

**Swarthmore Co-op Board of Directors**  
**Minutes of Meeting**  
**January 23, 2017**

**Call to Order**

The January meeting was held in the Council Room of Borough Hall. It began at 7:01pm. Present were President Pam Bartholomew, Vice President Ines Rodriguez, Treasurer Michael Markowicz, Board members Andy Rosen, Don Delson, Lori Knauer, and Karen Shore, General Manager Mike Litka, and Interim Business Leader Dawn Betts. Secretary Jill Gaieski and Board member Jaclyn Diamond were not present.

**Approval of Board Minutes**

Don Delson made a motion to accept the meeting minutes as amended, Michael Markowitz seconded this motion. The Board approved the minutes unanimously.

**Member comments**

None

**General Manager monthly update**

Today marks Mike Litka's 11<sup>th</sup> day on the job. He has felt very welcome since day 1. There have been quick resets in produce, the front has been opened to allow better queuing experience. Next is to start working on the local vendor signage.

Mike will be sending out a short survey to owners to engage them on the store's product mix:

1. What's your favorite product
2. What product do you purchase most frequently?
3. What product should we be stocking/what are we missing?

Mike's short-term goal is to engage the customer base/member base. He has met with community committees, board committees, and store committees in the past two weeks in an attempt to learn as much as possible about the store.

Board member question: Is there currently Swarthmore Town Center representation? Has not been steady but probably the GM should represent the Co-op.

Is there currently store representation within the Merchants group? Has not been steady but probably the GM should represent the Co-op.

**Finance Update**

Michael M: same trend that we've seen all year continues: member sales/transaction/dollar volume down once again with nonmember equivalent going up. The market basket went up in December from members/non-members alike!

The questions on Finance Committee's mind for 2017: How do we reengage the membership? How do we get people in the door? What can Mike do to promote the store?

Dawn B: Early analysis shows that we beat last week's customer count by 10% (same week in 2016). In 2015: there was a snow storm during the same week. Dawn feels that customer counts are being positively affected by increased product sampling.

Don D question: Last month – sales were constant for year over year. However, cost of goods sold are way out of line. What is going on? Dawn B: managers are stocking more so inventory levels are increased where previous year inventory levels were artificially low. Mike L: Inventory process is a problem that needs to be tackled. There are ongoing issues with margins in some departments.

Michael M: last year contribution margins/gross margins were unusually high – this was corrected with inventory. What we are seeing is a better than normal than normal December 2015 so its difficult to compare this year to previous years. Further, tax adjustments also make 2015 look better. We have been working with some misleading figures in certain problem departments – (i.e.) prepared food, seafood (broke even), deli (broke even). Seafood came back in the 4<sup>th</sup> quarter.

Karen S: On the store level (at the meat counter) the meat we are selling isn't impressive. It looks terrible in the case. It's covered all the time. The income statements reflect [Karen's] reality.

On a good note: Specialty had a great year: sales up, margins better than last year, contributions margin better than last year. Good job Nick!

### **One Card Update**

Dawn/Mike have been in negotiation with the College. As reported previously, we are paying 8.5% discount on every One Card transaction (5% student discount + 3.5% commission to the College). Dawn played hardball with the College – has stated that 5% is the only discount we will give and the College can decide how that discount gets broken down (commission vs. "student savings"). We will likely renegotiate in July. For the remainder of the semester this will be the breakdown: 3.5% student discount + 1.5% commission.

### **Credit Card fee reduction**

Michael M: We are thinking about shopping around to reduce the credit card fees from our credit card vendors. We are still in the thinking stage. Nothing has been done yet.

ATM fee has been renegotiated to \$250/month. We received a \$129 check from WSFS this month.

## **Board Decisions**

Global C policy: Global Governance Commitment: The Board unanimously voted that we are non-compliant on Global C. During our reorganizing in 2016 we have allowed unacceptable actions and situations – namely the drop in sales and loss of business. However, we have agreed that going forward in 2017 we will be working towards rectifying unacceptable actions and situations.

Global D policy: Global Board-Management. The board voted that we are non-compliant on Global D because there was no possible way to be compliant since we had no GM. Going forward we will be compliant with Global D policy in 2017.

## **Liquor Referendum**

A robust and vibrant discussion ensued regarding support or non-support of the liquor referendum. The highlights follow:

Questions asked:

Is a group collecting signatures a political organization? Not necessarily if it is a grassroots community organization.

We can amend B7? We may not need to if we agree to support the referendum but do not allow signatures to be collected on the premises.

*Referendum discussion:*

Mike L: Mike thinks it is a good business decision to allow us to sell liquor, especially in the face of the changing competitive landscape (ie changes to state laws to allow beer/wine sales) .

We should not allow signatures to be solicited in store. The business environment in retail food is changing; we need to ride the momentum. The state laws are changing and there has been no negative impact at the state level.

Will we formally support the Referendum? We will release a public statement to our members, will not publically address the Swarthmorean.

Ines R. makes a motion to publicly support the referendum as put forth by Swarthmore 21.

Michael M: seconds the motion.

Yes votes: 7

No votes: 1 (Karen S) the co-op ought not support the referendum

Abstain: 0

The motion passed.

Action Item: Pam B: We need to craft a PR statement before our name can appear on the Swarthmore 21 website.

*The Patio:*

Co-op is responsible for furniture on the patio but has no rights to the patio since it is the property of the Borough. In some instances, the Borough must license groups to use it but it is unclear what those circumstances are. Hence, we are looking into buying the Patio.

*CDS consultant:*

Jade Barker is our new CDS Consultant. CDS Board development workshops are included in what we pay.

*PA Registration:*

Change of domicile from DC to PA is complete.

*New committees:*

- Capital campaign
- 80<sup>th</sup> anniversary celebration: 2017 is our 80<sup>th</sup> anniversary. We can do something at any time this year. Suggestion to coordinate with the Capital Campaign.

*New Board Member:*

Ginny Lang is not joining the board.

**Committee Reports**

Volunteer Committee: nothing

Sunday Suppers Committee: nothing

Education Committee: Meeting with Marketing, Events, and Mike L scheduled for Feb 4<sup>th</sup>.

Sustainability Committee: nothing

Nomination Committee: Have 5 candidates for to fill 4 slots; however, committee is still looking for more.

Marketing Committee: currently running bi-weekly ads in the Swarthmorean. Social media presence has increased significantly (newly hired Isabel Paynter will be running social media accounts). Marketing to members, nothing specific. Possible upcoming event:

Oyster/Wine/Chocolate event: Feb 10<sup>th</sup>. 8-10pm. Next meeting 2<sup>nd</sup> Wednesday

Farmers Market Committee: Want to know how the two groups can best support each other.

**Replacing BackPack**

Jill: has information on BP and Google Business suite. Will update the board at a later time.

BP is still supported and being backed up. There is a calendar module that looks useful. We will likely stick with it.

**Action Items**

Andy/Michael/Pam – position statement on Liquor Referendum

Mike L: to look at Policy B1 and recommend to Finance Committee any revisions that should be made to this policy. The FC will meet to present to board a revised Policy B1.

Michael M: is going to be speaking to Mayor Tim Kearney about purchasing the patio.

Mike L: is going to be sending out a quarterly letter to our members AKA "State of the Co-op".  
Not sure when this will be starting.

Finally: Employee bonuses: will look into a potential bonus structure for 2017 in the event that the co-op business starts to improve and allow for bonuses to be given out.

### **Adjournment**

The meeting was adjourned at 9PM. An executive session followed.

### **Next Meeting**

The next meeting will be held on Monday February 27, 2017 at 7pm in the Community Room of Borough Hall.

Respectfully submitted,  
Ines Rodriguez

### **Documents for the Meeting**

Co-op Board Agenda January 2017  
2016-17 Board of Directors Contact Info  
DRAFT Co-op Board Minutes 12.19.16  
Dec. 2016 Board Meeting Action Items  
APPROVED 2016 Board Meeting Calendar  
Co-op Annual Monitoring Calendar 2017  
Co-op Dec 2016 Balance Sheet  
Co-op Dec 2016 Income Statement  
Co-op 2016x2015 Sales  
Alcohol referendum  
Proposed Board Committees