

SWARTHMORE CO-OP BOARD OF DIRECTORS

MINUTES OF MEETING

July 28, 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, Board members Don Delson, Andy Rosen, Bob Scott, Helen Nadel, Karen Shore, Interim General Manager, Sara Yoo, and Business Manager, Aliya Glenn. Treasurer, Michael Markowicz was unable to attend.

Approval of Minutes

The minutes of the June 30, 2014 meeting were approved on a motion by Andy, seconded by Helen. The Board unanimously approved.

GM Update

Interim GM, Sara Yoo, outlined several cost saving initiatives that are currently underway:

- A review of our inventory procedures including the company currently employed by the Co-op to do inventory.
- Reducing the employee discount from 50% to 40% for meals during their shifts & allowing employees to open house accounts with \$20.
- Instituting a \$10 minimum for EBT transaction to reduce our fees.
- Creating the position of Buyer/Purchasing Manager in order to affect margin improvement across all of the departments. The buyer would partner with the department managers, working to negotiate discounts, improve sourcing and upgrade contracts. Sara explained that most stores the Co-op's size have a purchasing manager. One option might be to use a current manager who would assume this position part time while continuing to oversee his/her department. We discussed how to evaluate the success of this position by using a comparison of both margins and sales volume before and after this change.

Bob Scott proposed a motion that Interim GM Sara Yoo appoint a joint Store Purchasing Manager /Department Manager and that she develop metrics to judge the success of this new position. Don seconded the motions and the Board voted unanimously to approve it.

Finance Update

In Michael's absence, finance Committee member Don Delson reported a loss in June. As a result of this loss, the store must make at least \$40k profit in the second

half in order to meet our targets on which successful refinancing in 2015 depends. He outlined the changes in the expense structure (see GM report) to reduce expenses, as well as other ideas like having an ATM machine in the store. The Co-op would get a portion of the ATM fee as well as save money by eliminating cash back.

Business Manager, Aliya Glenn, recommended that the Co-op hire a new accounting firm, Maillie LLP, to replace Merves. Maillie LLP comes highly recommended and offers a fee structure that is more favorable for the Co-op.

Helen Nadel moved that the Co-op end its relationship with Merves and engage Maillie LLP as its new accounting firm. Bob Scott seconded and the Board unanimously approved.

Board Decisions

- Bob Scott moved that the Board hire “Leadership Recruiters” as the search firm for the new GM. The motion was seconded by Don and unanimously approved by the Board.

GM Monitoring Reports

- B-6 Staff Treatment and Compensation :
Because of the recent GM departure, a motion was made by Bob & seconded by Carol to defer review of this report to the September meeting. The Board approved.
- B-8 Communications with, Counsel to and Support of Board:
On a motion by Bob, seconded by Andy the Board voted not to approve this report. It should be noted that this is no way a reflection of the Interim GM. Additionally, B8-1 should be revised by removing the “Monitoring Summary Table”.
- B-10-Conflict of Interest:
B-10.3 will be revised to read “the GM may never hire any family member for short term work or as an independent contractor”. The motion was made by Don, seconded by Carol & approved unanimously by the Board.

Board Process: Self-Monitoring

- C-3: Agenda Planning-
The Board approved this report on a motion by Bob, seconded by Don.
- C-5: Directors’ Code of Conduct
The Board found itself not in compliance with C-5.10. Bob made a motion that the Board president send an email (rather than a letter) for disclosure of any conflicts of interest and that C-5 be revisited in August . The motion was seconded by Helen and the Board unanimously approved.
- C-6: Officers’ roles

The Board voted unanimously to approve this report on a motion by Bob, seconded by Don.

Information Sharing and Discussion

- Long Range Plan –It was decided to defer work on the LRP until the new GM is in place.
- E-Recycle Container Contract: Bob Scott reported that the contract does not include the required insurance. He will work on adding the appropriate language.
- 501C-3: No progress has been made since the last meeting.
- Education Committee: Helen Nadel asked that Sunday Supper updates be included in the monthly GM Report.

Review of Action Items

1. NCGA visit will include Bob, Don, Helen, Michael
2. More detailed description on department manager's plan to retain quality if the manager's time is shared with the Purchasing position.
3. Metrics to judge the success of the new Buyer plan to be developed- GM
4. Aliya will engage Maillie LLP as the new accounting firm replacing Merves
5. GM report – ensure that future reports are “public facing”
6. Leadership Recruiters will be hired to conduct the GM search- Bob
7. B6: Staff treatment and compensation to be deferred until September
8. Amend B8:1 to remove monitoring summary table
9. Amend B10-3: remove family member working provision
10. C5: Directors' Code of Conduct- an email will be sent to all directors to record any conflict of interest, revisit in August- Martyn
11. Sunday Suppers update to be included in the GM report
12. Bob to add language to contract for recycling container
13. Sara will forward information on industry events to Board members

Adjournment

The meeting was adjourned at 8:45PM on a motion by Bob, seconded by Don. An Executive Session followed.

Next Meeting

The next meeting will be held on Monday, August 25 at 7pm in the Community Room of the Swarthmore Borough Hall.

Respectfully submitted,

Pam Bartholomew
Secretary

Documents for the Meeting

[Swarthmore Contract for ATM.pdf](#)

28 Jul, 47.3 KB

[Swarthmore Food Cooperative Proposal 1214-1215.doc](#)

28 Jul, 98.5 KB

[Co-op Board Agenda 7-28-14 Updated.doc](#)

27 Jul, 60 KB

[GM Report for June 2014.pdf](#)

26 Jul, 480.4 KB

[B8 Communications with Board Monitoring Report 7-14.docx](#)

21 Jul, 22.1 KB

[Co-op Board Minutes 6-30-2014.docx](#)

17 Jul, 136.3 KB

[Co-op Q2 2014 Actual v Budget.pdf](#)

14 Jul, 20.5 KB

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

13 Jul, 12 KB

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

13 Jul, 57 KB

[B10 Conflict of Interest Monitoring Report 7-14.docx](#)

10 Jul, 18.1 KB

[membership for 2014.xlsx](#)

10 Jul, 12.9 KB

[Weaver's Way ATM article.pdf](#)

13 Jul, 95.1 KB

