

SWARTHMORE CO-OP BOARD OF DIRECTORS

MINUTES OF MEETING

July 27, 2015

The July meeting was held in the Community Room of Borough Hall. It began at 8:15 PM following a meeting with all of the department managers.

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, Ines Rodriguez, General Manager Cheston Lawrence, Marketing Manager Jason Shapiro and new HR consultant, Dawn Betts.

Approval of Minutes

Don Delson made a motion to approve the minutes of the June 29, 2015 Board of Directors meeting. Carol Savery seconded the motion and the Board voted unanimous approval.

Ines Rodriguez voiced her disapproval of the ATM machine even though her vote couldn't be counted as she was absent from the June meeting.

Manager Update Report

Marketing Manager, Jason Shapiro, outlined the marketing priorities that he is currently working on.

- In store and exterior signage took top billing. A large sign on Meyers Ave. directing shoppers to the store has been installed. Now commuters who get off the train can see the Co-op. More exterior signage options are being explored. Balancing cost (awnings are the approved borough signage) and conforming to borough regulations is proving to be the challenge.
- New payment options for ownership are in place. Using PayPal ensures that the Co-op receives payment regardless of which plan is chosen (unlike the previous \$5/mo. option).
- A new ad campaign centered on our butcher (Lance and the entire team) will target the customers of Tori's Butcher Shop that recently closed. Direct mail delivered through the Delco newspapers and Email marketing will reach 100,00 prospects in Delaware County and the Main Line.
- After attending CCMA Jason was convinced that Ownership rather than Membership is the best way to refer to our equity partners. Ownership should be more empowering and create greater buy in from our shoppers who choose to join.

New HR Consultant

Dawn Betts was introduced and described her plan for the Co-op. Her office will be “off-site,” but she will be in the Co-op 2 days/week to start and will get to know the employees and the store. She plans to attend monthly board meetings. She will begin preparing an HR audit to document where we stand now. She would like to identify advancement opportunities for current employees and provide management training tools.

Board interests and questions for her were:

- identifying trends in healthcare costs which will affect the store.
- clarifying exempt & non-exempt jobs and the implications for OT for lower wage employees

GM Update

There were no Board questions on the GM monthly report because most had been covered in the meeting with the managers which preceded the Board meeting. The direction of the Co-op, whether it should continue to offer an array of conventional products as a convenience or become more of a specialty store only offering products consistent with its core values, is the decision that the directors and managers are tackling in anticipation of a tougher competitive environment (Wegmans coming to Broomall).

Finance Update

Treasurer Michael Markowicz described store sales that were down 6.5% in June, our largest decline to date. However, cost controls that were in place resulted in \$4k profit. Sales were down in five departments. An analysis of Seafood sales showed an “open ring” categorization where most losses occurred. Cheston has re-assigned a Deli employee who has related retail experience to specialize in pricing to improve the system for entering specialty items. Michael and Sara described the inadequacies of our current reporting system and their effort to bring it into the 21st century.

- The Member-non-Member Sales Analysis showed that for the first time (2014 & 2015 data) member sales declined.
- The roundabout was finished so the obstacle to getting into town was removed just in time for summer vacation. This does not necessarily explain why member sales would have declined.
- A one year contract for the ATM machine has been completed with WSFS. The Co-op will pay WSFS a flat monthly fee (\$400) and they will do all of the work from maintenance to signage to providing an armed guard at the time the machine is stocked.

The \$1.50 transaction fee is will be the lowest in town. The goal is to breakeven while providing a convenience to customers.

Board Decisions

GM Monitoring Reports

- B8: Communications with, Counsel to, and Support of Board
Don made a motion to accept B8. Michael seconded and the Board voted unanimously to accept.
- B10: Conflict of Interest
Don Delson made a motion to accept the report. Bob Scott seconded the motion which was approved by a unanimous vote of the Board.

Board Monitoring Reports

- C6: Officers' Roles
Don Delson made a motion, seconded by Bob Scott to accept the report. The board voted unanimous approval.
- C5: Directors' Code of Conduct
Don Delson made a motion to accept C5 with the caveat that an email be sent to all board members who will reply with any conflicts of interest. Bob Scott seconded and the Board voted unanimous approval.

Information Sharing and Discussion

- Sunday Suppers: There is currently \$5858.73 in the fund. New recipients are being sought.
- Farmers' Market: Continues to draw good crowds. The Co-op will continue to man a table with ownership information and flower sales.
- Nominating Committee
Jill Gaieski is joining the committee to provide continuity as directors cycle off. Board members are encouraged to recommend candidates to the committee.
- Education Committee
Ines Rodriguez reported that no one came to the showing of "Food for Change".
- Marketing Committee
Pam Bartholomew reported that the marketing committee has been meeting regularly & working with Jason on the campaign to promote our butcher to customers of Tori's, new payment options for ownership and store signage. Board members were encouraged to send in responses to Jason's value proposition questionnaire.
- Board Retreat.
The meeting with department managers which preceded this board meeting made it clear that the strategic direction of the Co-op would be the topic of the Board Retreat. While we need to hold the retreat as soon as possible,

Karen Shore articulated the greater need to be prepared with data to inform our decisions. She agreed to outline the necessary information and a timeline so that we can plan a productive retreat.

Review of Action Items

1. Outline necessary data gathering and timeline for Board Retreat. Karen
2. Candidate recommendations to Nominating Committee. Board
3. Send Email re: any potential conflicts of interest. Pam
4. Respond to Jason's Value Proposition Questionnaire. All

Adjournment

The meeting adjourned at 9:40pm. An Executive Session followed.

Next Meeting

The next meeting will be held on Monday August 24, 2015 at 7pm in the Community Room of Borough Hall.

Respectfully submitted,

Pam Bartholomew
Secretary

Documents for the Meeting

Co-op 2015v2014 Sales Analysis

Co-op June 2015 Balance Sheet

Co-op Jun2015 Inc Stmt

B8: Communications with, Counsel to, and Support of Board

B10: Conflict of Interest Monitoring Report 7-15

Co-op Board Agenda 7-27-15

June GM & Department Reports

Co-op Board Minutes 6-29-2015

