

SWARTHMORE CO-OP BOARD OF DIRECTORS

MINUTES OF MEETING

January 25, 2016

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

Present were President Martyn Harding, Vice President Carol Savery, Secretary Pam Bartholomew, Treasurer Michael Markowicz, Board members Andy Rosen, Bob Scott, Ines Rodriguez, Don Delson, Jill Gaieski, Interim GM Ed Farace, Operations Manager Sarah Yoo, HR consultant Dawn Betts and new Marketing Manager Chris Stueber. Karen Shore did not attend. Eric Van der Vlught of Articus also attended.

Eric Van der Vlught of Articus presented the results of the Future Visioning session held in December and the topline results of the Customer Survey conducted from 12/23/15-1/17/16. This research was conducted to provide qualitative and quantitative data for the Strategic Planning process. The Board will use this data as key inputs in their Board Retreat in February.

Approval of Minutes

Don Delson made a motion to approve the minutes of the December 14, 2015 Board of Directors meeting. Carol Savery seconded the motion and the Board voted unanimous approval.

GM Update

- Interim GM Ed Farace updated the board on progress in reducing the number of SKUs in the store. His plan is to organize each product category so that there are three options: a high mover, a conventional or organic alternative to the high mover, and a local option.
- SKU reduction has resulted in “items not found” going from \$60k to \$600! This results in a much more accurate & meaningful inventory.
- December sales declined, but a \$57k cost of goods reduction and cuts in labor costs resulted in improved margins.
- Ed also renegotiated terms with UNFI yielding better volume discounts.
- Ed introduced Chris Steuber to the Board. He will start February 1 as Marketing Manager. Ed commented that looking at sales history for 2013-2015 left him confident that resuming marketing to 2014 levels will result in improved sales this year.
- Financial training for department managers is continuing.
- Ed commented that progress continues to be made on the regional Purchasing Co-op.

- Jason & Jen are working with STCR to develop an on-line ordering capability.
- Options to improve the seafood department continue to be investigated, including partnering with an established seafood business.

Finance Update

- Treasurer Michael Markowicz noted that the Co-op is ready financially and with the GM in place to submit an application to NCG. Don Delson made a motion to apply for NCG membership. Jill Gaieski seconded the motion and the Board voted unanimous approval..
- Member/ Non-Member Sales Analysis
Separating the 2H2015 sales shows the impact of the round about construction on customers. Both member and non-member transactions rose in the second half of 2015 (construction was complete in July). What is hard to explain is a significant decline in the Ave. Basket in November (-\$1.64) & December (-\$1.43).
- HR Consultant Dawn Betts set up a meeting in December with Weavers Way, Carol Savery and Sara Yoo to learn about the details of the Weavers Way Workshare program. A member volunteer work program is something that everyone felt would be worthwhile to pursue, but it was decided to postpone the formation of a committee to come up with a recommendation until after the Board Retreat/Strategic Plan and election of new Board members.

Board Decisions

GM Monitoring Reports

- B-Global Executive Constraint
Carol Savery made a motion that Don Delson seconded to approve the monitoring report. The Board voted unanimous approval.
- B1:Financial Conditions and Activities
Don Delson made a motion to approve B1 noting non-compliance in B1:1-4. Andy Rosen seconded the motion and the Board voted to approve unanimously.

Board Monitoring reports

- C: Global Governance
Don Delson made a motion to accept C:Global Governance. Carol Savery seconded the motion & the Board voted unanimous approval.
- D: Global Board-Management Connection
Bob Scott made a motion to approve D: Global Board Management Connection, noting non-compliance. Michael Markowicz seconded & the Board voted unanimous approval.

Information Sharing and Discussion

- Board Retreat : The Board Retreat will be held Sunday February 7 at the Community Arts Center from 10-4. The goal of the retreat is to develop the long term strategic direction for the Co-op.
The Marketing Committee including facilitator Eric Van der Vlugt, will meet to design the process for the retreat.
- 12 candidates have expressed an interest in joining the Board. The Nominating Committee is in the process of collecting resumes and cover letters and beginning the interview process. A recommended slate of 3 candidates will be presented at the February 22 Board meeting.
The election process was discussed- whether to continue to nominate the number of candidates equal to the openings, have a slate of one more candidate than there are openings, or a completely open election where any interested candidate would be on the ballot. Having one more candidate than openings was ruled out. Because the Board tries to choose candidates with specific skills needed to run all aspects of the Co-op, it was decided to stick with the current practice of offering a slate of candidates equal to the open positions. Membership always has the option to offer a write-in candidate if they are dissatisfied with the Board.
- Bob Scott will develop the ballot question needed to change the Co-op's incorporation from Washington DC to PA.
- The Board lauded Ed for his good work and exceptional reporting to the Board.
Don Delson made a motion to offer Ed Farace the permanent GM position and develop an incentive program with Ed and the Finance Committee. Michael Markowicz seconded the motion and the Board unanimously approved.
- Whether or not to set Membership goals for 2016 will be decided when the strategic plan is complete. To set a goal now would be arbitrary.

Review of Action Items

1. The Marketing Committee will design the process for the Board Retreat.
2. An application to join NCG will be executed. Ed
3. The Nominating Committee will propose a slate of 3 candidates at the February Board meeting.
4. A ballot question will be designed to change the Co-op's incorporation from Washington DC to PA.- Bob Scott

Adjournment

The meeting adjourned at 9:30pm. An Executive Session followed.

Next Meeting

The next meeting will be held on Monday February 22, 2016 at 7pm in the Community Room of Borough Hall.

Respectfully submitted,

Pam Bartholomew
Secretary

Documents for the Meeting

Co-op Board Agenda January 2016

GM Board Report for January 2016

B: Global Executive Constraint

B1: Financial Conditions 4QTR2015

DSCR 4QTR2015

Co-op Dec 2015 Inc Stmt (new)

Co-op Dec2015 Balance Sheet

Membership 2015.xlsx

Caulking Proposal Swarthmore Co-op

Co-op Board Minutes 12-14-2015

Purchasing Group Project Timeline as of 12-4-15.pdf