### Meeting Minutes Swarthmore Co-op Board Monday September 24, 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, Lori Knauer, John Moots, Andy Rieger, Ines Rodriguez, Mike Litka, General Manager.

| 7:00 | Call to Order / Agenda Review | All |
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- **7:05** Approve Minutes of August 27 Board Meeting All Andy made a motion to approve the minutes as written. Barbara seconded and the motion passed unanimously.
- 7:05Member Comments:AllThere were no member comments for Board review.

### 7:10 General Manager Monthly Update Report Mike

### **Outreach/Events**

- Octoberfest has been cancelled. There were not enough tickets last year to justify holding the event this year. Staff resources are limited for putting on this event.
  - This led to a discussion of where we want to put time and resources as we define the Co-op's vision. Mike reminded everyone of the Strategic Plan work of a few years ago and that this information should be reviewed as we embark on our visioning for "what we want the Co-op to be."
  - Mike reminded the Board that at that time, member surveys showed that 60 percent of member/owners didn't care about being involved in the running of their business. They indicated that did not want to participate in the business.
  - Mike also cited current trends in product movement by sharing a list of the top 1,100 products we have sold this year out of 9,000 unique products in total. The product mix tracks buyer activity in terms of both quantity and dollars. Question: does this activity match what the strategic plan told us? All of this should be factored into the visioning discussion to take place in October. Mike requested that the board review the 2016 strategic plan documents in preparation for that meeting.
- Owner Appreciation Day is scheduled for October 6.

## Facilities

• There was a slight infestation issue in the front half of the store. It was rectified and our pest control firm is with us on a weekly basis.

## Operations

• An "interactive shopper's" kiosk is being placed in the store so customers can order when they enter. They also will be able to instantly print out recipes.

# 7:30 Finance Update

## Mike

- August sales were down from plan by 3.35 percent and from last year by 3.24 percent.
- The cost of goods was slightly up for the period. Megan arranged a new contract for a pasta sauce purchase.
- There was a \$13,000 to \$14,000 case flow adjustment in September for a direct withdrawal that was not occurring due to a bank error by the vendor.
- Generally traffic was low in August but results were not as bad as expected. Results were ahead of plan and better in comparison with the loss in the same period of 2017.
- Of concern is the significant downward trend in customer count by 7,000, although basket size is good. Both owner/member and general customer counts are down. Although sales are down, margins are up.
- Need to continue reduce/eliminate items simply because they are not selling in sufficient quantity.
- While there are concerns the numbers are better than they have been since 2013.

# 7:50 Board Decisions

# GM Monitoring Reports

All

- B7: Co-op Premises
   The General Manager is in compliance.
   Jill made motion to approve, John seconded and the motion passed unanimously.
- B1-3 Financial Conditions and Activities
   The Board discussed that the ratios the General Manager
   must use to provide evidence are unattainable. The General
   Manager is not currently in compliance, but the standard can
   be changed to a result that is achievable.
- B1-4: Financial Conditions and Activities The ratios that the General Manager must use are unattainable.

- Action: B1-3.a and B1-4 will be reviewed and changed by the Finance subcommittee and brought to the Board for approval.
- The Finance Charter will be updated by the Finance subcommittee. The new charter will be brought to the Board for approval and added to the policy register.
- Stephanie made a motion for B1 to be updated by the committee, Mark seconded. The motion was approved unanimously.

## **Board Monitoring Reports**

- C8: Governance investment –
   Ines asked whether we continue to need Jade for consulting services. A brief discussion followed that these costs are significant and there may be better alternatives, such as reaching out to past Board members.
- Jill made a motion that the Board is in compliance. Barbara seconded, and the motion was approved unanimously.

### 8:10 Discussion

Vision Session: Donna confirmed that the Visioning meeting October 28, noon to 3 p.m. at her home for those who can attend. Discussion: Members/owners who are not Board members are welcome as well as those in the community who can contribute to the conversation. It was agreed that someone from the Town Center Board should be invited as well as a few business owners.

**Discussion:** Session goal is to identify "What do we want the Co-op to be?" Mike noted that we won't see increase purely in grocery business so we need to broaden the Co-op's business role. Mike encouraged the Board to look at the product mix data in the report he provided at this meeting. There are many items that are nice to have but not selling. How do we refine the product mix? Jill asked "What is the Co-Op's culture?" This will be addressed at the meeting.

- o Co-Op Café is October 20 in Philadelphia.
- **Board budget**: Donna noted that the board budget for 2019 will need to be prepared. We should the alternatives between CBL Consulting vs. CDS. A
- Update on Liquor License, alternate financing options and next steps

The Liquor License committee met. Letters from Swarthmore Town Center have been sent to 17 business owners within the Biddle Tract encouraging them to remove the deed restriction in the tract. **Action:** Notices will begin being served next week to the small group of about 30 properties (24 individuals) still outstanding. • **Revising Bylaws:** The Governance Committee will meet to identify areas of the Bylaws that require updating.

#### 8:40 Review of Action Items

Mark

- Prepare for Visioning meeting October 28
- o Governance Committee to meet to address Bylaws revisions
- Finance Committee to redraft Bylaws
- Finance Committee to address ratios being used by the General Manager to ensure compliance in Policy B1.

### 8:45 Adjourn

Stephanie made a motion to adjourn the meeting. Andy seconded and the motion passed unanimously.

#### 8:50 Executive Session

### Next Meeting: October 22, 2018

#### **Meeting Documents**

September 24 meeting agenda August 27 minutes GM Report – September 2018 B7 – Co-op Premises B1 – Financial Conditions Sales and Income Graphs for Board Reporting – August 2018 CO-OP Profit and Loss - August 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 August sales C8 Governance Investment