

SWARTHMORE CO-OP BOARD OF DIRECTORS

MINUTES OF MEETING

February 27, 2017

Call to Order

The February meeting was held in the Community Room of Borough Hall. It began at 7:00 PM.

Present were President Pam Bartholomew, Vice President Ines Rodriguez, Secretary Jill Gaieski, Treasurer Michael Markowicz, Board members Andy Rosen, Don Delson, Karen Shore, Jacqlyn Diamond, Stephanie Edwards.

Not present: Lori Knauer

Approval of Board Minutes

Don made the motion to approve the January 23 Board minutes. Michael seconded. The Board approved the minutes unanimously.

Member Comments

No member comments.

General Manager Monthly Report

Events/Donations/Outreach/Marketing:

- The Oyster event was cancelled due to low registration.
- The Education Committee held a well-attended class on (Sexy) squash.
- Quizzo is back up and running.
- Truck-a-Thon will be held again 4.21. Mike continues to look for opportunities to share the responsibilities for hosting the event. Mike raised issue of holding Night Market in conjunction with Food Trust.
- Beer and Cheese will be held on 3.17. So far, six signed up.
- 3-question survey – very good response. Mike shared results.
 - What's your favorite product?
 - What do you buy the most?
 - What do you wish we had?
- Based on responses it appears owners want to see beer and wine being sold at the coop.

Facilities:

- Repaired long-standing plumbing issue in produce prep area.

- Learned fire suppression and alarm systems have not been inspected since 2012. Cost will be \$1300 to inspect (not including any repairs).
- Freight elevator has never been inspected according to state. They have no record of it. Permit was applied for in 2004, but no additional action was taken. Cost TBD.
- Per insurance company, roof-top garden must be removed.
- Working with PECO on price to convert store lights to LED. Will be added to capital campaign.
- Assessing case lights for repair v. replacement.

Staffing:

- Mike shared with the Board the staff that are leaving and those who will be joining the Co-op crew.
- Mike shared leadership/performance plans for employees.

Operations:

- Working with Marketing / Education committees and leadership team to unify and tighten agendas and programs.
- Installed a grease and solid fat waste removal program.
- Working with FMS on a 13-period rolling income statement and monthly variance report
- Working with Teams to reduce back stock inventory levels and proper ordering techniques.
- Working on converting gift cards from paper to plastic cards--\$800 programming charge.
- Switched from Applegate to Dietz and Watson for deli meats—same standards we had.
- Working with a couple of local meat purveyors—Pork and Sausage
- Some of the aisles are undergoing resets.
- Created a purchase order log system and shrink tracking system for all departments
- Working on a “Now You Know” and “HEY—I’m Local” signage program
- Working with perishable departments to update costs and retails in the system.

Financials:

- Working on controlling labor expenses.
- Margins are better.
- Sales were up all four weeks for month of January.

- Customer count up all four weeks for month of January.
- Basket size down mixed (up some weeks, down others).

Ownership:

- Total owner count is approximately 1938
- 1 redemption so far this year. 24 in 2016. 25 in 2015

Additional:

- Letter of support from State Rep. Leanne Kruger-Braneky regarding access to capital.

Finance Update

Michael gave finance update:

- Confirmed Mike's assessment.
- New Members:
 - Decrease in new members from Wallingford, increase from Media (compared to prior year).
 - No new installment members.
- Proposed revision to B1: Financial Conditions & Activities:
 - Break up subparts, i.e. items 1-4 will stay together and become a monthly, not quarterly report. Subparts 5-16 will become yearly instead of quarterly report with the exception of subpart 15 (discount), which will go away altogether. To be reviewed yearly.
 - Donation will need to be reconsidered.
 - Policy Governance Committee to rewrite B1 and submit to Board for review.
- Patio Update:
 - Borough can only sell for greater than \$1500 by sealed bid at public auction.
 - We could consider leasing it.
 - Michael recommends moving ahead to purchase and will speak to Borough about initiating the process.

Board Decisions

- GM Monitoring Reports:
 - B5: Member and Customer Relations
 - Mike will post comments on back bulletin board
 - Detailed discussion about how to restructure Monitoring Reports, i.e. whether "interpretation" is necessary.

- No vote on compliance with B5. Ines will take this issue back to Committee to hash it out. Report back to the full Board.
 - B11: Succession
 - Mike discussed his plan about succession
 - Don made a motion that the GM is in compliance with B11. Karen seconded the motion. The motion passed unanimously.
- Board Monitoring Reports
 - C1: Governing Style
 - Feedback was generally that we are compliant.
 - 50% said yes to 10 Policy Governance principles. Solution – we can view it as 10 months of Board education, one policy each month. This would satisfy the ongoing aim of “looking inward”.
 - Don made motion to approve the report noting non-compliance with C1.2-Diversity. Jacquelyn seconded. The motion passed with Jill and Karen opposed on grounds that we should not approve report.

Information Sharing and Discussion

- Board Priorities/Goals
 - Pam talked about working with Jade (consultant) to develop:
 - Board Education/retreat
 - Capital Campaign
 - Reforming policy governance
 - Restate/redefine value of ownership, as in “Take Ownership”
 - Celebration of 80th Anniversary
 - Liquor License
 - Support of Mike
 - Diversity of Board candidates
- MAFCA Meeting
 - Five Board members are planning to attend in Brooklyn.
- Annual Meeting
 - Jill reported that all details for notifying members have been taken care of. Mailing to go out by April 1.
- 80th Anniversary – Pam shared:
 - Committee forming
- Education – Ines shared:
 - Sexy Squash – very successful – 13 attended. Great kickoff for 2017.
 - Working with Mike and in-store committee to do tie-ins.
 - Next meeting is in March to plan events.

- Nominating Committee:
 - Michael reported that the Nominating Committee is continuing to interview candidates and will prepare slate to present to Board soon.
- Marketing:
 - Pam shared that all is moving along as planned.
- Capital Campaign:
 - Michael shared that he is assessing what the needs are. Passage of the liquor referendum will make big difference in capital sought
- Liquor Referendum Update:
 - Pam shared that members received notice of Board's position.
 - Signatures were sufficient to get measure on spring ballot.
 - Board needs to be educated on liability. Pam to speak with attorney specializing in liquor liability to arrange for Board education session.
- Farmers' Market:
 - Mike and Andy working on collaborating on events and vendors.

Review of Action Items

1. Policy Gov Cmtee - rewrite B1 and B5 submit to Bd for review
2. Don/Michael - Speak to Borough officials about starting process to purchase porch.
3. Jill to develop plan for Nominating Cmtee to enrich Board by recruiting more diverse director candidates.
4. Jill to develop new strategy for vetting conflicts of interest with new director candidates.
5. Michael to arrange meeting to discuss building development.
6. Pam to arrange meeting with lawyer to discuss liquor sales liability under Pennsylvania law.
7. Jill, Pam and Ines to meet to discuss Policy change process (documenting every year all changes to policies) for tracking.

Adjourn

The meeting adjourned at 9:12PM. An Executive Session followed.

Next Meeting

The next meeting will be held on Monday March 27, 2017 at 6pm in the Community Room of Borough Hall.

Respectfully submitted,

Jill Bennett Gaieski,

Secretary

Documents for the Meeting

Additional Items for Review

New Owner Count

Member/Owner Survey 2017-02-20

GM Report Feb 2017

B5-Member and Customer Relations Feb 2017

B11-Succession February 2017

GM Incentive Compensation worksheet 2017

Membership 2016

Membership 2015

Co-op Board Agenda Feb 2017

Co-op Jan 2017 Income Statement

Co-op Jan 2017 Balance Sheet

Student Purchases

Co-op 2017x2016 Sales

Meeting Minutes January 2017

Policy C1 Internal Monitoring 2017 Report