

SWARTHMORE CO-OP BOARD OF DIRECTORS
MINUTES OF MEETING
JUNE 26, 2017

Call to Order

The June meeting was held in the Community Room of Borough Hall. It began at 7:10 PM.

Present: President Pam Bartholomew, Vice President Ines Rodriguez, Treasurer Michael Markowicz (by telephone for approval of computer system spending), Lori Knauer, Stephanie Edwards, Barbara Amstutz, General Manager Mike Litka.

Absent: Secretary Jill Gaieski, Jacquelyn Diamond, Donna Francher, Sean Fitzgerald.

Approval of Minutes

Approval of May 22 and Annual Meeting minutes deferred due to lack of quorum. The group discussed several revisions to the May 22 minutes; Lori will update.

Member Comments

No member comments.

General Manager Monthly Update

GM Mike Litka highlighted the following from his report.

Events/Donations/Outreach/Marketing:

- Car magnets for sale in store; Mike distributed to the Board.
- Marketing survey in process. Usually costs \$3,000 but we got it for free since they want data on hybrid stores.
- Mike is working with Fare and Square Market in Chester; GM and receiver spent about 3 hours at the Coop, and Mike and Steve plan to visit there in a couple weeks. Biggest concern is receiver is doing data control as well; perpetual inventory system is time-consuming. \$3 mill/year in sales. Highlight: walked out and Rose was meeting with rep from Ruth Bennett Farms in Chester on patio.

Facilities:

- Lighting conversion completed and seeing reduction in energy; hope for \$800/month savings.
- Lift has been approved.
- Clearing out roof garden and removing beehive tomorrow.
- Mike presented a proposal for replacing CPU and servers. Expected life is 5 years and we're at 7 years. Dawn and Kira working on this since late last year. Lease to own: \$11,600; or \$559/month for 24 months. Six-week lead time for delivery and installation. New system will include additional features like generated emails, gift cards module, linking of email and database to POS system, coordinated financials.

- Ines made a motion to approve Mike's proposal to purchase upgraded computer system at \$559/month for 24 months. Stephanie seconded. There was a vote to approve Mike's proposal. The motion passed unanimously.

Staffing:

- Sent 10 people to be serv-safe certified.
- Megan and Kira attended CCMA.
- Kudos received for Jules in home delivery.

Operations:

- Credit cards – 3rd party reports system is in great shape; no changes required.
- Five-year contract with Aramark (linens). Mike is meeting with them tomorrow to discuss high price increases.
- Propane tank exchange gone – can't be stored on public sidewalk.

Financials:

- Lost \$10,101 in May; prior year was a loss of \$12,101. Some of loss due to timing: accountant's tax bill came in earlier than last year, plus architectural fees - without those, would have made a couple hundred dollars. June will be rough month; unexpected expenses including water heater, meat grinder (25+ years old). Sales down due to summer seasonality, even earlier than last year (down \$2-5,000 each week), basket size stable.

Ownership:

- Letter went out to individuals paying over time; only 3 have paid to be current.

Finance Update

- Liquor license. Did not pursue June 30 auction, but others may be coming up. Not worried about delay. Deed restriction being investigated. Waiting for money and resolution of deed issues.
- Member/nonmember sales. Not on Backpack. In May, overall sales down, primarily due to falling member sales. Nonmember sales up slightly even with college gone. Both basket sizes stable.
- Capital Campaign (Stephanie). Met with PNC last week. Clause in loan docs said Coop can't take on additional debt without PNC's approval. PNC reviewed financials and is supportive of campaign; need to send Coop loan docs to him for approval. Timing: quiet phase in fall, then launch October, end December, start remodel in January, grand opening Oct 2018. Brochure is key. Committee is working with Articus marketing firm. Solicitation will include vendors and other Coops. In response to question about legal documents, Pam confirmed that law firm has prepared all required disclosure and risk factor documents, as well as promissory notes.

Board Decisions

- Approval of monitoring reports deferred due to lack of quorum.
- Employee handbook is due for update. Lori will meet with Mike to see how HR Committee can support him.
- B6(3). Mike will take steps to secure personnel file info as soon as member data spreadsheet is completed.

Information Sharing and Discussion

- CCMA (Consumer Cooperative Marketing Association) Recap. Pam attended and reported that program was very worthwhile. Keynote: shopping behavior and trends (convenience of e-commerce, consumers need a good reason to get in their car); experience is critical. Methods for engaging “outside the store walls” via social media: “stretching the store experience” through the internet. Board/owner communication workshop. Micro campaigns for members (eg, 31 members in 31 days, raffles, parties when reach store promotion goals). Suggestion to visit and follow other Coops online.
- 80th Anniversary. Stephanie summarized her report, including flow of day. Music and speaker confirmed. Will also buy unlimited license for Food for Change film. New borough permit system; Stephanie submitted. Projecting 100-125 people. Looking for caterers.
- Membership Drive Committee (Barbara). Meeting on Friday. Initial phase coordinated with Capital Campaign.
- Governance. Ines will set up meeting of committee.
- Non-member comments. Board discussed request for formal nonmember communication process; instead suggest a conversation with Mike. “Know Your Coop” walk-through to address perceived expense?
- Education/sustainability (Ines). Saturday, July 29 Mobility and Nutrition event, includes Co-op store tour. Good outreach to Morton/Folsom/Holmes. Maybe event for incoming students for new dorms with kitchens. Mike may contact Elizabeth Braun, Dean of Students about some type of welcome packet. Card at Inn: stock your freshman’s fridge.
- Board retreat – topics? Jade did program at CCMA on grocery trends. Also suggestion to review and discuss Strategic Plan and Visioning results, especially for new Board members.
- MAFCA Event July 21. Arrive about 11 am, tour of Co-op, lunch, then two programs, including one by Penn Professor Andy Lamas with specialty in co-ops.

- Volunteer/Events Committee. Committee met and discussed collaboration with Fair and Square and suggestions from Mike (such as in-store volunteers for survey). Mike reported that Sunday Suppers program is now being run by staff rather than volunteers, which works since only 7 families are receiving services. Holly is point person in store.

Review of Action Items

1. Lori will make revisions to May minutes and circulate.
2. Pam will add liquor vote and other voting items to July meeting agenda.
3. Lori will meet with Mike to set up HR Committee.
4. Ines will set up meeting of governance committee to discuss by-law changes.

Adjourn

The meeting adjourned at 9:11PM. An Executive Session followed.

The next meeting will be held on Monday July 24, 2017 at 7pm in the Community Room of Borough Hall.

Respectfully submitted,
Lori Knauer
Board Member

Documents for the Meeting

Policy C4 Internal Monitoring 2017 Report
Policy C3 Internal Monitoring 2017 Report
Co-op Board Agenda June 2017
Customer Communication
GM report June 2017
B6 Staff Treatment Monitoring Report June 2017
Co-op Owner Rules-Bylaws recommendations
Draft Minutes – Annual Meeting of Owners 4.20.17v.2
Draft Co-op Board Minutes 5.22.17
Board Report – 80th Anniversary
Board Report – Capital Campaign
Co-op May 2017 Income Statement
Co-op May 2017 Balance Sheet
Co-op May 2017 13 Month Rolling Income page 1 of 2
Co-op May 2017 13 Month Rolling Income page 2 of 2