

SWARTHMORE CO-OP BOARD OF DIRECTORS

MINUTES OF MEETING

March 27, 2017

Call to Order

The March meeting was held in the Community Room of Borough Hall. It began at 7:16 PM.

Present were President Pam Bartholomew, Vice President Ines Rodriguez, Secretary Jill Gaieski, Treasurer Michael Markowicz, Board members Lori Knauer, Andy Rosen, Karen Shore, Jacqlyn Diamond, Stephanie Edwards. Also present were incoming Board members Donna Francher, Barbara Amstutz, Sean Fitzgerald.

Not present: Don Delson

Approval of Board Minutes

Via email, Jill made the motion to approve the February 27, 2017 Board minutes. Via email Ines seconded. The Board approved the minutes via email. Lori abstained.

Member Comments

No member comments.

General Manager Monthly Report

GM Mike Litka gave the following report:

Events/Donations/Outreach/Marketing:

- Beer and Cheese event was a successful event – 66 attended.
- Attended MAFCA at Park Slope Co-op. Mike and team learned a lot. Great experience.
- Quizzo very successful – more people than tables.
- Cheese CSA coming end of the month.
- Game of Thrones event in the process of being planned for June.
- Truck-a-thon will take place 4.21.17.

Facilities:

- Life support and fire suppression systems were inspected and made compliant.

- Freight elevator compliance underway.
- E-cycling container finally removed.
- PECO quote discussed to convert store lights to LED. Cost will be \$907 monthly for 12 months, thereafter it will be straight savings.
 - Andy made a motion to approve the proposal to re-lamp the store from florescent to LED (excluding aisle runners). Michael seconded. The motion to approve the proposal was passed unanimously.
- A one-year HVAC and refrigeration agreement was renewed with REMCO. Mike is working with REMCO on overall facility maintenance agreement.
- Mike is investigating snow-removal services.
- Mike explained the roof issue and the process to repair.
- Work being done on “deep cleaning” of kitchen area.
- Mike looking at pre-cut meat options to reduce shrinkage.
- Mike considering “oven ready” meal ideas for customers.
- Ongoing issue: loading dock/rooftop garden must be removed.

Staffing:

- Mike shared employee returns and departures.
- Posting made for additional closing manager to replace departure of employee.
- Mike discussed plans for himself and staff to attend vendor and training events.

Operations:

- Mike is reviewing the marketing initiative for direct mail piece. No response to March mailer.
- Working on FMS on 13-period rolling income statement and monthly variance report.
- Converting gift cards from paper to plastic.
- Kira and Dawn are spear-heading creating new member database.
- Update underway to personnel files.
- Switching team members to either direct deposit of debit card and bi-weekly pay.
- Dawn to work as administrative systems consultant 2 days per week.
- Working on oven-ready meat program.
- Store remodel plan discussions underway with architects.
- Started free sandwich incentive program on Instagram.

- Fryer and portion control scoops purchased.

Financials:

- Sales up this week, down slightly last week over last year's figures.
- Overall, sales up nearly 20k over last year.
- Total expenses up over last year due to two one-time expenses.

Ownership:

- Our total owner count for 2017 is around 1938.
- We had 25 redeems in 2015,
- 24 redeems in 2016 and 1 redemption so far this year.
- Significant drop in % of owner purchases last month; investigation underway to ensure that all customers are being asked for their member number on checkout.

Additional items:

- Submitted GM Monitoring Reports B4 and B9

Finance Update

Treasurer Michael Markowicz and Stephanie Edwards gave the following financial update:

- Sales are up over last year and year prior.
 - Member sales down, non-member sales up.
 - Suspect maybe due to the fact newer cashiers are not asking members for their member numbers at checkout.
 - Training underway to correct this.
 - Average basket number for members – flat, non-members down probably due to students making smaller purchases.
- Stephanie presented an in-depth analysis of the financial impact of selling beer and wine in the store.
 - Overall, the impact on the store's bottom line is positive (using conservative numbers)
 - Karen asked about the items needing removal to accommodate alcohol inventory.
 - Mike and others say none, instead gaps will be filled in.
 - License cost was discussed
 - Michael stated that we would need to go to the open market to purchase
- Patio update

- Borough Council will discuss at April 3 session.
- Pay Pal
 - Still need to sort out who has outstanding payments.

Board Decisions

- GM Monitoring Reports:
 - B4: Membership
 - GM is in compliance with B4-1, B4-2, B4-5, B4-6.
 - GM is not in compliance with B4-3 (up-to-date ownership database). This process was broken when Mike joined Co-op. Massive efforts are underway by Mike and staff to create database.
 - Pam made a motion to accept the B4 report noting GM non-compliance of subpart B4-3. Andy seconded. The motion passed unanimously.
 - B9: Communications with Members, Customers, and Others
 - GM is in compliance with B9-1 – 4.
 - Karen made a motion to accept the B9 report stating the GM is in compliance with B9. Michael seconded. The motion passed unanimously.
- Board Monitoring Reports
 - C2: Board's Job
 - The majority of the Board feels more effort could be made toward compliance with C2-1 (Create and sustain a meaningful relationship with member-owners).
 - Andy made a motion to accept the C2 report noting the Board's non-compliance with subpart 1. Jacquelyn seconded. The motion passed unanimously.

Information Sharing and Discussion

- Capital Campaign – Stephanie shared:
 - Campaign to begin in late September/early October and it will tie in with the Co-op's 80th anniversary.
 - Meeting with Weaver's Way planned to learn how they did their Capital Campaign.
 - Also to meet with Marketing Committee to strategize.
- Education – Ines shared:
 - Food for Change film to be screened by the Board soon.
 - Cinco de Quizzo planned for May
- Policy Governance
 - Using CDS template to work on policy changes.

- Nominating Committee:
 - Slate was approved by the Board via email. Nominating Committee has filled three vacancies, pending member approval.
- Marketing:
 - Michael shared that all is moving along as planned.
 - Mike shared that they are looking one month ahead to plan tie-ins with planned themes.
- Capital Campaign:
 - Michael shared that he is assessing what the needs are. Passage of the liquor referendum will make big difference in capital sought
- Annual Meeting
 - Michael to purchase alcohol
 - Menu being planned
 - Ballot box to be set up with extra ballots
 - Mailing to go out end of March
- MAFCA review and July hosting
 - To be hosted by Swarthmore Co-op on July 22, 2017.
 - Michael working with College to get a room for the event.
 - 80th Anniversary
 - Committee forming, so far composed of Jill, Jacqlyn and Stephanie.
 - Date for celebration is October 7, 2017.

Review of Action Items

- 1) On behalf of Finance Committee, Stephanie to reach out to Swat 21 re: details of liquor license purchase.
- 2) Policy Governance to meet to discuss B-4.
- 3) Pam to talk with Bob Scott about status of DC v. PA incorporation.
- 4) Jill and Lori to review non-profit status of current DC incorporation.

Adjourn

The meeting adjourned at 9:03PM. An Executive Session followed.

Next Meeting

The next meeting is the Annual Meeting of the Membership, to be held on Thursday April 20, 2017 at 6pm in the store. The next regular meeting of the Board of Directors will occur on May 22, 2017 in the Community Room, Borough Hall.

Respectfully submitted,

Jill Bennett Gaieski,
Secretary

Documents for the Meeting

Co-op Board Minutes 2.27.17, as amended 3.28.17
GM Incentive Compensation Worksheet 2017
Co-op Board Agenda
Co-op Feb 2017 Balance Sheet
Co-op Feb 2017 Income Statement
Co-op 2017c2016 Sales Spreadsheet
Alcohol Sales Analysis
GM report March 2017
B9 Communications Monitoring Report March 2017
B4 Membership Monitoring Report March 2017
Policy B Global Executive Constraint DRAFT
PECO Swarthmore Co-op Proposal 2 of 2
PECO Swarthmore Co-op Proposal 1 of 2
Policy C2 Internal Monitoring 2017 Report
Action items – 2.27.17