

SWARTHMORE CO-OP BOARD OF DIRECTORS

MINUTES OF MEETING

As amended

September 26, 2016

Call to Order

The August meeting was held in the Community Room of Borough Hall. It began at 7:01 PM.

Present were President Pam Bartholomew, Vice President Ines Rodriguez, Secretary Jill Gaieski, Treasurer Michael Markowicz, Board members Andy Rosen, Don Delson, Karen Shore, Jacquelyn Diamond, Lori Knauer, Interim Business Leader Dawn Betts.

Not present – Fran Boston

Approval of Board Minutes

Jill made the motion to approve August 22, 2016 Board minutes. Andy seconded. The Board approved the minutes unanimously.

Member Comments

None

General Manager Monthly Update

Dawn Betts gave the general manager monthly update.

Cash Flow:

- This time of year cash flow is limited.

Sales:

- Dawn prepared and disseminated Daily Department Sales 2015 v. 2016
 - Gross margin down
 - Reasonably strong September

Labor:

- Labor hours down

Strategic:

- More customers in the store
- She and staff focusing on “Weds, Thurs, Fri Strategy”

- Target is to get back to 2015 numbers
- Employees charged with focusing on: events, promotions (of all kinds), velocity (changing things up)

House Accounts:

- 98 still in arrears
 - Net with new system - -\$2000 (we are closing in)

Events:

- Supplying food to Arts Festival
 - Made money on grill
- Ines suggested we help Co-op get more credit for branding of Truck-a-thon in future
 - Dawn will try to keep Coop open until 9pm going forward

Finance Update

Michael gave finance update

- Spoke about cash on hand issue
 - Board discussed options
- August gross margin down over 2015
 - Discounting
 - Not getting price breaks
- One Card Status
 - Working well, but 5% student discount is still in effect until January 1, 2017 – College insisted
 - We discussed strategies for attracting more students
- Office Space Options
 - Nothing ideal in town, but we will continue to look

Board Decisions

GM Monitoring Reports

Board continued to engage in discussion on restructuring Policy Governance so it will serve the Board and Co-op better. Ines heading this effort and will continue to update Board each month.

- B7: Coop Premises – Deferred for reinterpretation

Board Monitoring Reports

- C5: Directors' Code of Conduct – Deferred for reinterpretation
 - Don made motion that Governance Committee write change to C5 to entertain possibility of peritting employees to become Board

members. **(I MISSED WHO SECONDED)**. Motion passed with majority approval. Ines opposed the motion.

- Members need to approve policy change.
- All to read C5 and continue discussion.
- C8: Governance investment
 - Karen made motion that Board is not in compliance with C8. Michael seconded. Board is not in compliance with C8. To begin to address this, the Board reviewed and agreed to increase our training.

Information Sharing and Discussion

- Volunteer Committee - Nothing to report b/c sub-committee has been unable to meet.
- Policy Governance Committee – Nothing to report b/c subcommittee has been unable to meet.
- Leadership Committee - Don reported that two search consultants were interviewed, and it was decided that Brett Myers from the Carlise group, best meets our needs. Brett Myers has created a job description for the position and has agreed to meet and consult with Caralee from CDS. The search for GM has begun and Brett will make the Board aware of progress at all stages. There are two internal candidates who currently expressed interest in the GM position.
Brett Myers will communicate with Co-op staff, solicit applications and sort out all potential candidates.
- Capital Campaign – Don Don Delson reported that the launch of the campaign should begin in January or February 2017. The campaign goal will be in the \$4-500,000 range. The board commitment currently exists in the \$19,000.00 range. Any loan made to the campaign less than \$100 isn't worth the paperwork involved. As an alternative, loans for less than \$1000.00 can be made to increase equity for members, which is more manageable to administer.

Michael reported that if members request their equity contribution or membership fee back, the Co-op has the right to delay or deny redemption as identified in the by-laws under Capital Stock.

Dawn reported that members, on a monthly basis, have requested their membership fee be returned to them. It was suggested that we vote to suspend all redemptions until data is reviewed on members in and members out each month.

Don reported that he would create a risk factors sheet for the pre-campaign. Potential investors and friends of board members will receive a pre-

campaign letter, written in plain English. Any names of potential investors should be given to Don by Friday 9/30/16.

Pam consulted with CDS experts who advised that a lawyer review the risk factors sheet before being dispersed.

Don will create a spin sheet for review by 9/27 for all board members.

- Sustainability – Nothing to report
- Farmers Market - Jacqlyn will be at the market on 10/8/16 to represent the Co-op, engage potential non-members to become members and advertise upcoming Co-op events. A rep from Lumi juices will also be with Jacqlyn for tasting and free samples.
- Education Committee – Jacqlyn reported that the chicken coop tour was a huge success. 39 adults and 3 children were present for the tour. The education committee now has an Instagram account created by Ines - “swacoopec”.

October 16th Jacqlyn and Adam Leach will be at the Co-op from 1-3pm offering samples of healthy Halloween-themed treats, accompanied by a recipe cards.

- Board Education - Pam and Ines reminded the Board of the Co-op Café event on November 5th in MD. Board education is important to many members and those who cannot attend the November 5th event requested a local retreat or a mini-retreat. Pam is exploring options with CBLD for a potential retreat in January or February 2017.
- Beer and Wine Sales - Karen connected with Bob Scott who connected with a liquor attorney who can shepherd the board through the legalities of selling beer and wine at the Co-op. This will be a costly investment. As an alternative, Michael reported that tasting rooms are permitted under PA law. A brewer who is licensed by the state can offer tastings of beer, wine and liquor. Michael has brokered a meeting with Tim Kearney and Shipbottom to find space in town to offer something like this.
- DC to PA – Nothing to report.
- HR Committee -2017 Benefits - Options are being explored on the changes to employee benefits for 2017, including reducing health expenses or keeping these costs at a flat rate. For the October meeting, more info will be available for Board members to review.
- Marketing Committee - Marketing: Michael reported the Eric V. spoke to Jane Billings regarding signage and was told that there are no restrictions on sign size or placement for signage.

Review of Action Items

1. The events and marketing committee will explore ways to rebrand how the truck-a-thon is advertised. This will include giving more visibility to the Co-op as a lead sponsor.
2. The Marketing committee will brainstorm better ways to advertise the one card to college students.
3. The Policy Governance committee will meet to modify identified policies.
4. Don will send to all board members his pitch/spin letter and risk factors sheet for review by 9/30/16.
5. Education committee will send to all board members a list of upcoming events scheduled from October to March.
6. Pam will explore options for a mini-retreat or board retreat with CBS or C-build
7. Action items will be sent out after each board meeting and tracked by listing them on the agenda for the following board meeting, unless otherwise noted.

Adjourn

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

Next Meeting

The next meeting will be held on Monday October 24, 2016 at 6:30pm in the Community Room of Borough Hall.

Respectfully submitted,

Jill Bennett Gaieski,
Secretary

Documents for the Meeting

Co-op Margin Analysis

Board Report for September 2016

Internal Monitoring Report C8

Internal Monitoring Report C5

B7-Co-op Premises

Co-op August 2016 Balance Sheet

Co-op August 2016 Income Statement

Co-op Board Agenda September '16

Co-op Board Minutes 8.22.16