

Meeting of the Swarthmore CO-OP Board
Monday June 25, 2018
Swarthmore Borough Hall – Community Room

In attendance: Donna Francher, President; Jill Gaieski, Vice President; Mark Rossi, Secretary; Barbara Amstutz, Greg Bockman, Jacqlyn Diamond, Lori Knauer, John Moots, Andy Rieger, Mike Litka, General Manager

7:00 Call to Order / Agenda Review All

7:05 Approve Minutes of May 21, 2018 Board Meeting All
Donna made a motion to approve minutes from May meeting. A vote was taken; the minutes were approved unanimously.

7:05 Member Comments:

An owner requested that the agenda for the monthly Board meetings be published on the CO-OP website.
Action: Donna raised a motion to publish the agenda on the website each month. The motion was approved unanimously.

7:15 General Manager Monthly Update Report Mike

Outreach/Events:

- Library Visits – Isabel Paynter has been reaching out to the Community Art Center and area libraries with children’s programming to build parental interest and awareness of the CO-OP. Visits have taken place in Ridley Township, Ridley Park, Chester, Wallingford and Media. Visits are ongoing throughout summer.
- CO-OP is attending/providing information at farmers markets in region. We are using our CO-OP presence at farmers markets to dispel misperceptions that the Swarthmore Farmer’s Market and CO-OP are one and the same and that people must be members to shop at the CO-OP. Members are welcomed to volunteer to man the CO-OP table at upcoming farmers markets.
- The next Truck-a-Thon will take place in September 14.
- There will be a Fall Cheese CSA; details coming.
- Options are being explored to close the store for one day this summer for a staff retreat/education/appreciation day (NOTE: As announced by Mike on 7/13, the CO-OP will be closed on Tuesday, 7/31)

Facilities:

- Repairs were required for the rotisserie and alarm system. This will impact June financial results.

- We are awaiting an evaluation from W.S. Cumby Floor and the engineers regarding the gap in the bottom of the cooler panel that was reported to the board last month. Stephanie is working with the inspector on this issue.

Operations:

- The micro loan for the new sign was received by an anonymous donor. The new sign is scheduled to be installed soon. (NOTE: sign was installed July 3.)
- The CO-OP is now carrying Philabundance Cheese upcycling products.
- A variety of display fixtures and other items were purchased by Mike at deep discounts from a Toys R Us location went out of business. Example: a handheld scanner that costs 2,500 new was purchased for \$50.
- We received an in-kind donation for shades for the windows in the bulk food aisle.

7:45

Finance Update

Mike

- May Financials
 - Sales were up over projection and over last year for the same period.
 - Cost of goods was below budget even with increased sales.
 - Administrative fees are the only expense categories that are over budget for the period due to payments to our tax accounting firm and legal fees to the attorney for the beer and wine case.
 - Donna questioned whether the current legal fees are creating an issue for us. She noted that we have one outstanding invoice for \$3,300. And there will be additional expenses forthcoming. Mike responded that we are fine at this point, but we will need to monitor to see if we will require another member loan to pay for expenses.
 - Member/owner shopping improved in May (compared with May 2017) in terms of dollars spent, but not as a percentage of overall sales.
 - June weekly numbers are flat in comparison with the past year. However, this compares favorably with the past in which sales were down compared with prior years for the June sales period.

8:00

Board Decisions

GM Monitoring Reports

All

- **C3: Agenda Planning**
- **C4: Board Meetings**
- There was a motion to vote on C4. The motion was approved.

Board Monitoring Reports

All

- **B1: Financial Conditions**
Lori made a motion that a sentence be added that says “trend over last five years is “X”, we have plans in place for future.”
The motion was approved.

Mike asked the Board to revisit **B1-3**, which states “Allow a year-end sum of retained earnings plus stockholder equity plus member loans of not less than 115% of the most restrictive loan covenant.” He noted that this may be unrealistic.

Action item: the Board will review and discuss the need for revision.

- **B6: Staff Treatment and Compensation**

Greg asked about the status of the Employee Handbook. Mike confirmed that it has not been updated since 2013 but it is currently being updated chapter by chapter so that the language is accurate and correct.

Other corrections/additions to B6 language:

- B6-3: **“The GM has compliance with B6-3.”**
- B6-5: **“Renewal for health insurance will take place in November or December. The committee and staff will meet with the broker”.**

Andy expressed interest in attending the next meeting taking place with the insurance broker later this year.

- **B6-7, Harassment/Discrimination:**

Mike noted that training is ongoing. Greg indicated is interest in helping with any initiatives in this area.

There was a motion raised to approve B6. The motion was approved with the changes to be made as discussed.

8:15 Discussion

- New Committees

The Board reviewed the proposed slate of committees/committee members that were presented at the May 21 meeting. Minor adjustments were made. The current Board Committee structure follows:

Board Governance and Administration:

(Lori, Jill, Ines, Greg, Donna, Mark)

Donna to confirm with Ines that Ines will chair again this year. There will be meeting of the committee, ideally before the next board meeting.

Discussion item: Can we change bylaws via email vote or do they need to be mailed?

Finance:

(Stephanie, chair, Donna, John, Andy, Mike):

Owner Participation:

(Ines, Jacqlyn, Barbara, Donna, Lori, Mark, Member-Owners)

Discussion for this committee: How do we get more participation / involvement from our members?

Lori will lead this committee Greg will move to HR. Mark will help with the marketing/communications portion: confirming the value proposition messaging to the Member-Owners and other stakeholders.

Human Resources:

(Greg to lead, Donna, Lori, Mark, Andy Rosen (Member/Owner), Nominating Subcommittee: Jacqlyn, Jill. Note: Nominating Subcommittee will be included in the new Human Resources Charter

Additional Funding Opportunities

(Jill, Andy, Stephanie, Donna)

Alcohol Sales

(Jill, Lori, Stephanie, Donna, John)

- **Membership/Ownership Redemption and Suspension**
Mike provided statistics to the Board regarding member-owners who have requested redemption of their membership dues. There are varying outstanding dues amounts as members joined at different points in time under a variety of payment arrangements in years past, including a previous program allowing membership payments at \$5 per month. There are also 330 members whose dues payments are in arrears.

Action: Mike asked for the board to provide permission to notify those in arrears of final status if they wish to rejoin. They will be notified in two waves (1/2 now, the other half in six months).

A motion was raised to approve this plan. The motion passed unanimously.

- **Employee Discount and Profit Sharing for CO-OP team**

Mike asked the Board to consider two incentives to continue to build morale and support recognition of the contributions of the store team. He noted that there have been no pay or compensation adjustments since he joined in January 2017.

Proposal 1: Increase the employee discount from 20% to 25% as part of the staff's overall compensation plan.

A motion was presented to increase the employee discount as proposed by Mike. The motion passed unanimously.

Proposal 2: Grant profit sharing of 10% of the net profits from the first half of the fiscal year (through 6/20/18). The formula for each staff member would be 10 percent divided total hours worked (except overtime).

A motion was presented to grant profit sharing as proposed by Mike. The motion passed unanimously.

- Micro Loans: The new exterior sign was covered by the first micro-loan; others are forthcoming.
- Update on Liquor License, mediation and next steps:
We are moving ahead with plans to begin serving notice to the small group of property owners who have not signed the Biddle tract waiver. This will enable us to proceed with its application to receive a license to sell beer and wine. A timetable for key dates upcoming will be reviewed at the next board meeting.
- The meeting was adjourned at 9:10 p.m.

Next Meeting: July 23, 2018

Meeting Documents:

June 25 Meeting Agenda

May 21 DRAFT Meeting Minutes

New CO-OP sign (PDF)

GM Report – June 2018

Proposals for Profit sharing and increase to employee discount

B6 – Staff Treatment Monitoring Report

B1 – Financial Conditions – May 2018

Sales and income graphs for board reporting – May 2018

Actual vs. Budget Board Report – May 2018

CO-OP Profit and Loss – May 2018

CO-OP Cash Flow – May 2018

CO-OP Balance Sheet – May 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 May sales