

## SWARTHMORE CO-OP BOARD OF DIRECTORS

### MINUTES OF MEETING

January 26, 2015

The January meeting was held at Pam Bartholomew's home because Borough Hall was locked. It began at 7:20 PM.

Present were President Martyn Harding, Vice President Carol Savery, Secretary Pam Bartholomew, Treasurer Michael Markowicz, Board members Andy Rosen, Ines Rodriguez, Helen Nadel, Bob Scott, Karen Shore, General Manager, Cheston Lawrence, Operations Manager, Sara Yoo and Grocery Manager John O'Neil. Don Delson was unable to attend.

#### Approval of Minutes

On a motion by Carol Savery, seconded by Bob Scott, the minutes of the December 15, 2014 meeting were approved. The Board unanimously approved.

#### GM Update

- GM, Cheston Lawrence reflected positively on his first two months' tenure. With December sales up 4%, he credited the contributions of the department heads. He specially recognized Sara Yoo for her exemplary performance as interim GM and her help to him in his transition. Sara was also rewarded with Employee of the Year honors, voted on by her peers.
- Cheston discussed the specifications of the new meat & seafood cases he is proposing. Installation will follow the Annual Members' Meeting to minimize disruption. Rolling the cost into the upcoming refinance was also discussed.
- Questions about the details of the C&S contract were addressed. Purchase minimums are based on last year's actual purchases. The contract is for a 5 year term. Bob Scott asked if it could be renewed annually at the end of the first 5 year term. The \$65k "shares" (from AWI before the takeover) will have to be written off this year, but we will recover that amount over the next 10 years as we accrue credits.

A motion was made by Martyn & seconded by Bob to approve the contract contingent on the recommendation of the Finance Committee. The Board unanimously approved.

- Cheston proposed replacing the Co-op's current car with a larger refrigerated van that would be better suited to transporting catering business and could be used for storing the Thanksgiving turkeys (saving several thousand dollars in rentals).
- Grocery Manager Jon O'Neil gave the Board an overview of what his plans were for the Grocery department as well as fielding questions from the Board.

## Finance Update

- Treasurer Michael Markowicz reported total sales for December that exceeded budget. Improved Grocery sales contributed to this positive performance as did a reduction in spending on repairs and equipment as well as a benefit to the bottom line from not having to pay a marketing manager salary. The \$65k write off from AWI was the only negative.
- WSFS has committed to the mortgage refinance, subject to an appraisal.
- It is unclear why our customer count seems to be declining when our memberships are increasing and our average market basket is up.

## Board Decisions

### GM Monitoring Reports

- B: Global Executive Constraint  
On a motion by Bob, seconded by Andy we were found to be in compliance. The Board approved on a unanimous vote.
- B11: Succession  
Bob moved & Carol seconded a motion for compliance with B11. The board unanimously approved.

### Board Monitoring Reports

- C: Global Governance  
The Board voted unanimously that it was in compliance on a motion by Bob, seconded by Carol.
- D: Global Board-Management Connection  
Carol made a motion seconded by Michael to find the Board not in compliance with D. The Board agreed unanimously.

## Information Sharing and Discussion

- Karen Shore commented that the Co-op's dairy case "looked a lot like Giant" in its array of products, especially yogurts and packaged cheeses.
- There was a discussion of developing a "youth engagement strategy" tying in health, technology and food choices.
- Progress on getting data on member/non-member purchases should happen when the new Marketing Manager is hired.
- Sara reported on plans for the return of more of the popular "pop up dinners" this year.
- Carol reported that an Education Committee meeting was planned for early February.
- Bob suggested that the dispute with Constellation Energy could possibly be resolved by agreeing to re-join when our current contract is up.
- Bob is also pursuing a resolution of the Co-op's good standing with the Dept. of Consumer & Regulatory Affairs.

### Review of Action Items

1. Cheston will finalize the specifications and costs of new meat & seafood cases.
2. The Policy Governance Committee will meet to revise language in B3 & B1.
3. Analysis of the installment memberships to quantify the level (if any) of default.  
Nicole
4. Constellation Energy will be approached with a proposal to settle by agreeing to re-join when our current contract expires. Bob
5. Bob will contact our Register Agent to reinstate our good standing with the Dept. of Consumer & Regulatory Affairs.

### Adjournment

At 9:20 Andy made a motion to adjourn. Don seconded and the Board agreed. An Executive Session followed.

### Next Meeting

The next meeting will be held on Monday, February 23, 2015 at 7pm in the Community Room of the Swarthmore Borough Hall.

Respectfully submitted,

Pam Bartholomew  
Secretary

### Documents for the Meeting

GM Report December 2014

B11 - Succession January 2015.doc

Co-op Board Agenda 1-26-15.doc

Co-op Dec 2014 Balance Sheet.pdf

Co-op Q4 2014 Actual v Budget.pdf

Co-op Dec 2014 Income Statement.pdf

Co-op Board Agenda- January 2015

Co-op Board Minutes 12-15-2014.docx

