

SWARTHMORE CO-OP BOARD OF DIRECTORS

MINUTES OF MEETING

June 29, 2015

The June 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, Jill Gaieski, Karen Shore, Don Delson, General Manager Cheston Lawrence, Operations Manager Sara Yoo, Marketing Manager Jason Shapiro and Deli Manager Tom O'Hara. Ines Rodriguez was unable to attend.

Approval of Minutes

Don Delson made a motion to approve the minutes of the May 18, 2015 Board of Directors meeting. Carol Savery seconded the motion and the Board voted unanimous approval.

Manager Update Report

New Deli Manager, Tom O'Hara, spoke to the Board about his ideas for the Deli department after his first month as manager. He envisioned revenue opportunities by expanding Take Away offerings, including starting to sell hot sandwiches, sandwich/chip and drink combos and changing salad offerings in response to customer tastes.

GM Update

- Only 6 shoppers bought full price memberships in June. A discussion followed about what the benefits of membership are and should be- that our goal continues to be a dividend payable when profits allow. How to communicate these benefits was also debated. All of the in-store signage has been discarded because it included the \$5/month option which is no longer offered. WE discussed the need to regularly update social media like Facebook, Twitter and Instagram.
- Promotions from within have been very positive for employee morale.

Finance Update

- Treasurer Michael Markowicz presented data from the POS system showing 2015 sales for members and non-members. (see Co-op 2014 v.2015 Sales Analysis document)

- **FOR THE FIRST TIME WE KNOW THAT MEMBER SALES OUTPACE NON-MEMBER SALES BY MORE THAN A 60/40 SPLIT IN 2015 UP FROM 55/45 IN 2014.**
- The average basket cost for members is about 2.5 times greater than that of non-members.
- The decline in customer count over each of the five months of 2015 is overwhelmingly due to a decline in non-member shoppers. We'll look into the timing of the roundabout construction as a possible explanation of the significant decline in number of non-member shoppers.
- While total sales declined in four of the first five months of 2015, member sales were higher in each month.
- Details of the proposed ATM machine to be placed in the Co-op. The ATM should be a net positive from:
 - Transaction fees (other ATMs in town charge \$3.50 per transaction)
 - Reduction in credit card charges if shoppers pay cash
 - We still make money from transaction fee even if ATM users don't shop.
 - Offers convenience to shoppers that can be marketed e.g. a fee-free introductory period
 - WSFS offers ATM for lease or purchase

Negatives:

- Aesthetics- nicer stores do not have ATMS, it looks like a convenience store
- Who fills the ATM and who & how to safely take the money to the bank

Michael Markowicz made a motion to purchase the ATM (trial period of 1 year. It could be sold if it doesn't work out) with a contract approved by the finance committee. Bob Scott seconded. The Board vote approved the motion with Don Delson abstaining and Karen Shore opposing.

- May Financials:
 - Sales were off. Unusually low grocery margins were primarily responsible. With normal margins grocery would have made a profit of \$13k.
 - Prepared Food sales declines 13.2%.
 - Declining sales in Produce continue to be problematic. 2014 totals included Floral which are separate in 2015.

Now that we have had a permanent GM for more than 6 months, talks with NCGA about joining have resumed.

Board Decisions

GM Monitoring Reports

- B6: Staff Treatment and Compensation
References to a staff survey will be reserved for a future HR manager to propose or implement.
Don made a motion to accept B6. Martyn seconded and the Board voted unanimously to accept.
- A: Ends
After a discussion of whether profit should be included in the Ends (it was determined that “sustainability” implies profit and that profit is covered explicitly in B1), Don Delson made a motion to accept the report, seconded by Andy Rosen and unanimously approved by a vote of the Board.
- B1: Financial Condition and Activities
Don Delson made a motion to accept the report, noting the non-compliance with B1:1. Andy Rosen seconded the motion which was approved by a unanimous vote of the Board.

Information Sharing and Discussion

- Sunday Suppers: Half of the Rotary Fun Fair proceeds were donated to Sunday Suppers.
- Farmers’ Market
Andy Rosen enthusiastically promoted the idea of the Co-op having a booth at the Farmers’ Market . We discussed possibilities for the booth-information? Joining? Sales of a product? Flower sales?
- Board Retreat.
A committee to develop a concrete proposal for the retreat will be composed of Don Delson, Karen Shore and Pam Bartholomew.

Review of Action Items

1. Create the Member/non-Member sales reports by department-Finance & Sara
2. Negotiate the ATM contract with WSFS & corresponding financials .- Michael & Finance Committee
3. Address safety concerns & develop procedures for safe transfer of ATM money.
Andy
4. Request marketing support & signage for the ATM from WSFS. Don
4. Board Retreat: Committee to meet & develop a proposal for the retreat. Don, Karen & Pam

Adjournment

The meeting adjourned at 9:05. An Executive Session followed.

Next Meeting

The next meeting will be held on Monday July 27, 2015 at 7pm in the Community Room of Borough Hall.

Respectfully submitted,

Pam Bartholomew
Secretary

Documents for the Meeting

Co-op 2015v2014 Sales Analysis

ATM-Cost Benefit Analysis

Co-op May 2015 Balance Sheet

B1-Financial Conditions May 2015

A-Ends Board Report May 2015

B6: Staff Treatment and Compensation

Co-op May 2015 Income Statement

Co-op Board Agenda 6-29-15

May GM & Department Reports

Co-op Board Minutes 5-18-2015

DSCR B1 May Financial 2015(rev)

