

SWARTHMORE CO-OP BOARD OF DIRECTORS

MINUTES OF MEETING

June 30, 2014

The meeting, which was held in Swarthmore borough Hall, began at 7:00 PM.

Present were President, Martyn Harding, Vice President, Carol Savery, Secretary, Pam Bartholomew, Treasurer, Michael Markowicz, and Board members Don Delson, Andy Rosen, Bob Scott, Helen Nadel, Karen Shore and Interim General Manager, Sara Yoo. Business Manager, Aliya Glenn also attended.

Approval of Minutes

The minutes of the May19, 2014 meeting were approved with the stipulation that the Solar States attachment be included. The Board unanimously approved on a motion by Don, seconded by Michael.

Finance Update

- Monthly sales performance: Michael Markowicz described a very positive Income Statement for May with sales up overall 9.2% with good margins. The sales increase was driven by increases in every department but Bakery which was essentially flat.
- An increase in the Office Supply category of Expenses is explained by supplying the new business manager's office. The only unexplained item was the decline in EBT charges, which would be expected to follow the overall sales increase. Aliya will investigate this discrepancy.
- The Balance sheet was also very positive with \$118k cash on hand after \$166k member loan repayments.
- A discussion of expense reporting followed in which Business Manager, Aliya Glenn explained that the former GM routinely amortized expenses over 12 months so that actual expenses are "still coming" (the cost of the annual meeting, for example). Michael concurred that a lot of the budget was divided over 12 months. Don Delson felt that any operational expenses should be reported "as occurred" especially in light of our 2015 need to refinance the balloon mortgage. Having an accurate balance sheet and income statement will also be easier to manage. Helen suggested formally changing our reporting policy by stating that we will not amortize expenses over the year. Michael Markowicz will change the 2013 statements to reflect this change so that we have an "apples to apples" comparison with 2014.
- The decision on ATM/EBT/Amex was sent back to the Finance Committee for a recommendation in July.
- The proposed elimination of the 5% discount for Swarthmore College students was discussed. Interim GM Sara Yoo felt that students were

“excited” about their discount. It was also noted that selling memberships that are paid off in 5 years to a 4 year student had drawbacks!!
A motion to continue the student discount was made by Don & seconded by Andy. The board unanimously agreed.

- Solar States Update

The Board agreed to revisit this in the fall to allow for time to evaluate the following:

Get another bid from Open Sky

Understand the financial implications vis a vis the 1Q15 refinance of the balloon loan. Is it an expenditure that fits with our environmental positioning, but isn't needed yet? Or might it make sense financially (and help with the refinance) because of tax write-offs and depreciation? Helen suggested that we postpone the decision until the new GM is hired. Pam felt that this and all capital expenditures be made in the context of the facilities Long Range Plan. Such expenditures would then be predictable & consistent with both our philosophy & material needs.

Board Decisions

- E-Recycle Container Contract: The Co-op will share a portion of any profit made on the recycling. Our costs are the maintenance costs of the recycle center. The insurance is not covered by the Co-op but by Magnum Recycling. As such, Don moved that we approve the contract provided that Magnum guarantees adequate & enforceable insurance coverage. The motion was seconded by Helen. The board voted to approve with Bob Scott abstaining.
- The Board unanimously approved Sara Yoo as Interim General Manager on a motion by Bob, seconded by Michael.

Information Sharing and Discussion

- Long Range Plan Chapter Updates: Again no progress was made on finalizing the LRP. Pam urged action on the plan explaining that the Membership portion has been completely stalled (e.g. no progress on a customer survey) by the failure to give the plan to the GM to operationalize. Michael, Martyn & Don agreed to immediately work on editing it.
- Education: Recent offerings have been well attended and a Fall Series is being developed.

Helen Nadel described the effort of the committee to develop a long term plan to reduce costs. Holding the cooking classes at Swarthmore Presbyterian Church is preferable to holding them at the Co-op, and they are trying to negotiate a discount on the facility's usage rather than “pay as you go”. It takes 11 participants to break even. Costs have been cut by eliminating “take out” at the end of each session.

- Rounding Up: Funds for Sunday Suppers have been successfully raised through this program. One sensitivity is that the cashiers felt that customers were annoyed at being asked so often. It was agreed to allow cashiers to use their judgement about who to approach. Expanding this program to benefit the Education Committee programs is under consideration.
- 501C-3 Sara and Aliya explained that we are waiting for Board approval from The Sustainable Business Network to act as the Co-op's fiscal sponsor as a non-profit, rather than the Co-op having to join SBN.

Review of Action Items

1. Include Solar States attachment to May 2014 Minutes- Pam
2. Review 2013 financial reports & eliminate 12 month amortizing of expenses – Michael
3. Review ATM/EBT data & take to Finance Committee for July recommendation- Aliya
4. Review the E-recycle contract with Magnum to clarify insurance coverage- Bob & Sara
5. Edit LRP plan in anticipation of its finalization & approval- Don, Martyn & Michael
6. Sara will meet Jane Billings, Borough Manager

Adjournment

The meeting was adjourned at 8:30PM. An Executive Session followed.

Next Meeting

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

Respectfully submitted,

Pam Bartholomew
Secretary

Documents for the Meeting

[Co-op Board Agenda 6-30-14.doc](#)

15 Jul, 59.5 KB

[marketing director report 06_2014.pdf](#)

30 Jun, 161.2 KB

[gm report.docx](#)

21 Jun, 45.9 KB

<http://nextcity.org/daily/entry/africas-war-on-plastic-bags-senegal-mauritania>

[Marketing Report May 2014.docx](#)

18 Jun, 24.4 KB

[Co-op May 2014 Income Statement.pdf](#)

12 Jun, 19.1 KB

[Co-op May 2014 Cash Flow.pdf](#)

12 Jun, 5.9 KB

[Co-op May 2014 Balance Sheet.pdf](#)

12 Jun, 8.6 KB

[Co-op Annual Monitoring Calendar 2014.doc](#)

5 Jun, 36 KB

[membership for may 2014.xlsx](#)

6 Jun, 12.6 KB

[Monthly EBT transactions.xlsx](#)

2 Jun, 9.7 KB

[Copy of Credit Debit Reporting.xlsx](#)

30 May, 13 KB

[B6 Staff Treatment Monitoring Report June 2014.doc](#)

18 Jun, 43.5 KB

