

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.