

SWARTHMORE CO-OP BOARD OF DIRECTORS

MINUTES OF MEETING

December 14, 2015

The December 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, Karen Shore, Don Delson, Interim GM Ed Farace, Operations Manager Sarah Yoo, and HR consultant Dawn Betts. Jill Gaieski did not attend.

Approval of Minutes

Don Delson made a motion to approve the minutes of the November 23, 2015 Board of Directors meeting. Andy Rosen seconded the motion and the Board voted unanimous approval.

GM Update

- Interim GM Ed Farace updated the board on the effort to reduce the number of SKUs in the store based off of zero-movement reports.
- He described a new program in which local vendors will be featured monthly.
- His management development efforts include training on the use of financial management tools by each department manger.
- Ed described the progress on the regional Purchasing Co-op and its importance to our future cost competitiveness.
- The needed roof repairs are not covered under warranty.

Board member Michael Markowicz questioned the policy of closing early on the day before a holiday. There were many turkeys left at the close of business at 6PM before Thanksgiving. He noted that while it is unfortunate for employees, it is the nature of retail to take advantage of the busiest shopping days & suggested that we stay open later.

Andy Rosen commented on rising frozen food sales which Ed attributed to new ice cream product offerings.

There was an extensive discussion about the need to develop on line marketing and sales capabilities. Competitive efforts from Giant, Pea Pod, Instacart, Blue Apron, etc. reflect the on line future of grocery/food offerings. By comparison, the Co-op is "prehistoric." We discussed possible ways to enter this market

including partnering with a third party which is less likely to be profitable, but would at least provide a valuable service to our customers.

The need to include more information on the website was discussed. The following information will be added and updated regularly:

- Co-op business partner list where members receive a discount
- Board members & contact information
- Monthly Board meeting minutes

Finance Update

- Treasurer Michael Markowicz reported that store sales were down slightly (2.1%) in November compared to 2014. There continue to be costs in 2015 that did not exist in 2014, from payment of 2 GM salaries (through December) to advertising expenses to a PECO credit in 2014.
- Grocery had a positive contribution margin of \$6k despite a slight decline in sales.
- Seafood sales decline sparked a discussion of possible changes to the department from partnering with a third party who would receive a fixed percentage of sales to hiring a specific seafood manager who would be incentivized to increase sales. Ed will explore the options.
- Beginning in January, Catering will be separated from Prepared Foods since we now have enough capable cooks to support each department.
- Member/ Non-Member Sales Analysis
Non-member sales declined in November after posting 3 consecutive months of gains.
Member sales also declined again in November, though the number of member transactions were up. The average members' basket price obviously declined.
- HR Consultant Dawn Betts has set up a meeting with Weavers Way so that any interested board members could learn about their Workshare program first hand.

Board Decisions

GM Monitoring Reports

- D3: Delegation to GM
Don Delson made a motion that Carol Savery seconded to approve D3. The Board voted unanimous approval.
- D4: Monitoring GM
Carol Savery made a motion to approve D4. Don Delson seconded and the Board voted to approve unanimously.

2016 Board of Directors' Meeting Calendar

A motion to accept the 2016 Board Meeting Calendar was made by Don Delson, seconded by Michael Markowicz and unanimously approved by the board.

2016 Policy Monitoring Calendar

The proposed monitoring calendar was accepted after a motion to approve by Don Delson, seconded by Andy Rosen and a unanimous vote by the Board.

Information Sharing and Discussion

- Wine Sales / PA Liquor Control Board Proposal: The PA State Senate recently approved the sale of 4 bottles of wine per customer at small retail outlets. Because this could affect the Co-op in the future, Bob Scott recommended that we:
 - *look into acquiring a liquor lawyer who would act as our agent if it became necessary to purchase a liquor license
 - *discuss the implications (possible 2017 referendum on remaining a dry town or getting an exemption) with the mayor of Swarthmore
- Candidate for Marketing position: Ed has conducted numerous interviews. The board will participate in interviewing final candidates.
- Education Committee-Ines related that they have put together a calendar of classes, mostly cooking type, through June. Articus will be involved in promoting them.
- Disposition of Out of Date Goods: Carol Savery reported that local churches will take them to Chester now that City Team no longer picks up.
- Marketing Committee:
The Future Visioning Session was briefly reviewed. The report will be available for everyone on Back Pack .

Review of Action Items

1. Dawn will set up a meeting with the Weavers Way for board members to learn about their work-share program.
2. The website will be updated with: partnership list, Board members & contact information, approved minutes of monthly board meetings- Jason
3. Manager Hours will be posted on Back Pack.
4. Ed will explore “partnering options” with the intention of improving sales, reducing labor costs & risk.
5. Michael will post the Member/non-Member Sales Analysis on Back Pack.
6. There will be Board participation in marketing candidate interviews.
7. Carol will provide the contact information to Ed on the church pick up of out of date products.
8. Board Retreat content & facilitator will be explored- Marketing Committee

9. The Nominating Committee will respond to the potential director candidate email.

Adjournment

The meeting adjourned at 9:00pm. An Executive Session followed.

Next Meeting

The next meeting will be held on Monday January 24, 2015 at 7pm in the Community Room of Borough Hall.

Respectfully submitted,

Pam Bartholomew
Secretary

Documents for the Meeting

Proposed 2016 Board Meeting Calendar
Proposed 2016 Policy Monitoring Calendar

Co-op Board Agenda December 2015

GM Board Report for Dec 2015

D3: Delegation to GM

D4: Monitoring GM

Project Timeline as of 12-4-15.

Co-op Nov 2015 Inc Stmt (new)

Membership 2015.xlsx

Co-op 2015v2014 Sales w November

Co-op Board Minutes 11-23-2015

Del Vall Cooperative Purchasing Feasibility Study Work Plan

Cooperative Purchasing Working Paper April2015

Co-op Future Visioning Session Re-cap

