

SWARTHMORE CO-OP BOARD OF DIRECTORS

MINUTES OF MEETING

March 23, 2015

The March 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, Ines Rodriguez, Helen Nadel, Bob Scott, Karen Shore, Don Delson, General Manager, Cheston Lawrence and Meat & Seafood Department Manager Lance Neri . Candidate for Director Jill Gaieski also attended.

Approval of Minutes

On a motion by Don Delson, seconded by Michael Markowicz, the minutes of the February 23, 2015 meeting were approved. The Board voted unanimous approval.

Guest Speaker

Meat & Seafood Department Manager, Lance Neri, spoke to the Board about the product offerings and activities of his department. He described the managers' recent trip to Samuels & Son Seafood. A sales team from Samuels & Son also visited the Co-op last weekend & reworked the seafood case resulting in a 45% sales spike versus the previous Sunday's sales.

GM Update

- GM, Cheston Lawrence presented the results of the inquiry into the default status of memberships at the \$5/month level. Fully 45% were in arrears causing him to send a letter to delinquent members suspending member benefits until their balance is brought up to date. A discussion followed in which everyone agreed that the program had been instituted without the automatic deduction that the Board had thought was a key provision for approval.

The Finance committee will review the details of the policy including:

- adding a payment clause to the member agreement,
 - designing the auto deduct feature,
 - sending a letter cancelling membership to anyone who is still delinquent 6 months after receiving the first warning letter.
- Similarly, Cheston will write a letter to current members at the \$5/mo level requiring the same auto-deduction from a debit or credit card.

A motion was made by Bob Scott & seconded by Don Delson that requires all future \$5/month memberships to be paid for by a credit or debit auto-deduction. The Board voted unanimously to approve.

- Two final candidates were interviewed for the Marketing Manager position and the position was offered to one of them today.
- Cheston outlined the final costs of replacing and installing the proposed new meat and seafood cases. The cases and their installation will be \$38,461, plus \$1800 for the removal and re-installation of the exterior door. Don Delson moved that the Board approve the purchase and installation of new meat cases and the renovation of the seafood case. Andy Rosen seconded the motion and the Board approved unanimously.

Finance Update

- Treasurer Michael Markowicz reported total sales for February were up 2.2% and large improvements in gross margin yielded better profits- \$14.5k compared to (\$6k) last year. This happened even though there were significant expenditures on preventative maintenance- the boiler was repaired and bolted to the floor, all hydraulic equipment has been brought up to OSHA standards and a used floor machine was purchased so that a cleaning service is no longer necessary.
- Michael also reported that the customer count and average basket price are up.
- The refinancing of the mortgage is scheduled for 3/24/15.
- Michael is trying to negotiate with NCB the return of \$40k in equity that was a condition of the original loan. It appears that the terms of the loan say that NCB is under no obligation repay, however Michael will turn it over to an attorney if he can't get a response from NCB.
- The building next door to the Co-op that had housed Cheng Hing restaurant is now for sale. Discussion centered around whether this was an opportunity that the Co-op should pursue. If the building could be demolished, the property could be used as an outdoor space with little tax expense until we could be ready with a plan for a building.

Helen Nadel made a motion that the Finance Committee pursue the possibility of purchasing the property. Carol Savery seconded & the Board unanimously agreed.

- Michael announced that all of our member loans will have been repaid before the Annual Meeting.
- The Proposed ATM for outside of the Co-op will be provided by WSFS who sees it as creating synergy with its new Media branch.

Board Decisions

GM Monitoring Reports

- B4: Membership
On a motion by Don, seconded by Michael, we were found to be in compliance. The Board approved on a unanimous vote.
- B9: Communications with Members, Customers and Others
Don made a motion seconded by Michael for compliance with B9. The Board unanimously agreed.

Board Monitoring Reports

- C2: Board's Job
The Board voted unanimously that it was in compliance except for C2:6 where it still needs to improve Board education. Don made the motion which was seconded by Bob.

Information Sharing and Discussion

- Annual Meeting Planning
Preparation for the Annual Meeting on April 23 is underway. Martyn & Cheston have met to discuss the content of the meeting, but Martyn invited anyone to send him their ideas.
Cheston will supply the beer. Michael will buy the wine. The Co-op will provide the food.
The ballot box is at the store and Pam will have extra ballots on hand.
- Education Committee
Helen will continue to work on the education committee when her term on the Board is up in April. She announced the upcoming cooking classes: Caribbean Cooking by Cheston and Quick Pickles & Shrubs.
- Sunday Suppers
Helen reported that delivery for the last Sunday Suppers was difficult without Don. She plans to write an article for "the Swarthmorean" to recruit more volunteers.
- The HR committee submitted a charter for Board review. It was unanimously accepted by the Board on a motion by Don, seconded by Bob.
- Martyn asked for ideas for the annual Board Retreat. We discussed a tour of Samuel and Son Seafood followed by a meeting there. Potential topics included: HR policy revisions and planning for success.
- Co-op Non-Profit
Helen spoke of work that her committee had done around determining what other programs besides Sunday Supper could be supported by a non-profit arm of the Co-op. The underlying concept of the work that could be done would be "to improve the vibrancy of downtown Swarthmore" with respect

to food offerings. That would include more retail food, encompassing community food space, as well as space for education, incubation and community cooking. The committee will continue to refine these ideas for a future non-profit proposal.

- Cheston presented an idea that he is working on for the Co-op's catering business. He is negotiating with other co-ops that do not have kitchens to be a central kitchen, providing Co-op branded food to be sold at the other locations.
- It was decided that the Electronic file storage issue would be tables until the new marketing manager is on board.
- The annual CCMA conference will be held in Boise, Idaho this year. While many Board members expressed interest in going, it was agreed that it was inappropriate for the Co-op to pay for a director's trip (unlike some of the larger co-ops who can afford to pay for directors) and unrealistic to expect a director to pay their own way. The NAFCA meeting in Newark, DE on April 26 is a more realistic destination for co-op education.

Review of Action Items

1. Finance Committee will propose how to revamp the \$5/month membership option to include auto deduction.
2. Michael will pursue repayment of our \$40k equity in NCB.
3. Finance Committee will pursue the viability of purchasing the adjacent property.
4. Karen to suggest other sites for Marketing Manager job posting.
5. Bob will work on incorporating in PA.
6. Helen will write an article on Sunday Suppers for "The Swarthmorean".
7. Solicit ideas & timing for Board Retreat –All

Adjournment

The meeting adjourned at 9:35. An Executive Session followed.

Next Meeting

The next meeting will be the Annual Meeting, held on Thursday, April 23, 2015 at 7pm in the Co-op.

Respectfully submitted,

Pam Bartholomew
Secretary

Documents for the Meeting

Co-op Board Agenda 3-23-15.doc

Feb 2015 GM Board Repot.docx

Co-op Feb 2015 Balance Sheet.pdf

Co-op Feb 2015 Inc Stmt(new).pdf

Co-op Feb 2015 Income Statement.pdf

Co-op Board Minutes 2-23-2015.docx

HR Committee Charter - Final Draft.docx

B9 Communications Monitoring Report 3-15.doc

B4 Membership Monitoring Report 3-2015.doc