

Meeting Minutes
Swarthmore Co-op Board
Monday August 27, 2018
Swarthmore Borough Hall – Community Room

In Attendance: Donna Francher, President; Jill Gaieski, Vice President; Stephanie Edwards, Treasurer; Mark Rossi, Secretary; Barbara Amstutz, Greg Bockman, Jacquelyn Diamond, Lori Knauer, Ines Rodriguez, Mike Litka, General Manager

7:00 Call to Order / Agenda Review All

7:05 Approve Minutes of July 23, 2018 Board Meeting All

Jill requested that in the section of the July 23 minutes regarding obtaining a liquor license we should add a clarification that “plans are being worked on to pay legal fees.” Mark will edit minutes accordingly.

Barbara made a motion to approve minutes with this change, Andy seconded and the motion passed unanimously.

7:05 Member Comments: All
There were no member comments for Board review.

7:10 General Manager Monthly Update Report Mike

Outreach/Events:

- Participated in the Thursday Night Live Street Stroll on August 9
- Opted out of participating with a table at the Swarthmore Farmers Market
- Quizzo returns 9/7
- Sponsoring Thursday Night Live concert on 9/13
- Truck-A-Thon returns 9/14. Efforts continue to increase volunteers to support clean-up
- Dietz and Watson ad featuring sandwich promotion from several months ago will continue airing during Eagles games.

Facilities:

- Foundation specialist visited the store to review issues with the floor gap under the coolers. New concrete will need to be poured at an estimated cost of \$16,000. Process is very complicated.
- Crossed-connection of water lines (hot and cold) was addressed. A plumber installed new check valves.

Operations:

- Retreat meeting for store staff on 7/31 went very well.

- Back-of-house recycling has returned for now; we will continue to do recycling of all products in the same manner.
- Staffing of outreach events is creating issues due to strain and stress being placed on the team. The staff has limited capacity to take on things that are beyond the scope of their regular positions. An event like the Truck-A-Thon is very hard to run. We can't run bigger events with a smaller staff.

Discussion: Can we do promotional/outreach events differently or better so it places fewer burdens on staff? We need to strategies for how to attract volunteers. Also, we need to consider the payback and benefit of these types of events from a revenue perspective. Extra trash pick-up costs \$800. Do we think about continuing events but scaling back on their scope/size?

Action: Lori will address this with the charter for the outreach committee.

- August results have been not quite as bad as expected but not great. Customer counts are down due to fewer people in town in the summer period and small numbers of students on the campus. These results reflect the challenges facing retail businesses across the board. The return of students this week should help with August month-end results.
- Mike and Greg noted that the discrimination awareness training session for staff was enjoyable and engaging. The team has a better understanding of how the organization is structured and the overall direction of the business. The store discount and profit sharing incentives were appreciated. We will plan to have a similar session next year.

7:35

Finance Update

Mike

- July financials were down from projection and from the same period last year.
- Expense categories were under budget for the period with the exception of wages, which included the staff bonus payout. We are only \$2,500 over plan, while bonuses totaled \$5,800.
- We continue to experience a downward trend in member/owner sales vs. non-member sales. While price per basket was up, customer counts are down.
- Overall numbers for the year are down resulting from the weather issues and store closing back in March.

8:00

Board Decisions

GM Monitoring Reports

All

- **B3: Asset Protection**

The General Manager is in compliance.

Mark made a motion to approve, Stephanie seconded and the motion passed unanimously.

- **B10: Conflict of Interest**

The General Manager is in compliance.

Andy made a motion to approve, Jacquelyn seconded, the motion passed unanimously.

- **B1: Financial Conditions**

Discussion: Although Mike reports to the Board every month, the Board accepts the fact that we are out of compliance. The level of compliance as stated in B1 appears to be an unattainable goal. Do we need to change the level of compliance?

Action: It was agreed that the Finance Committee would review and evaluate the policy and compliance goal and provide a recommendation for Board review and approval. Stephanie made a motion for the Finance Committee to proceed with this work, Jill seconded the motion and the motion passed unanimously.

Board Monitoring Reports

- **C7: Committee Principles**

Ines reported that several Board committees do not have written charters, so therefore we are out of compliance.

Action: The Finance Committee will review their charter for updates and the Outreach/Engagement Committee needs to develop a charter.

Committee chairs and members will work on charters with goals over next several months. Jill made a motion for committees to complete charters, Greg seconded, and the motion passed unanimously.

8:10

Discussion

- **Update on Liquor License:** The final list is being prepared to serve to those parties that have not signed the Biddle Tract Waiver. Fintan will share the final list with Stephanie, Jill and Donna. 32 individuals remain outstanding. The Alcohol Sales Committee (Jill, Lori, Stephanie, Donna, John) met last week to discuss status. The Board agreed that the upcoming auction cycle in November may be next time in which we can take action toward obtaining a license pending the outcome of serving notices and any possible suits.

Action: Fintan will serve notices. The Board will review status and discuss next steps at the September 24 Board meeting.

- **Visioning:** Donna opened a discussion that the Board must address alternatives for increasing revenue in the event that the plans to include wine/beer sales do not materialize. What is actionable to increase

revenue? What is our vision for the CO-OP with and without alcohol sales? What do we want the CO-OP to be? Donna proposed a 1/2-day working session in the near future to address our vision. This session will include Board and owners/members.

Action: Donna will propose dates for the session to take place at her home and confirm with the Board before the next Board meeting on September 24.

- **Bylaws:** Following the discussion at the July Board meeting, it was agreed that the Board Governance and Administration Committee will meet and have a plan in place to update the Bylaws ready for Board review by the end of 2018.
- **AOB:** Ines raised the issue of what the CO-OP is doing around product mix relative to ingredients in order that we can stress offering healthier items to customers. General Mills was noted for the issues with its cereal products. There was a long discussion about optimal product mix. Mike reminded the board that we stress product mix by offering both common and more expensive healthier products. Example: Oreos vs. Newman cookies. We still sell more of the more common products even though consumers tell us they want higher quality products.

Action: The Board agreed that this topic can be addressed at the upcoming Visioning meeting.

8:40

Review of Action Items

Mark

1. Finance Committee to review compliance for B1: Financial Conditions
2. Outreach/Engagement and Finance Committees to review their charters, per C7: Committee Principles
3. Board Governance and Administration Committee to meet to formulate plan for review/update to Bylaws.
4. Visioning Meeting to be held in October – date TBD.

8:50

Adjourn

Stephanie made a motion to adjourn the meeting, Andy seconded, the Board approved unanimously.

Next Meeting: September 24, 2018

Meeting Documents

August 27 Meeting Agenda

July 23 DRAFT Meeting Minutes

GM Report – August 2018

B1 – Financial Condition and Activities

B3 – Asset Protection

B10 – Conflict of Interest

Sales and Income Graphs for Board Reporting – July 2018

Actual vs. Budget Board Report – July 2018

CO-OP Profit and Loss – July 2018

CO-OP Cash Flow – July 2018

CO-OP Balance Sheet – July 2018

CO-OP 13-month rolling income statement, p. 1 of 2

CO-OP 13-month rolling income statement, p. 2 of 2

CO-OP 2018 vs. 2017 July sales

