SWARTHMORE COOP BOARD OF DIRECTORS

MINUTES OF MEETING

AUGUST 26, 2013

The meeting began at 7 p.m. in Swarthmore Borough Hall .

Present were President, Bob Scott, Board treasurer, Michael Markowicz, Secretary, Pam Bartholomew, and Board members Helen Nadel, Carol Savery, Martyn Harding, Don Delson, Andy Rosen, and General Manager, Marc BrownGold. Karen Shore was unable to attend.

Presentation of Changes to Medical Benefits

Andy Rosen introduced Hilary French, an experienced compensation & benefits professional, with whom he has been working to develop a proposed benefits plan for Coop employees. She presented a recommended program (see attached) which was designed in accord with the Coop reward philosophy of providing above average benefits to full time employees with particular emphasis on healthcare.

Notable implications of the recommended plan include:

-Substantially more benefits (double the death benefit, short term disability & FSA) are available for an annual increase of $3671 to the Coop.

-Retaining Aetna as the medical carrier locks in their rate for 14 months, guaranteeing savings. The new renewal date of 12/1 then coincides with the dental renewal date of 1/1.

-For a nominal fee to the Coop ($174), the Death benefit doubles to $50,000.

-Short Term Disability insurance would double as a maternity leave benefit.

-Adding a FSA (Flexible Spending Account) would be available to all employees, even part time, and would reduce the Coop’s payroll taxes.

Discussion of the proposed plan centered on the FSA option, i.e. whether other Coops offered this benefit (unknown) and whether it was a benefit that most of our young employees would choose to take advantage of. Marc felt that most would rather maximize their paychecks than put money aside for medical costs they don’t anticipate. Don pointed out that half of the increase in the Coop’s cost of the new plan came from this FSA benefit & questioned whether in a year of lower anticipated profits, it was worth spending even $1300 on this option.

Don moved to accept the recommended Benefit Plan excluding the FSA option. Helen seconded and the Board approved the report.

Approval of Minutes

The minutes of the July 22 Board Meeting were approved with one correction, on a motion by Don and a second by Helen.

General Manager’s Monthly update

General Manager, Marc BrownGold, provided his monthly update. “Gloomy” industry sales in July were reflected in the first ever monthly sales loss in Marc’s tenure as GM. August sales at the Coop have shown improvement to date, even though the industry continues to be down. Comparisons to 2011 sales rather than to 2012, would look more positive because 2012 was a banner year that will probably be difficult to duplicate.

Conversation centered on the Coop’s difficulty competing on price. Marc gave the example of adding the Merrymeade milk brand, which offers superior quality and sourcing, as an alternative to Lehigh Valley milk that is sold more cheaply by our competitors.

A broader discussion about the wisdom of reducing the space for products (commodity) on which we will never be able to offer low enough prices and reallocating that space to more differentiated products. It was suggested that a 10 Year Plan to accomplish this should be addressed in our next Board Retreat.

Marc was enthusiastic about his work with the Executive Coach, to the point that he was passing on this mentoring to his mangers. They are working on developing their own 4 year Strategic Plan.

In recognition of her work (pro bono), Don moved that the Board give the Coach a $300 gift card. Michael seconded and the Board approved the motion.

In an effort to reflect the Coop values, Marc asked if the IRA administration could add socially responsible funds to its selection. Andy noted that Lacher has an investment branch and will inquire about this.

Finance Update

July financials-Treasurer Michael Markowicz reported that the 2% decline in July sales was disappointing but it should be noted that July 2012 sales were up 14.6% compared to 2011, an increase that would be difficult to duplicate.

Meat margins were down substantially. Marc said that the Coop is re-sourcing its grassfed beef and will no longer buy an entire cow because it is too difficult to move.

Business Manager Job Description- Michael presented a proposed job description for Board comment. The goal is to be able to post the job by September 1 (Monster.com, GoodFoodJobs, and LinkedIn) and fill it for the start of 2014.

A motion to advertise the Business Manager Job position was made by Andy, seconded by Carol and approved by the Board.

Board Budget

Spending $5000 for CBLD was questioned now that Policy Governance is in place and the Strategic Plan is in the works. Bob will inquire if there is a “lite” option that would still provide some consulting services. We could even look elsewhere for a retreat facilitator.

$1000 was added to the budget for contacting membership about the Strategic Plan.

A motion to approve the $6700 budget was made by Don and seconded by Andy. The Board accepted the plan.

GM Monitoring Reports

B-1: Financial Conditions and Activities

Because of the DSCR being below the stated target, the GM was found to be not in compliance for B-1/3. A motion was made by Don and seconded by Andy to accept the report.

The Board approved the motion.

B-3: Asset Protection

Proposed changes to get to compliance include:

B-3.3: Adding select Board members to employees who had both a key and personalized access code to the Coop.

B-3.11: Changing the artwork and/or Coop logo in marketing pieces needs to be reviewed by the Board. The Marketing Director, Anthony, will come to the next Board meeting to pitch alternatives.

A motion was made to accept the reports with the above changes by Don and seconded by Helen. The Board approved the motion.

Board Self Monitoring Reports

C-7: Committee Principles

The Board found that we are in compliance in all areas. Don moved to accept and Carol seconded. The report was approved by the Board.

Information Sharing & Discussion

-Long Range Plan:

Individuals committees will convene and report their progress at the September meeting .

-Education:

Helen reported that the second annual Chicken Coop Walking Tour on 9/7 is sold out- literally! This year participants are paying $5.

Sunday Suppers is in need of smaller group meeting to work on attracting volunteers and working out organizational problems. Don and Carol and Marc offered to participate.

Kira and her team should be officially commended by the Board for their work on developing the Back to Basics Program.

Action Items

1. Bob will convene the Policy Governance Committee

2. Anthony will attend the next meeting to review the logo possibilities

3. LRP plan- Committees will convene to make progress on individual chapters for the next Board meeting.

4. Sunday Supper will have an organizational meeting.

5. Bob and Helen will pen a draft of the commendation letter to Kira on the “Back to Basics” Program

Adjournment

The meeting was adjourned at 9:00. An Executive Session followed.

Next Meeting

The next regular meeting will be held on Monday, September 23 at 7pm in the Community Room of Swarthmore Borough Hall.

Respectfully submitted,

Pamela Bartholomew

Secretary of the Board of Directors

Board Meeting Materials

\*Coop Board Agenda- August

\*Coop Board Minutes 7/22/2013

\*Coop July 2013 Balance Sheet

\*Coop July 2013 Income Statement

\*GM Report

\*B-1: Financial Condition and Activities

\*B-3: Asset Protection

\*Marketing Report, July 2013

\*July Memberships 2013