

SWARTHMORE CO-OP BOARD OF DIRECTORS

MINUTES OF MEETING

December 15, 2014

The meeting, which was held in Swarthmore Borough Hall, began at 7:10 PM.

Present were President Martyn Harding, , Secretary, Pam Bartholomew, Treasurer, Michael Markowicz, Board members, Andy Rosen, Ines Rodriguez, Helen Nadel, Don Delson, General Manager, Cheston Lawrence and Operations Manager, Sara Yoo. Bob Scott was present for the first half hour and Karen Shore attended by phone. Vice President Carol Savery was unable to attend.

Approval of Minutes

On a motion by Don, seconded by Michael, the minutes of the November 24, 2014 meeting were approved with 2 corrections. The Board unanimously approved.

GM Update

- New GM, Cheston Lawrence, addressed the problem of unsatisfactory performance of our current cleaning company as well as the need to bring the Co-op's equipment up to standard (OSHA). He proposed buying used equipment with an annual maintenance contract & having the cleaning done in house by current employees. This will be a savings over our current method.
- Changing the payroll system to ADP was proposed as a way to not only streamline all aspects of payroll, but also to get HR and legal support for any employee related issues. FMS currently does the payroll along with the financial reporting, but won't break out the cost of each.
The question arose of how the legal services through ADP would work. For instance, if there were a harassment claim, how much of the legal work would be covered in the contract?
Before the proposal is brought to the Board for a vote, Cheston will outline the services and their costs, any anticipated savings, as well as getting a legal evaluation of the contract from Bob Scott.
- Cheston plans to work with FMS and Treasurer Michael Markowicz to improve the reports that FMS provides. He feels that there is much more information that he could glean from the data if he could get the reports in a different format.
- Marketing Director position will be posted 12/16.
- The "Meet & Greet" for the new GM will take place 12/20. Board members will attend and wear nametags so that the membership can identify them.

Finance Update

- November sales were up slightly with a small profit. Treasurer Michael Markowicz cited a significant drop in Seafood sales (-17% vs. 2013) and a combined drop in Grocery sales with an increase in cost of goods as contributing factors to the month's weak performance. Other departments performed well with associated declines in cost of goods. There was a benefit to the bottom line from not having a marketing salary in November.

Cheston addressed the losses in Grocery by saying that he was confident that there were changes he could make (& teach to managers) in the ordering process that would lower our costs and strengthen our position with vendors.

Similarly, Cheston saw opportunities in Seafood. He plans to meet with our purveyors to address price and availability issues. He also is investigating the replacement of all of the meat and seafood cases which currently are out of date. New cases would have misting, air walls and venting, all of which would promote product freshness and longevity, which is especially important when our meats are preservative-free.

- There is an advantage to purchasing through C&S (formerly AWI) because of the Co-op's shares in AWI worth \$65k, which would not need to be taken as a loss while we are doing business with C&S. However, Don emphasized that avoiding that loss should not drive the decision of which supplier to use for grocery products.
- Michael and Martyn had met with WSFS to explore refinancing options. PNC and NCB proposals are also under consideration. WSFS offered three different amortization options which were attractive. Don noted that while interest rates are up, they are still at historically low levels. He advised that locking in to a 10 year option would be advantageous. Banks that require the Co-op's other business (deposit accounts) must understand the local nature of our business, i.e., making daily deposits must be convenient.

There are conflicting statements of what the Co-op currently owes NCB- \$911k vs. \$1.1M. Michael will resolve this discrepancy and confirm the requirement of "investing" \$40k with them as a mortgage holder.

Board Decisions- Board Monitoring Reports

- D2: GM Accountability
Per the November meeting, D2 was reintroduced so that all Board members could be reminded not to make requests of the staff. Any product requests or comments should go through Sara or Cheston.
- D3: Delegation to GM
Don made a motion to authorize the Policy Governance Committee to write language incorporating contract approval by the Board of contracts over \$5k or lasting more than one year. Andy seconded and the Board voted unanimously to approve.

- D4: Monitoring GM
The Board confirmed that year-end numbers, not necessarily audited, were needed to decide GM compensation. On a motion by Helen, seconded by Michael, The Board unanimously agreed that we are in compliance with D4.

Information Sharing and Discussion

- 501c3 Status
Helen reported that SBN (Sustainable Business Network) had decided not to be our fiscal sponsor for a 501c3. Because of the time (1year) and cost (\$5k) required, Helen suggested that we revisit what a 501c3 might do for the Co-op. Don suggested putting together a “business plan” for a 501c3, which would include the finances, community involvement and outreach, and Board involvement. It was agreed that more than Sunday Suppers would be needed to support forming a 501c3. ZZZZ
- Sunday Suppers
Helen is in the process of writing an article on Sunday Suppers for “The Swarthmorean”.
- Sustainability Committee?
New Board member Ines Rodriguez is interested in sustainability and wondered if a committee was appropriate. Discussion followed that sustainability had been more of a staff/operations issue than a Board one. Sara gave the example of recycling at the store. Cheston suggested that when a new Marketing Director is hired, it would be useful to have someone work with him/her and the dept. managers. Everyone felt that we will work to keep sustainability on the front burner.
- Andy reported that he and Carol would write a charter for HR.

Review of Action Items

1. Bob will review the ADP contract
2. The Policy governance Committee will meet to revise contract language in D3 & B1- Bob
3. The Board will attend the Meet & Greet & wear name tags-Pam
4. Cheston will develop a proposal to replace the meat & seafood cases
5. HR Committee charter will be written Carol & Andy
6. Michael will resolve what we owe NCB
7. E-vites will sent for all Board meetings- Karen
8. Articles on Sunday Suppers will be written for “The Swarthmorean” and “The Insider”- Helen
9. The Marketing director job will be posted 12/16-Cheston
10. A 501c3 Business plan will be developed- Helen
11. Sustainability Committee-Ines & Cheston

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, January 26, 2015 at 7pm in the Community Room of the Swarthmore Borough Hall.

Respectfully submitted,

Pam Bartholomew
Secretary

Documents for the Meeting

GM Report for November 20141.pdf

Co-op Board Agenda 12-15-14 Updated.doc

WSFS Refinancing Letter.pdf

Membership 2014.xlsx

Co-op Nov 2014 Balance Sheet.pdf

Co-op Nov 2014 Income Statement.pdf

Co-op Board Minutes 11-24-2014 .docx

