

SWARTHMORE CO-OP BOARD OF DIRECTORS

MINUTES OF MEETING

October 26, 2015

The October meeting was held in the Community Room of Borough Hall. It began at 6:30 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, Karen Shore, Interim GM Ed Farace, Operations Manager Sarah Yoo, Marketing Manager Jason Shapiro and HR consultant Dawn Betts.

Articus Presentation

The meeting began with a presentation by Eric van der Vlugt of Articus LTD, the communications firm recommended by the marketing committee to aid in strategic development and marketing. Eric outlined the full capabilities of his firm emphasizing how the "Future Visioning" process could help the board in developing strategic direction.

Health Care Plan Review

Hilary French, HR committee benefits consultant, returned with the recommended employee benefits plan for 2015-2016. After addressing the questions raised at last month's meeting, two ACA compliant plans were proposed. One is "high deductible" plan with a Health Savings Account (HSA). The other POS plan is more similar to the current offering. The Co-op will initially fund HSAs at 25% to reduce the risk of an employee needing to use the HSA before they have been able to fund it. A representative from Lacher will meet with individual employees to educate them on the new plans.

Don Delson made a motion to adopt the proposed benefits plan with the recommended HSA funding by the Co-op. Karen Shore seconded and the board voted unanimous approval.

Approval of Minutes

Carol Savery made a motion to approve the minutes of the September 28, 2015 Board of Directors meeting. Michael Markowicz seconded the motion and the Board voted unanimous approval.

Member Comments

It was noted that since the revision of the website, minutes of the monthly board meetings have not been posted. Publicizing the board meetings was also suggested.

GM Update

- New interim GM, Ed Farace, suggested restructuring the monthly GM and manager reports to include the current month-to-date data rather than the previous month's sales. Board members agreed that this would improve everyone's thinking.
- Ed is planning to introduce "secret shoppers" as a way to improve customer service. He asked the board members to get him names of interested shoppers.
- Ed brought a list of 13 projects that he is currently undertaking, ranging from building repair to employee morale. He intends to bring a project list to the Board each month.
- There are several significant issues with the building that need immediate attention. Don will get in touch with Bill Cumby who built the Co-op and introduce him to Ed.

Finance Update

- Treasurer Michael Markowicz reported that store sales were down slightly (1.5%) in September compared to 2014 and that profit was down significantly (\$700) v. \$22k reflecting a once a year seasonal buy for clothing, poor deli margin from a disappointing craft fair, and advertising expenses this year that didn't exist in 2014.
- Following up on last month's inquiry into using working member – volunteers to reduce labor costs, Sara described the Weavers Way program which offers a 5% discount for 6 hours of work /year. Weavers Way has software to aid in scheduling. Other models are also being researched.
- Member Sales Analysis: September showed an increase in non-member sales for the second month in a row. The number of non-member transactions declined slightly, but the average market basket rose. Member sales declined for the second time this year even though the number of member transactions increased, but with a slightly smaller average basket cost.
- 2016 Budget
The 2016 budget assumes \$5.9MM in revenue with \$59k profit. The projected sales increase is based off of 2015 whose sales were lower than 2014. Margins reflect actual 2015 margins.

The budget assumes:

- 6.3% increase in healthcare costs (assuming a 50/50 choice between the HAS & POS plans by employees).
- Some labor savings from working members (a term discount)
- \$18k cost for a PR firm

Board Decisions

GM Monitoring Reports

- B1: Financial Conditions and Activities
Don Delson made a motion that Carol Savery seconded to approve B1 noting non-compliance with B1:1. The Board voted unanimous approval.
- B7: Co-op Premises
Don Delson made a motion that Carol Savery seconded. The Board voted unanimous approval.

Board Monitoring Reports

D1: Unity of Control

Don Delson made a motion to accept D1 that Bob Scott seconded & the board voted unanimously to approve.

Information Sharing and Discussion

- Education Committee-Ines related that the 2016 plan will include the GM. In January the program will shift from cooking to education on food issues with “Healthy Eaters” offering.
- Sustainability: Ines also is interested in engaging the GM on this committee. Eventually she would like to merge sustainability and education committees.
- Farmers’ Market: The Co-op is doubling as the cheese vendor for the Farmers’ Market, to everyone’s advantage.
- Marketing Committee:
Don Delson made a motion to hire Articus as the outside firm to help both strategic development and marketing efforts. Michael Markowicz was charged with negotiating the contract. Jill Gaiieski seconded the motion and the Board voted unanimous approval.
- Martyn Harding shared another mailing that he’d received announcing the opening of Wegman’s in Glen Mills.
- Jason discovered that Borough Council had not approved the lamp post signage he was planning to install. Pam & Ines plan to attend an upcoming council committee meeting on signage in the borough to try to understand the issues.

New Business

- Ines brought up receipt errors she had recently experienced. Sara would address them with cashiers.

Review of Action Items

1. Don will introduce Ed to Bill Cumby to address the building structure issues.
2. Dawn will meet with the Weavers Way membership manager to learn more about their volunteer worker program.

3. Michael will negotiate the contract with Articus.
4. Pam & Ines will attend the Council meeting on signage.

Adjournment

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

Next Meeting

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

Respectfully submitted,

Pam Bartholomew
Secretary

Documents for the Meeting

Weavers Way Working Member Info

Co-op Board Agenda October 15 Revised.

Co-op 2016 budget(final).

2015-2016 Co-op Benefits Final

GM Board Report for Sept 2015.docx

B2 Business Planning Monitoring Report 10-2015.docx

B1-Financial Conditions 3QTR 2015.docx

Co-op Projects 2015.xlsx

DSCR 3QTR 2015.xls

Co-op Sep 2015 Inc Stmt (new)

Co-op Sep 2015 Balance Sheet

Membership 2015.xlsx

Co-op 2015v2014 Sales Analysis with September

Co-op 2015v2014 Sales Analysis 2012 to Present

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