

SWARTHMORE CO-OP BOARD OF DIRECTORS

MINUTES OF MEETING

February 22, 2016

The February meeting was held in the Community Room of Borough Hall. It began at 7:05 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, GM Ed Farace, Operations Manager Sarah Yoo and HR consultant Dawn Betts.

Approval of Minutes

Don Delson made a motion to approve the minutes of the December 14, 2015 Board of Directors meeting. Carol Savery seconded the motion and the Board voted unanimous approval.

GM Update

- GM Ed Farace reviewed his monthly report, particularly the new floor plan that he is proposing with space freed up from the SKU reduction. Karen Shore warned that the Co-op is first a grocery store and that product reductions not cross the threshold to jeopardize offering a satisfactory selection for our customers. Pam noted that we have two contradictory pieces of data: the customer survey confirmed that all of our shoppers already go elsewhere for products the Co-op doesn't carry, yet there was a significant drop in member purchases in January. Ed agreed to send the SKU reduction report so that we could see how the category reduction is happening.
- It is possible to use our current oven to bake bread. Ed recommended that we begin using "par-baked" bread now since adding a bakery was the number one request coming from the survey.
- Options to allow electronic couponing continue to be pursued.

Finance Update

- Treasurer Michael Markowicz noted that despite a fall in January sales, cost controls resulted in savings across departments. The store was closed one day in January because of a blizzard.
- Member/ Non-Member Sales Analysis
January had the largest drop in member sales to date. It is unclear why- SKU reduction? Blizzard closure?

- Revised Promotions & Member Benefits
Michael did a financial analysis of current promotions and member benefits and made the following recommendations:
1- Offer a 10% discount coupon (Mad Money) redeemable any single visit in the first month of the quarter. It will be delivered to members by email on the first day of every quarter.
2- Offer 10% case discounts to members.
3- Introduce a patronage rebate system that would give members a patronage dividend in years when the Co-op was sufficiently profitable. Details to be determined by the Finance Committee as needed.
4- Eliminate the “Early Bird” discount program (5% everyday from 8am-10am).
5- Replace the 5% student discount (Swarthmore College students) with participation in the student program run by the Town Center. Student benefits TBD as well as the start date- probably the beginning the new academic year.
6- Continue to have Member Appreciation Days

Don Delson made a motion to approve the proposed promotions and benefit changes to be rolled out April 1, 2016. Andy Rosen seconded the motion and the Board voted unanimous approval.

Board Decisions

GM Monitoring Reports

- B5: Member and Customer Relations
Martyn Harding made a motion that Don Delson seconded to approve the monitoring report noting non-compliance with B5:3. The Board voted unanimous approval. Ed agreed to address the freshness issues in Produce and comment on it at next month’s meeting. Karen Shore also offered to suggest improved language for B5:3 & B5:4.
- B11: Succession
Don Delson made a motion to approve B11. Carol Savery seconded the motion and the Board voted to approve unanimously.

Board Monitoring reports

- C1: Governing Style
Don Delson made a motion to accept C1. Bob Scott seconded the motion & the Board voted unanimous approval.

Information Sharing and Discussion

- Education Committee: Ines reported on the Food Swap at HOM. The canning class was cancelled because of low enrollment (bad seasonal timing?), while there were 12 attendees for the “Raising Healthy Eaters” class.

The current focus of the committee is cooking oriented classes, which Ines would like to broaden. Other suggestions included book discussions, farm tours & planting a spring garden.

- Sustainability Committee: Ines voiced concern over the recent offering of live crawfish at the Co-op. They were displayed on ice, which she described as a slow death. There was no understanding or training of the salespeople on the humane handling or transport of these live crawfish. She recommended a moratorium on the sale of any live crustaceans until we can assure their humane care. The board agreed with the possible exception of soft shell crabs. Ines commented that mollusks (clams, mussels and oysters) are not in the same category as crustaceans & do not require the same humane handling.
- The Nominating Committee presented a recommended slate of three candidates for election to the Board this year. Linton Stables, Lori Knauer and Frances Reichel were unanimously approved by the board on a motion by Don, seconded by Andy.
- Bob Scott presented the paperwork needed for the membership vote to change the Co-op's incorporation from Washington DC to PA. He & Pam will develop the actual ballot question.
- Marketing Committee: The need to re-define the Co-op brand was a conclusion that came out of the Board Retreat. This includes the store name & logo. Marketing consultant, Eric Van der Vlugt of Articus, proposed a process to accomplish this rebranding which will include members as well as staff and the board. Don Delson made a motion directing the Marketing Committee to implement this re-branding process. Andy seconded the motion and the board voted to approve it. Martyn abstained from the vote because he had not yet read the proposal.
The Marketing Committee also plans to propose a recommendation at the next board meeting to formalize the conclusions from the Board Retreat into a strategic plan.

Review of Action Items

1. Ed will send the SKU reduction report to the Board.
2. Karen will recommend language to improve monitoring report B5: 3 & B5:4.
3. Ed will report on Produce freshness (non-compliance on B5:3)
4. A ballot question will be designed for a member vote to change the Co-op's incorporation from Washington DC to PA. Bob Scott & Pam
5. Marketing Committee will begin implementation of the re-branding work.
6. Marketing Committee will finalize the findings of the Board Retreat.
7. Follow-up discussion & decision on the sale of soft shell crabs (live)-All

Adjournment

The meeting adjourned at 9:10pm. An Executive Session followed.

Next Meeting

The next meeting will be held on Monday March 28, 2016 at 7pm in the Community Room of Borough Hall.

Respectfully submitted,

Pam Bartholomew
Secretary

Documents for the Meeting

Co-op Board Agenda February 2016

GM Board Report for February 2016

B5: Member and Customer Relations

B11: Succession

Co-op Comparison Data

Co-op Jan2016 Inc Stmt (new)

Co-op Jan2016 Balance Sheet

Membership 2016.xlsx

Co-op Board Minutes 1-25-2016

Board Retreat Recap- Articus

Re-Branding Brief- Articus

Co-op 2016x2015 Sales

