

**Swarthmore CO-OP Board**  
**Monday July 23, 2018**  
**Meeting Minutes**

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

<b>7:00</b>	<b>Call to Order / Agenda Review</b>	<b>All</b>
<b>7:05</b>	<b>Approve Minutes of June 25, 2018 Board Meeting</b> Donna made a motion to approve minutes from June meeting. A vote was taken and minutes were approved unanimously.	<b>All</b>
<b>7:05</b>	<b>Member Comments:</b> There were no member comments for Board review.	<b>All</b>
<b>7:10</b>	<b>General Manager Monthly Update Report</b>	<b>Mike</b>

**Outreach/Events:**

- Outreach with local libraries and Community Art Center is continuing.
- We participated in a Dietz and Watson video ad with other participants in the recent sandwich contest. The video was shot in the store and will be aired during an Eagles game this fall.
- The CO-OP is invited to attend Mid-Atlantic Food Cooperative Alliance (MAFCA) meeting on July 29 in Newark, Delaware.
- Quizzo returns September 7.
- The CO-OP will sponsor the Swarthmore Town Center “Thursday Night Live” concert series on September 13.
- The next Truck-A-Thon is September 14. A call for volunteers from Town Center and Swarthmore College will be issued to receive support for the event clean up.
- The Octoberfest is scheduled for October 13.
- The CO-OP will close on 7/31 for a day of staff team building, education and celebration. Board members are invited to attend.

**Facilities:**

- Annual health inspection passed with no infractions.
- A foundation specialist visited the store to review the issues with the floor gap under the coolers. We are expecting a quote for repairs.
- Other repairs due to aging equipment will impact July financials, including replacement of the sandwich prep station (\$2,500). Also, refrigeration is under higher pressure due to higher temperatures, which is causing ice buildup in coolers. Freezer doors are aging and will require attention.
- New signage and shades for front windows are now installed.

## Operations:

- Waste Management and recycling are becoming bigger issues for everyone, including the CO-OP, with the collapse of the co-mingled recycling industry. Demand in China has dropped. There are contamination issues; items being recycled are not rinsed out correctly. (The July 23 Philadelphia Inquirer recycling article was cited). It is now costing the CO-OP \$230 per week for items being recycled. We will continue to recycle cardboard (2,000 pounds per week) and will continue to collect plastic bags and plastic wrap, but glass and plastic bottles will no longer be collected. This will be cost neutral for us, recycling will no longer provide us with a revenue stream.

**Discussion:** Ines asked “What can the CO-OP do to reduce its waste?” The Board and Mike agreed that steps can be taken by the staff, member owners and customers to control and reduce waste to protect the environment. Such an effort will begin with increased communication about how the CO-OP is environmentally aware and is encouraging the public to be aware as well. Simple steps can go a long way; e.g. don’t take a plastic spoon, use your own shopping bags, etc.

**Action:** Ines will work with Mike to create ongoing communications that will include in-store signage and messaging about the CO-OP’s commitment to the environment, and encourage customer commitment as well.

- **Staffing Changes:** Mike noted that there have been changes and reassignments in the fresh food departments in response to a few staff departures. These changes will improve overall operational efficiency. Open staff positions will be advertised on “Indeed” jobs website.

As part of the staffing change discussion, Mike mentioned that the upcoming staff retreat day on July 31 will focus on team building and morale. The staff will be informed of the new profit sharing policy. Greg Bockman will deliver a training session focusing on discrimination awareness and understanding.

7:35

## Finance Update

Mike

- Overall June was a good month financially but numbers are trending negative for July and August, which is typical of summer season. Member/Owner count is down or flat, although customer (non-owner) count is up.
- Sales were down slightly from projection and from last year.
- Cost of goods slightly above estimate for the period by below the quarterly forecast.
- The second insurance payment was received for the damage from the winter season, which provided a \$14,000 revenue gain.

- Year-to-date numbers are right where they should be. Overall profits are up 5% from last year.
- Basket size is less than 2017.

7:50

## Board Decisions

### GM Monitoring Reports

All

- **C3: Agenda Planning**

Ines reported that the Board is compliant. A motion was raised to approve C3 as written. The Board voted and the motion passed unanimously.

- **C5: Directors Code of Conduct**

Ines reported that the Board is compliant. A question was raised regarding Item 4.c.: “When interacting with the public, the press, or other entities, directors must recognize the same limitation and inability of any director to speak for the Board except to repeat explicitly stated Board decision.” The question is: *What is an “explicitly stated board decision?”* Answer: “One that is formally voted upon by the Board.” This supports the position that the Board speaks with one voice. A motion was raised to approve C5 as written. The Board voted and the motion passed unanimously.

- **C6: Officers’ Roles**

This policy addresses the specific responsibilities of each of the four Board officers. Ines reported that the Board is compliant on all of the measures listed for each officer.

Discussion points were addressed for a few specifics:

C6 – 3h: “The president ensures that a compensation plan for the General Manager is developed and presented to the Board for review and approval.” A comment was raised that there is uncertainty about how this occurs. Resolution: This process will be reviewed with the time comes for the regular evaluation of the General Manager.

**C6, #3l:** A question was raised about how the Board is planning leadership perpetuation.

Donna mentioned that we may need a better process: How are we preparing for the future? We will need to be more formalized in how we advance people and recommend them for future officer positions.

**C6, #5b:** “The treasurer will serve as chair of the Finance Committee.” It was noted that the approved committee structure for 2018-19, reported in the June minutes was incorrect with the statement that John would serve as chair. As per C6, #5b, Stephanie will serve as the Finance Committee Chair for 2018-19.

**Action item:** Mark will correct this item in the June Board Meeting minutes.

Following these discussions, a motion was raised to approve C6 as written. The Board voted and the motion passed unanimously.

### **Board Monitoring Reports**

- **B8: Communications to, Counsel to and Support of the Board**

The General Manager is in compliance.

**Discussion:** The Board addressed that any suits brought against it, including those that would arise from the CO-OP's plan to sell wine and beer, would be covered under B8, #10. A motion was raised to approve B8. The Board voted and the motion passed unanimously.

### **8:15 Discussion**

- Donna led the discussion to confirm that with the 2018-19 committees now formed, the next step is for individual committees to review their charter. The Board Governance & Administration and Outreach committees in particular need to review and confirm their charters.
- By the next Board meeting, committee members should think about what the accomplishments should be.
- There was discussion regarding whether we need to do a complete review of By-laws to do a comprehensive update.
  - Among the specific items that need to be addressed:
    - How do we give people their money back when they no longer wish to be members?
    - How do we handle issues when individual members do or say something that is negative against the CO-OP?
    - What is our policy to member/owners to vote by email?
    - Can a business be a member/owner?
- Jill raised the point that members should be responsible to act in the best interest of the CO-OP. Currently we do not include such a statement in our by-laws.
- Donna reiterated the need to reinforce the importance of the Bylaws, and the owners need to review and approve them. This is the first priority for the Board Governance and Administration Committee so that we are "managing by our Bylaws".
- The Board also needs to discuss the specifics of notifying owners of a special meeting by email. A quorum guideline needs to be developed.

**Action Items:** The Board Governance and Administration committee will arrange a working session to make all updates to the Bylaws at one time. Then the plan needs to be established for sharing the revisions with member/owners and having them approve.

- Greg, who is leading the Human Resources Committee, noted that we need to look at the current committee charter. It was decided at this meeting that the previously approved Human Resources Committee Structure will be changed to reflect the following: Greg will lead, with support from Lori, Mark, Donna and Andy Rosen (member/owner). Jaclyn and Jill will comprise a Nominating Sub-committee of the Human Resources Committee.
- Update on Liquor License and Alcohol Sales
  - We will serve notices to the last few members who didn't yet sign the Biddle Tract waiver.
  - Board members raised two questions in conjunction with next steps, answers to be determined:
    - Do we need a prepared response/position statement for when inquiries arise from serving papers?
    - Do we need to plan ahead for how to pay legal fees? Plans are being worked on now. We would need to address securing member loans. We estimate that continuing legal fees could cost another \$15K.

**8:50**

**Review of Action Items**

**Jill/Mark**

- Ines and Mike to address plans for a Recycling Awareness/Outreach effort to increase consumer awareness of environmental responsibility.
- The Board will begin a comprehensive plan for each committee to review and update by-laws, and to communicate information for members to vote on changes.
- The Board will review the results of serving of notifications to those members with property in the Biddle Tract who have not signed.
- Mark will correct June meeting minutes to reflect final committee structure.

**8:55**

**Adjourn**

**Next Meeting: August 27, 2018**

**Meeting Documents**

July 23 Meeting Agenda

June 25 DRAFT Meeting Minutes

GM Report – July 2018

B1 – Financial Condition and Activities

B8 – Communications with, Counsel to, and Support of the Board

Sales and income graphs for board reporting – June 2018

Actual vs. Budget Board Report – June 2018

CO-OP Profit and Loss – June 2018

CO-OP Cash Flow – June 2018

CO-OP Balance Sheet – June 2018

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

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

CO-OP 2018 vs. 2017 June sales

C3 – Agenda Planning

C4 – Directors Code of Conduct

C6 – Officers' Roles