

Andy requested a plan amendment to decrease the waiting period from 90 days to 60 days. Stephanie noted that the Open Enrollment period for employees will be November 1, 10 a.m. to 3 p.m.

Stephanie made a motion to approve the 2019 medical benefits plan as outlined above. Greg seconded the motion and the board approved unanimously.

7:25 General Manager Monthly Update Report Mike

Outreach/Events

- Mike noted a series of donations to reinforce the Co-op's commitment to the community: Gift card to Swarthmore Friends Jumble Sale; apples and candy for 10/26 Halloween Parade, servings of soup to Empty Bowls Project at Community Art Center, pie donation to Swarthmore Library Bake Sale on 11/1.
- The online holiday ordering system will be active on 11/2.

Facilities

- Bathrooms have been painted.

Operations

- Owner business continues to be down in numbers, even though basket size is up.
- We are planning to reach out to top 100 owners to seek input as to why they believe owner participation is down.
- Thanksgiving arrangements are in place
- We are engaged in conversations with an app company that would permit customers to scan/bag groceries without going through checkout. More info to come.

7:45 Finance Update - September Mike

- Sales down \$21k to plan but cost of goods was \$16k better than plan.
- Profits were up mainly because of significant decrease in labor costs for the period and refunds/reductions in medical benefit costs by nearly \$18k.

8:00 Budget Discussion Mike / Stephanie

- Mike noted that the 2019 fiscal budget has been submitted in draft form. It is a conservative budget that with a 5% across the board operating increase that includes forecasted administrative and legal

fees. It does *not* include new business or provisions for the sale of alcohol.

- **Next steps:** Finance Committee will review the budget before the November board meeting. Board members should review the budget in advance of the next board meeting, during which the Board will vote to approve the budget.

8:10

Board Decisions

All

GM Monitoring Reports

- **B2: Business Planning and Financial Budgeting**

Discussion: The General Manager is out of compliance with because the standards are unattainable given the Co-op's financial condition.

Andy moved we are out of compliance, Stephanie seconded, and the motion passed unanimously.

- **B1: Financial Condition and Activities**

The General Manager is out of compliance with B1-1 (Will not allow sales to decline fiscal year over fiscal year).

The General Manager has compliance with B1-2 (Will not allow operations to produce a net loss in any fiscal year)

The General Manager does not have compliance with B1-3 (Will not allow liquidity) or B1-4, (Will not allow solvency)

Stephanie noted that the Finance Committee will meet address B1-1 and B1-3 by changing standards/ratios. However, as long as we have a mortgage, compliance with B1-4 will not be possible. A vote on compliance with B1-1 and B1-3 will take place after the Finance Committee meets.

Board Monitoring Reports

- **D1: Unity of Control**

Ines prepared and submitted D1, which states that only officially passed motions of the Board are binding on the General Manager.

John made a motion that the Board is in compliance. Barbara seconded, and the motion was approved unanimously.

8:15

Discussion

- **Update on Liquor License**

Work on the obtaining the liquor license is ongoing.

- **Committee Update: Engagement/Owner Participation** – Lori provided an update on the first meeting of the engagement committee, which is focused on building involvement among the owner base. The committee has addressed short-term plans for events in the Co-Op. Another committee meeting is planned for early November; Board members should review the Engagement Committee Charter and committee meeting minutes for details.
- **Committee Update: Policy Governance and Administration** – Ines reported that the committee met to review areas of the bylaws that require updating. A draft of the updated bylaws will be circulated to the Board for review and approval at the November 26 Board Meeting. The bylaws will then be shared with owners to vote via email.
- **Visioning Meeting:** Donna reminded the committee of the upcoming visioning meeting at her home on October 28.
- **Feedback from Co-op Café:** Topics addressed at this event reflected visioning goals and work of the Engagement Committee: How do we better involve and incorporate owner participation into the Co-op's mission, and how do we strengthen our mission with the community?

8:40

Review of Action Items

Mark

- Finance Committee to focus on budget preparation for next Board meeting
- Finance Committee to address Executive Limitation for B1 and B3
- Engagement team to meet in November and solidify action items and events for next several months.
- Policy Governance and Administration Committee: Updated Bylaws to be drafted and circulated to Board members

8:45

Adjourn

Meeting Documents:

October 22 meeting agenda

Board Meeting Minutes – September 24

GM Report – October 2018

Final Budget 2019 with quarterly summary

2018 – 2019 Medical Contributions

B1 – Financial Conditions

B2 – Business Planning and Financial Budgeting

Actual vs. Budget Board Report – September 2018

Sales and Income Graphs for Board Reporting – September 2018

CO-OP Income Statement – September 2018

CO-OP Cash Flow – September 2018
CO-OP Balance Sheet – September 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 September sales
D1 – Internal Monitoring Unity of Control

Next Meeting: November 26, 2018