

Board of Directors Meeting

June 23, 2022

Board Members Present: Megan Schneebaum, Mary McKelvie, Toby Schermerhorn, Juan Ducos,

John Beutler, John Clarke, Armando Martinez, and Joe Eastwood

Board Staff Liaison Present: Joe Asim

Board Member Absent: Alecks Moss

Staff Members Present: Román Diaz, Sarah Lebherz, Blair Barnes, Nick Fitzpatrick and Harrison

Kent The meeting was called to order at 6:08pm by Megan Schneebaum via Zoom.

Food for Thought: A Speaker Series

A 20-minute YouTube video called “What Everyone gets Wrong about Farm Work” by Yara Elmjouie

Approval of Agenda

The meeting agenda was approved. The May meeting minutes were approved.

Consent Agenda

A total of 4 Owner refunds were submitted - all were from Owners who are moving. The Board approved the Owner refunds.

Monthly Financials

Sarah reported the monthly financials for both April and May. Highlights from the reports included: • 7th Street Store- 2.8 million in sales (9% sales growth)

Net income loss 4.32% of sales

- Route 85 Store- 1.68 million in sales (15% under last year)

Net income loss 6.51% of sales

- Both stores consolidated- 1.5% below sales volume

GM Monitoring

B5- Communications and Counsel to the Board

- B5.1- All reports were submitted on time

Policy Compliance- Some benchmarks were out of compliance

- B5.2- Non compliances = B3 partial compliance, B2, B9 and B4 all in partial compliance

- B5.3- Reports presented on time

Data shows compliance- all monthly reports presented by GM

- B5.4- The general manager does not see anything out of compliance
- B5.5- No out of compliance report, no data for survey
- B5.6- This information has been submitted to the board via GM
- B5.7- All in compliance
- B5.8 GM has submitted information to the board

o Signed contract with Instacart- still will be doing curbside

o CX customer service survey will start in July

o New price initiative to start in August

o Loco for Local event on July 30th at Route 85 store

o August bonus discount promotion for owners

o Food tasting for the holidays in November/December

o 2nd Anniversary for 7th street store in September

John B moved to approve GM Monitoring B5 Communications and Counsel to the board, Mary M seconded. All voted in favor to accept the report. Alecks Moss was absent.

Product Mix Plans

Román presented a proposal for product mix changes. The purpose for these changes is to be more accessible and inclusive to the community. We want to offer better prices and affordability for everyone in our community. We will be expanding our product mix to appeal to a wider range of customers. A letter will be going out to all our Owners explaining the new initiative.

Staff Board Liaison Update

Joe A. says he has gotten a lot of feedback about having active shooter training. • This is something

we spoke about at our last lunch with leadership. Román, Roger and Blair will be working on an active

shooter training for employees

Román followed up with last month's employee comments

- Lack of response for Admin on weekends and holidays
- Employees should be allowed to use admin bathrooms
- Employees should not have to ring the doorbell to gain access to HR

o Román stated lots of the admin work is done during the weekday. Admin helps with a lot throughout the day. Admin stays for inventory, helps during holidays, helps with bagging during busy periods. Last holiday (Memorial Day) over half the admin staff worked that day as well as store management.

o We will be providing open access to the admin office Monday-Friday 8am-4pm.

Loss prevention prevents 24-hour access to admin office due to confidentiality reasons. o HR response has been the best it has been in a long time. HR is always willing to speak with employees and pretty much has an open-door policy with staff

- Román would like to have names on the comment cards so that he can follow up directly with staff about their concerns or ideas.

Staff Department Focus

Harrison Kent, the Front-End Manager at the 7th street store presented updates on the Front-End

department. CX customer service survey coming up in July will help gain customer perspectives on different aspects of the store. It will allow us to get a true feel from customers about products,

customer service, store conditions, etc. Harrison has been working closely with Sue (recruiter) on hiring

initiatives and recruiting for the department. Harrison's biggest on going challenge would be making

sure staff are putting customers first, reinforcing customer service basics and retraining staff with direct

on the floor training for a better learning experience.

CCMA Wrap up

- Román - Enjoyed hearing about the importance of the role of Co-ops. He learned about ideas

on keeping the Co-op fresh and moving together at the speed of trust. The CCMA participants were

a mix people from all over the U.S.

- Armando- this was his first time he participated in the CCMA conference and although he walked in blindly it gave him great perspective on Co-ops. He realized our Co-op is doing a lot of things

right regarding the systems we've built and relationships within the market. He enjoyed

the merchandising tour and getting to know others from different Co-ops.

- Toby- Overall had a great experience. Toby enjoyed creating relationships and the diversity trainings.

- Megan- Really enjoyed the indigenous people talk and diversity training.

Board of Elections and Calendar Changes

- Candidate packet deadline moved to June 13
- Open Board nomination period- moved to end of July
- Info Session 1- July 12th 6p-7p at Route 85 location
- Info Session 2- July 16th 11a-12pm at 7th Street location
- Application deadline- July 22nd
- Board reviews applications on July 28th
- Ballot packets mailed August 15th. Paper ballots will be available to those who need •

Meet the candidates August 18th 6pm-7:30pm at Route 85 location

Board Monitoring

- D6- Board Committee Principles

o No changes in wording

o Toby- How many different committees? We don't seem to have many committees.

DEI Update

Next meeting July 11th at 12:30pm via Zoom. All are welcome, register on the Common Market website to receive link

Upcoming Food for Thought Speaker for July: Lacy Walker- Fox Haven

Odds and Ends

- Green Committee
- Lunch with Leadership (7/14 @ Route 85 & 7/21 @ 7th street)
- Instacart- Just signed contract- still will be doing curbside at 7th street
- CX customer survey- will start in July
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- CBLD - Training Calendar (Board Presidents Roundtable - 7/10, CBL 101 - 7/16, Advanced Finance

Topics - 7/27, Navigating GM Compensation & Eval Process - 8/10, Diversity: More than a Number

- 8/17)

- Spoonful
- Envision Frederick
- MAFCA - September 11 at 7th street
- The Beet planning
- Good of the Order

The meeting was adjourned at 9:06pm

Frederick County Consumer Cooperative

Board of Directors Meeting

June 23, 2022

Board Members Present: Megan Schneebaum, Mary McKelvie, Toby Schermerhorn, Juan Ducos, John Beutler, John Clarke, Armando Martinez, and Joe Eastwood

Board Staff Liaison Present: Joe Asim

Board Member Absent: Alecks Moss

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- Spoonful

- Envision Frederick
- MAFCA - September 11 at 7th street
- The Beet planning
- Good of the Order

The meeting was adjourned at 9:06pm

Frederick County Consumer Cooperative

Board of Directors Meeting

July 28, 2022

Board Members Present: Megan Schneebaum, Toby Schermerhorn, Juan Ducos, Armando Martinez, Joe Eastwood, Alecks Moss

Board Members Absent: Mary McKelvey, John Beutler, John Clarke,

Staff Members Present: Roman Diaz, Sarah Lebherz, Susan Schulman, Mac Kio, Nick Fitzpatrick, Harrison Kent, Joe Asim

Guest Speakers Present: Joanna Coates-Hunter, Lacy Walker

Owners Present: Annie Marshall, Matthew Higgins, James Wagner, Allison Corbett, Jim Crawford

The meeting was called to order at 6:08pm by Megan Schneebaum via Zoom.

Food for Thought: A Speaker Series

The meeting was started with a 20-minute TED talk style presentation by Fox Haven Organic Farm, an herbal farm, ecological retreat, learning center and wildlife sanctuary in Jefferson, MD. Common Market sells herbs from Fox Haven and holds partner classes at their venue.

Approval of Agenda

Agenda is approved.

Consent Agenda

June 25, 2022, minutes are approved. Owner refunds were approved for Owners: 1426, 6634, 10418, 10545. 1426 is moving, 10418 didn't realize that Alkaline water isn't free to Owners. Roman will be reaching out to 6634 & 10545 regarding policy issues.

Owner Comment Period

None.

Cornucopia Institute

Jim Crawford presented information about the Cornucopia Institute which acts as a watchdog organization to uphold the integrity of organic farming. Jim is a Co-op Owner and would like the support of Common Market.

GM Monitoring

B3- Financial Condition & Monthly Financials

B3.1 Benchmarks:

Financial Indicator Does Data Prove Compliance

Current Ratio 4.0 Yes

Net Income -2.2 % No

Debt to Equity 1.68 Yes

Sales Growth -1.3% No

Labor Expense 23.7% Yes

Gross Profit Margin 36.5% Yes

B3.2 – no capital expenses during this time at the 7th St. store. The Rt. 85 invested in new oven and freezer door.

Sarah reported on monthly financials:

- 7

th Street Store had 2.8 million in sales (9% sales growth) with a net income loss 4.32% of sales

- Rt. 85 Store had 1.68 million in sales (15% under last year) with a net income loss 6.51% of sales

- Both stores consolidated had 1.5% below sales volume

Toby moved to accept the B3 monitoring report. Juan seconded. All Board Members present in favor of accepting report.

Scheduling on Audit Calendar

The annual Audit will take place in September and will be presented at October 1, 2022 Annual Meeting.

Staff Board Liaison Update

Joe A. reported that staff would like to have active shooter training. Managers will have Narcan training in August. Communication among teams and between stores is much improved, staff feel less stress than last year.

Staff Department Focus

None – accident at Rt. 85 so Dennis Pick will present at a future meeting.

NCG Participation Report

Roman reviewed the NCG report which discusses how each Co-op interacts with NCG and which NCG programs the Co-op participates in.

Board of Elections Update

- Election will run Aug. 26 – Sept. 16
- Owners will either have their unique ID emailed or mailed, depending on what contact information we have.
- Meet the candidates via Zoom: August 18th 6 – 7 PM and August 27 11 AM – 12 Noon

Board Monitoring

- D6- Board Committee Principles
- C4 - Monitoring

DEI Update

Next meeting August 8th at 12:30pm via Zoom. All are welcome, register on the Common Market website to receive link.

Odds and Ends

- Green Committee: Introduction to Road Runner, less expensive and more sustainable option to Terracycle? Will continue to review with Sarah and Roger.
- Lunch with Leadership (8/11 @ Route 85, Toby & 9/1 @ 7th Street, Juan)
- Instacart- Just signed contract, will go live in August - still doing curbside at 7th Street
- CX customer survey- started in July, should have data & training in August
- Owner Drive - October
- Loco for Local 7/30 @85 10am-2pm. Alecks Will join as Board Rep
- CBLD - Training Calendar (Board Presidents Roundtable - 7/10, CBL 101 - 7/16, Advanced Finance Topics - 7/27, Navigating GM Compensation & Eval Process - 8/10, Diversity: More than

a Number - 8/17)

- Spoonful – August 12 deadline for Board letter
- MAFCA - September 11 at 7th Street. Will need staff assistance with IT
- The Beet planning – August 5

Good of the Order – Toby is going to start teaching a Yoga class at the 7th St. store through her employer, Yogamour, suggested donation \$10. CM Staff will be free. The class starts Sept. 7, 9-10 AM.

The meeting was adjourned at 9:29pm

Frederick County Consumer Cooperative

Board of Directors Meeting

August 25, 2022

Board Members Present: Megan Schneebaum, Mary McKelvie, Toby Schermerhorn, Juan Ducos, John Beutler, John Clarke, Alecks Moss

Board Staff Liaison Present: Joe Asim

Board Member Absent: Armando Martinez and Joe Eastwood

Staff Members Present: Román Diaz, Sarah Lebherz, Harrison Kent, Mac Kio, Susan Schulman

Owners Present: Jim Wagner, Sibylle Magnum, Matthew Higgins, Julie Richards

Speaker: Kavonte Duckett, Frederick Religious Coalition with Andy Moss

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

Food for Thought: A Speaker Series

A 20-minute Ted Talk Style presentation was given about the emergency human needs in Frederick by Kavonte Duckett of the Religious Coalition whose mission is to prevent and alleviate the effects of poverty.

Approval of Agenda

The meeting agenda was approved.

Consent Agenda

The July 28, 2022, minutes were approved.

During the meeting, the Board approved refunds for Owners who are moving: 3993, 6145, 5118. Via email following the meeting, the Board approved Owner refunds for: 4955, financial distress and 10353 unhappy with clerk interaction – Román will follow up with 10353 to get more information and to personally discuss the situation.

Owner Services will update the refund form with contact information & messaging for Owners to contact the General Manager (GM) with further information or to discuss anything in person.

Owner Comment Period

None

GM Monitoring

B2- Financial Planning

Rt. 85 Store

For Fiscal Year 23, Zero growth has been budgeted at Rt. 85

A notable revenue driver is the Café which was closed for much of FY 22 and is now open part-time 5 days per week, with salad bar & soup bar open, and hot bar planned for opening this year.

Margin at the store ended at 36.5% representing an increase over last year's 34.75%.

Wages were up 15.4 %, this is positive because labor targets were missed last year meaning the store was short staffed.

7th St. Store

For Fiscal Year 23, 9.6% growth has been budgeted at 7th St. with projected steady continued growth

The Café is open every day, with shortened hours. Goal is to continue to hire so the café can stay open until 7 pm. (For both stores)

Margin at 7th St. ended at 36.79% and wages ended at 15.2%

Consolidated Fiscal Year 22 numbers show 5.9% sales growth over the previous year for the organization as a whole. It is generally expected that with expansion, it takes 3-5 years before an organization becomes profitable.

Employee Retention Credit is an expected payment of \$1.5 M and will help with cash flow.

C-share dividends will pay at rate of 4.5%.

Café commissary ending, production can now take place at both kitchens with current staffing levels, and this will help improve the margin. The Bakery is open at 7th and will produce for both locations. The Café is gearing up for the holidays with food tastings & preorders being planned.

The 2nd Anniversary for the 7th street store will take place on September from 12 – 5 PM. There are sales planned throughout the day.

Sarah discussed the projected growth for FY 24, 25, 26 assuming a 3% growth in those years.

She mentioned a goal of seeing the EBIDTA (earnings before interest, taxes, depreciation and amortization) at 4%.

Sarah mentioned for the record, that a new checking account was opened due to recent account fraud activity. The was done at the recommendation of the bank and the same signers are on this new operating account. The old account was closed.

Questions - Sibylle asked if inflation is a concern and how will inflation impact cash on hand, are sales impacted? Are customers getting more conservative, are basket sizes affected?

Román replied that we continue to see growth in Owner basket size. Other shopper baskets sizes have been even. With inflation, the Common Market is pushing value initiatives and product mix to generate customer loyalty. There is a continued push for Ownership growth.

Matthew asked about the number of PPP loans we have applied for, and Sarah replied 1 because that is what our organization qualified for.

Jim asked if the Common Market could consider refinancing loans? Sarah replied that our loans are fixed for 2 years, and we would pay restructuring fees on a refinance.

John B motioned to approve the presentation of the Monitoring Report, Juan seconded. All Board members present voted in favor to accept report.

Staff-Board Liaison

Joe A. reported that 4 new Owners this month are Staff members! He and Mac will continue to promote Staff engagement. Three Staff members have asked Joe about the possibility of a 401 K program. Román said he and Sarah are evaluating the possibility.

Active shooter training will be available either in person or online. Roger will have sign up forms at the Town Hall meetings. Roger has identified sections in the stores for safety and is creating a text response

system. Román reported that managers just finished Narcan training and that will be made available to the Staff also.

Election Update

The Board election starts August 26th. Owners will receive a link from Simply Voting. Voting will be online. Each Service Desk will have a tablet if Owners need assistance. The election will close Friday September 16th at 11:59 PM.

Meet the candidates will take place on zoom on August 27th from 11 AM – 12 PM.

Staff Department Focus

Dennis Pick, Store Manager at the Rt. 85 store is new to Frederick and the Co-op industry but has worked in natural foods since 2009. His initial focus for the Rt. 85 store is customer service, running an organized store, and growing special orders. In his experience a store with organized conditions and cross merchandising is easier to shop and looks great. He knows the team takes pride in how the store looks. Co-op steward position – work in which ever department is needed. Cooperation between departments is important because it creates efficiency, smart ordering, product mix, & inventory, helps save in labor and frees up cash flow. Dennis thinks a unified Common Market will lead to success. Questions – Megan, asked how the Board can help? Dennis suggested more Owner education and outreach, meetings attendance, shopping more frequently, special orders, etc.

Board Monitoring

D7- Board Relationship to Member/Owners

John C presented the D7 policy with no changes or revisions to the current wording. A discussion followed about what is being done well: making policy decisions, holding annual meetings. There are opportunities for improved communication, engagement, Owner benefits description, and direct interaction.

DEI Update

Next meeting September 12th @12:30pm via Zoom. All are welcome, register on the Common Market website to receive link.

Upcoming Food for Thought Speaker for the September 22nd Board Meeting is the Umbrella Project.

The October 27th speaker is from Moon Valley Farm.

Odds and Ends

- Green Committee – made an introduction to a new trash vendor called Road Runner Roger and Sarah had an initial phone call and it appears we can save about 18% with them, plus they will evaluate our recycling program. Plastic bags won't be recycled anymore, not efficient – high labor, boxes expenses, trying to figure out what to do. We don't contribute to the stream. Moms has stopped recycling bags.
- Lunch with Leadership (Oct 13@ Route 85 store & Sept. 1 Juan; @ 7th street store Oct. 20 Toby)
- Instacart- Just signed contract- still will be doing curbside through WebCart at 7th street store.
- CX customer survey- data training will start early September.
- CBLD - Training Calendar (Board Presidents Roundtable - 7/10, CBL 101 - 7/16, Advanced Finance Topics - 7/27, Navigating GM Compensation & Eval Process - 8/10, Diversity: More than a Number - 8/17)
- Spoonful deadline Sept. 7th.
- Envision Frederick
- MAFCA - September 11 at the 7th Street store.
- The Beet planning
- Good of the Order

The meeting was adjourned at 9:06pm

Frederick County Consumer Cooperative

Board of Directors Meeting

September 22, 2022

Board Members Present: Megan Schneebaum, Mary McKelvie, Toby Schermerhorn, John Beutler, John Clarke, Alecks Moss, Armando Martinez, Joe Eastwood, Julie Richards

Board Staff Liaison Present: Joe Asim

Board Member Absent: Juan Ducos

Staff Members Present: Román Diaz, Sarah Lebherz, Mac Kio, Susan Schulman

Speakers: Patricia Coates & Regina Clark, Umbrella Project

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

Food for Thought: A Speaker Series

A 20-minute Ted Talk Style presentation was given about grief & healing programs for children by Patricia Coates of the Umbrella Project.

Approval of Agenda

The meeting agenda was approved.

Consent Agenda

The August 25, 2022, minutes were approved.

Owner refunds (8568 - Moving, 7689 - Moving, 10281 - Moving). One not happy with Common Market's use of plastics and clam shells.

Welcome new Board Director - Julie Richards!

Thank you to outgoing Director and Secretary John Clarke!

Owner Comment Period

None

GM Monitoring

Roman discussed the Ends Policies and outlined how each is being met

1. Growing Locally: A prosperous, just, and vibrant local food economy, connecting local consumers with local food sources.

Interpretation – ensure the desire for and purchases of local products. Common Market is supporting this End Policy by engaging in 210 local partnerships with local farmers, growers, and businesses and in turn by carrying over 1600 SKUs of local products. Charts show a growth in local sales over the last fiscal year.

2. Growing the Co-op: An economically successful and growing business operated on the model of cooperative ownership, serving as a practical alternative to corporate, profit-driven, absentee ownership, and fostering the expansion of the cooperative model.

Interpretation – growing responsibly. This policy is being supported through an Increased customer count & growth of Ownership. Basket size is ahead of Co-op average, although Common Market is slightly down. Cannibalization between stores has been more than expected. Total Owner equity went

down due to the negative income over the past 2 years. Goals: grow yearly sales, average 30 new Owners each month during non-OAD months.

3. Our Community: A Community whose members are educated about food, health and wellness.

Interpretation – educating the public. As customers and Owners feel more comfortable gathering, class numbers are expected to return to pre-Covid numbers. Continue to increase newsletter distribution, grow website traffic & social media reach, Goal: to have attendance over 700 annually at Common Market classes.

4. Green Initiatives: A model for the use of environmental resources that is increasingly sustainable in the products we sell, the business that we operate and the practices we promote and support in the larger community.

Interpretation – be a low-impact business. Continue reducing landfill waste through working with Key City Compost, holding Recycling events, and offer recycling options in store. Maintain a steady increase in Bulk Sales through pop-up demos and product samplings. Continue to use sustainable energy and follow green initiatives.

John C made a motion to approve the presentation of the Ends Policy. John B second. All Board Members present voted in favor of approving the Ends Policy presentation. John B commented that Roman has done a good job considering all of the unknowns over FY 2022.

Staff-Board Liaison

None

Election

Julie Richardson was elected to the Board. Megan, Armando, Joe, Juan, Toby, and Mary were reelected. Mary has reached out to all candidates. Anyone can contact Mary for detailed election results.

Next year's goal is to reach 10% of active Owners voting in election. This year was 7.5% overall and 9.5% of active Owners (those who have shopped with the Co-op within the last year).

Staff Department Focus

None

Board Monitoring

D9 - Board Advocacy on Public Issues

No change to policy wording. Board will continue to advocate for and mobilize to push for alcohol sales

to be allowed in Frederick County grocery stores. Need to get many players on board: County Council, County Executive, Liquor Board. It is assumed there will be many new candidates and probably representatives after the election in November.

Audit Report & Patronage Rebate Proposal

Jamie Iseminger and Janelle Luckenbaugh from LSWG, PA (certified public accountants) presented the audited consolidated financial statements of the FCCC, Inc. dba The Common Market. To note – no change to policies over last year. While the balance sheet remains strong, need to consider how to control costs going into the future. LSWG will prepare letter for Owner communication.

Sarah needs to get a waiver from Woodsboro bank because we didn't meet debt service coverage ratio in order to finalize the audit.

The Board will meet prior to the Annual Meeting and Megan will confirm that Juan can present at the Annual Meeting on Oct. 1 from 4-5 PM.

Alecks and Toby vote to now to approve audit, incase they are not able to attend advance meeting.

On October 1, immediately prior to the Annual Meeting, the Board convened briefly to finalize the audit review. Mary made a motion to approve the Audit Report as presented. Joe E. second. All Board members present voted in favor – John C, John B, Megan, Mary, Joe E., Juan, Armando and Julie.

In addition, on Oct. 1, the Board acknowledged that there would be no patronage rebate distributed in 2022 due to the financial condition of the Co-op.

DEI Update

Next meeting October 3rd @12:30pm via Zoom. All are welcome, register on the Common Market website to receive link. Upcoming Food for Thought Speaker for Oct 27 speaker is Emma Jagoz from Moon Valley Farm.

Odds and Ends

- Green Committee – at the last meeting we talked about café compostable packaging
- Lunch with Leadership (Oct 13@ Route 85 Armando & Oct 20 @ 7th street Toby)
- *NCG conference – Roman conference advertising and marketing, strategic planning. New initiative is to help start coops in areas of food deserts, so they've lowered their annual minimum sales to join.
- CX customer survey- we are getting great feedback; much is positive and gives great insight into

areas of opportunity. Employees love the accolades and the opportunities.

- CBLD – Megan will enroll in the Less expensive option with only 1 retreat. If she can't enroll, she'll send to Sarah. Nov Financial Training - Mary and Megan taking this class. If anyone has not gone to CBLD 101 please take the one on Nov 19.
- Spoonful deadline Oct 7. John B will write Board letter.
- The Beet due Sept 29

Oct 13 7-9 PM Board Quarterly Work Session

• **Good of the Order**

Sarah disclosed that Columinate reached out to see if she would be interested in working as a consultant to help with small startup Co-ops so we might see her name on Columinate website.

John B mentioned the MAFCA meeting success with 20 in person 20 online. Nick and Roman did a great job on store tour. Sarah and Roman gave really interesting presentation about our expansion. Participants liked our marketing and social media.

Follow up:

1. Megan to Email Juan
2. Spoonful John B Oct. 7
3. CBL 101 – Megan will register Joe and Armando
4. MAFCA – Megan will send recording to Board

The meeting was adjourned at 8:26 pm. Executive Session followed.

Frederick County Consumer Cooperative

Board of Directors Meeting

October 27, 2022

Board Members Present: Megan Schneebaum, Mary McKelvie, Toby Schermerhorn, John Beutler, Alecks Moss, Joe Eastwood, Julie Richards, Armando Martinez

Board Staff Liaison Present: Joe Asim

Board Member Absent: Juan Ducos

Staff Members Present: Román Diaz, Sarah Lebherz, Mac Kio, Susan Schulman, Blair Barnes, Nick Fitzpatrick

Owners Present: Annie Marshall, Allen Patton

Speakers: Emma Jagoz, Farmer, Moon Valley Farm

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

Food for Thought: A Speaker Series

A 20-minute Ted Talk Style presentation was given about the importance of organic farming and buying local by Emma Jagoz, Farmer, Moon Valley Farm.

Approval of Agenda

The meeting agenda was approved.

Consent Agenda

September minutes will be reviewed and approved at the November meeting due to needing to add the amendment to Annual Meeting.

Owner refunds: 2682 – death, waiting for POA, 3686 – death, 8705- moving, 9816 – not satisfied with treatment of employees, 8972 – wants Ownership in partner’s name.

Owner Comment Period

None

Financial Statement Review/Approval

Sarah presented and indicated that Woodsboro Bank is waiving the debt service ratio but we now must provide a quarterly in house statement budget report, which Sarah already compiles. Woodsboro wants a 1.25 ratio which was not meet. This is not unusual to have to ask for waiver in expansion years; it happened after Rt 85 moved across Buckeystown Pike, but only for 1 year.

Common Market must maintain a cash balance of \$750,000 which we already have on hand and have to maintain for FY 23. We are still expecting to receive \$1.8 million for employee retention loan (which has been forgiven).

Common Market has to cover any attorney fees related to loan amendments which currently is \$250.

Megan signs loan amendments as President. John moved for Megan, on behalf of the board, to sign current loan amendments. Alecks second. All Board present vote in favor.

Joe E. motioned to approving most recent version of the financial statement. Alecks second. All Board

present vote in favor.

C-SHARES Dividend Distribution

Sarah presented that it is time to distribute dividends to C-Share holders, this typically occurs on December 1. Dividends have been paid for the last 3 years and they are in the current budget. The Board could choose to pay out at a later date.

John made a motion to authorize the distribution of C-Share holder dividends in December 2022. Toby second. All Board present vote in favor.

Alcohol Bill Update

John B presented next steps to present to the Liquor Board. On Nov 14, the Liquor Board will meet and Common Market can present that day. John is working on a presentation including a local bill written for only co-ops and requesting approval for Common Market to sell organic or local beer and wine. Lawyer versed in liquor law has reviewed. We could also consider presenting letters from Owners. Available Staff and Board should attend meeting.

GM Monitoring

B3 – Financial Condition

Roman discussed the Financial Condition of the Co-op, presenting items not in compliance along with an action plan and path to become compliant.

Areas of opportunity include: fully re-opening the café, controlling shrink and expenses - including labor. Increase our value image through Super Value and WIC application.

Alecks made a motion to approve the presentation of the Financial Condition. Toby second. All Board Members present voted in favor.

Board-Staff Liaison

No written comments this month. Employees are excited about the Employee Artisan Fair on Dec. 1 at Rt. 85 store from 5-7 pm. Employees are excited about Saturday music in the café at Rt. 85 and opportunities for local musicians.

Staff Department Focus

Roman discussed holiday program, online orders, sides available from café, keeping price of turkey competitive, Owner discount \$15 off \$75, holiday tastings, holiday basket program, increased platter selection & catering.

DEI Update

Next meeting November 7th @12:30pm via Zoom. All are welcome, register on the Common Market website to receive link. Upcoming Food for Thought Speaker for November 15th is Sherry Ayers from the Baltimore American Indian Center.

Odds and Ends

- Nov board meeting on 11/15 not 11/17
- Board Retreat 11/5 & 11/6 9 AM – 1 PM. Working on By Law revision from C-build.
- Green Committee – at the last meeting we talked about café compostable packaging & reviewing recycling options.
- Lunch with Leadership (Rt. 85 Nov 18 Alecks & Dec 1 @ 7th street Toby)
- CBL 101 – November 19, 11 – 2:30 PM Julie, Joe E., Armando
- Financial Training – Mary, Julie, Toby, Megan
- Columinate (10/30 – Board President Round Table, 11/9 – Board Admin Roundtable. Sign up at Columinate event page.
- Spoonful deadline Dec 7. John B will write Board letter.
- The Beet due Nov25
- Good of the Order - Common Market won Frederick News Post Best of the Best – Organic Market and Community Green Business

Follow up:

1. Sign Bank Papers
2. Amendment to September Minutes
3. Register for CBL
4. Print Board name tags - marketing

The meeting was adjourned at 9:25 pm. Executive Session followed.

Frederick County Consumer Cooperative

Board of Directors Meeting

November 15, 2022

Board Members Present: Megan Schneebaum, Toby Schermerhorn, John Beutler, Alecks Moss, Armando Martinez, Joe Eastwood, Julie Richards

Board Staff Liaison Present: Joe Asim

Board Member Absent: Juan Ducos, Mary McKelvie

Staff Members Present: Román Diaz, Sarah Lebherz, Mac Kio, Susan Schulman, Blair Barnes

Owners Present: Alex McCoy, Annie Marshall

Speaker: Sherry Ayers – Baltimore American Indian Center and Chair of the Maryland Commission on Indian Affairs.

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

Food for Thought: A Speaker Series

A 20-minute Ted Talk Style presentation was given by Sherry Ayers from the Baltimore American Indian Center about Food Sovereignty including a recipe for Three Sister's Stew!

Approval of Agenda

The meeting agenda was approved.

Consent Agenda

The September and October and 2022 minutes were approved.

Owner refunds (9430 - Moving).

Owner Comment Period

None

Monthly Financials

Sarah presented the October consolidated Income Statement. Currently not meeting budget, if we can get profit margins in line, we can meet budget. Looking at the Balance Sheet – cash has lifted, lift coming in from payables which have gone up, and sales are up overall. 4 weeks of positive sales growth on a consolidated level coming from customer count increase of about 5%.

GM Monitoring

B7 – Customer Service and Value

Roman reviewed customer service and value.

7.1 – In compliance

7.2 – In compliance

Roman discussed the customer suggestion box at each store. He gave an overview of these comments as well as those from Facebook, Yelp, Google, and the website, both positive and negative. Next, he discussed the NCG Customer Service CX survey.

Roman wants to focus on growing customer count and Owner count in 2023.

John B. moved to accept the General Manager's report on B7. Alecks second. All Board members present vote in favor.

Board Calendar 2023

Board asks Roman to delegate to Marketing/Owner Services. Megan and Roman will discuss; Susan indicates that the Marketing Department can take on this project.

Staff-Board Liaison

None

Staff Department Focus

None during holidays

Board Monitoring

D4 – Officer's Roles

Board Committee elections are scheduled to place in December. Board is asked to look at current D4 document to see how Roles are described. Secretary would typically lead this discussion of D4. Megan would propose looking at C-build template for clearer and more concise D4 document. No comments or decisions at this time.

Beer & Wine Bill

John updated the group on the Liquor forum attended by Roman, Sarah, Susan, and Toby. The next event that Common Market could attend and present on this topic is December 3 at 10 AM. There will be discussion about contacting Owners before the Dec. 3 meeting.

Retreat Follow Up – Bylaw Revision Project

Megan, Mary, and Armando will work as a group to coordinate revision project and will present updates at each Board meeting. This group can commit to meeting every other week; Mary will reach out to the group to set day and time. Armando will write a recap of each small group meeting. Bylaw Revision Project will become a monthly agenda item.

DEI Update

Next meeting Monday December 5 @12:30pm via Zoom. All are welcome, register on the Common Market website to receive link. Upcoming Food for Thought Speaker for December has been selected.

Odds and Ends

- Green Committee – will meet after the holidays
- C Shares Letter – Sarah will write and put the board's name on it to be sent in Dec.
- Lunch with Leadership (Dec 1 @ 7th Dec. @ Route 85 Nov. 18 Alecks)
- CBL 101 – Megan will enroll in the Nov 19 class for Armando, Joe E, Julie. Staff is invited too. This is the last event for 2022. Classes start up again after holidays.
- Columinate financial training reflections – Julie, Toby Megan, Mary attended. Toby – gleaned even more information the second time around.
- MAFCA – John will report in 2023.
- Executive Committee nominations & elections – December. Megan asks Board to give some thought to Officer Roles.
- Spoonful content deadline Dec. 7. John B will write Board letter.
- The Beet content deadline Nov 28.

Follow up:

Megan will email re Lunch with leadership on Dec. 1 @7th

.

Board should email Susan if they want to help with Thanksgiving - Julie and Toby interested

The meeting was adjourned at 8:44 pm. Executive Session followed.

Frederick County Consumer Cooperative

Board of Directors Meeting

December 15, 2022

Board Members Present: Megan Schneebaum, Toby Schermerhorn, John Beutler, Alecks Moss, Joe Eastwood, Julie Richards, Juan Ducos, Mary McKelvie, Armando Martinez

Board Staff Liaison Present: None

Board Member Absent: Joe Asim (Staff Liaison)

Staff Members Present: Román Diaz, Sarah Lebherz, Mac Kio, Blair Barnes, Nick Fitzpatrick

Owners Present: Woody Woodruff, Karen Gebhart

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

Food for Thought: A Speaker Series

A 20-minute Ted Talk Style presentation was given by Woody Woodruff about the Red Wiggler Farm and the sustainability measures that set the farm apart.

Approval of Agenda: The meeting agenda was approved.

Consent Agenda:

Owner refunds:

- 9156 – Found a Co-op closer to home.
- 10127 – Was told by a cashier that the cost of Ownership was only \$100.

Owner Comment Period: Karen commented that the 7th street store is beautiful and is a tremendous resource for her and her family. Karen also said that she believes The Common Market is a shopping experience and suggested that we cultivate that experience more.

Financial Statement Review/Approval: Sarah presents quarterly finance numbers, covering how turkey sales impacted margins. Sarah reported that the store is within budget on labor, operating expenses, and marketing expenses, though marketing expenses have risen slightly due to renewed advertising efforts. Conversely, Sarah reported that our taxes, occupancy (due to repairs), and administrative expenses are slightly over budget. The Market endured a loss of \$173k vs. a projected loss of \$73k in net income. Sarah also reported 8 consecutive weeks of consolidated sales growth, which she attributed to increased customer count. Roman suggests that we should aim to add 120 new Owners each month, a large improvement over the current average of around 30 new Owners per month. Toby commented that the Common Market is limited by our high prices. Roman reported that we are now using a NCG inspired “BOGO” program in each department to address the issue of cost and drive sales. Early results have shown that the program is paying off more for The Common Market than for other NCG Co-ops.

GM Monitoring B1: Staff relations, Compensation, and Benefits

Roman is pleased with the results of the Co-op staff surveys, which generally reflect improvements across the board. Roman feels it's important that we spend money on surveys and do them more frequently (Annually) than suggested by NCG (Bi-Annually.) The staff reported an overall feeling of safety at work, which Roman noted as an area of focus in the second half of 2022.

One area of regression was in training and development. However, we have new confidence in this area with Sue L. on board as our new Human Resources recruiter. The lowest scored question on the survey pertained to awareness of the other store. Roman remarked that staff in opposing stores are often in the dark about what is happening at the other, including on topics such as hours.

Compensation was also a common complaint in the survey. Julie asked how we can address the compensation issue and offer every employee a livable wage. The board agreed that one way to help this issue is to increase pay transparency in a variety of ways, including pay scales and/or salary bands. Several Board members questioned whether Ownership could/should be an employee benefit.

Roman shared the results of the survey in the shared drive for employees to review.

Megan motioned; Juan seconded. All in favor.

Board-Staff Liaison: None

Break

BOD Calendar 2023: No updates yet, Mac and Megan will be working together in the following week to finalize dates.

Board Monitoring D1: John met formally with new the delegation to discuss the possibility of beer and wine sales at the Co-op. John believes the head liquor board staff person is uninterested in our proposal, and the head of the delegation remarked that sale of liquor and beer in grocery stores is illegal in the state of Maryland. John referenced similar products to those being requested by The Common Market, being sold at Trout's. He has not received explanation as to how Trout's can sell the products we can't, but he believes that it's due to a geographical lack of liquor store support around Trout's store location.

The delegation has grown significantly, and John views that as a possible advantage for the Market. Katie Nash advised John to speak up at the upcoming city hall discussion on January 5, 2022, at 8am. John believes that we have decent leverage in our pursuit of a liquor license with Katie's help.

Roman asked if we could apply for a restaurant liquor license for the café. In the meantime, the Board agrees that day permits for liquor sales at Owner Fest or "Loco for Local" would be a good segway into selling those same products in store one day.

DEI Update: January's "Food for Thought" speaker will be a representative of the African American Center of Frederick or The Hartly House. Mac and Megan are working on new direction for the DEI Committee.

Odds and ends: An analysis of the current state of the Co-op has been published to the shared drive for staff to review. Roman noted that meat and produce could use improved sales the most, so we are working on targeted marketing strategies to address those issues. Our NCG representative provided

guidance on opportunities that the market has for growth and improvement in a multitude of areas; but cited no major issues in our operations.

The board agrees that our renewed social media focus has been excellent.

Lunch with leadership:

Rt. 85: January 19th, 2022 (Alecks will attend)

7th Street: January 26th, 2022 (Armando will attend)

CBL:

- Joe E. commented on the advantages of having staff on the Board of Directors and mentioned how helpful the meeting was for establishing industry contacts.
- Julie felt that the financial training session was a good refresh for her.
- Toby encouraged us with the fact that some other Co-ops are much less fortunate than us financially, even in leaner times.
- Mary remarked that she would like to do the training again.

MAFCA: Nothing new to report.

Good of the order: None.

Follow up:

- Revise Equity Share Refund Request Form.
- In January we hope to hear from Roman about Ownership as an employee perk.
- In February we will talk about pay transparency.
- Roman and Sarah will investigate the possibility of acquiring a restaurant liquor license for the Café.
- Common Market t-shirts for board members.

The meeting was adjourned at 8:50 pm by Megan Schneebaum. Executive Session followed.

Mac Kio recorded the board meeting minutes for this session.