

MEETING MINUTES
Swarthmore Co-op Board of Directors
Monday January 28, 2019
Meeting Agenda

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

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| 7:01 | Call to Order / Agenda Review | All |
| 7:02 | Approve Minutes of December Board Meeting
Jill made a motion to approve the December minutes. John seconded and the motion passed unanimously. | All |
| 7:03 | Member Comments:
There were no member comments for discussion. | All |
| 7:04 | General Manager Monthly Update Report | Mike |

Outreach/Events

- Through the work of the engagement committee and the Co-op staff, several outreach events have taken place or are in planning: Comfort Food Weekend 1/19; Quizzo, 2/1; Owner Appreciation Day; 2/9; Margaret Kuo dumpling demo, 2/17; Beer and Cheese, 3/9.
- Mike has written a follow-up outreach letter to owners and the public from the initial communication in December. The communication will be sent via email and social media posts in February.
- The truck-a-thon will take place in April but will be scaled back in scope.
- Sunday Supper program: Mike shared that this program needs attention and revitalization through volunteer support. The program is intended to provide monthly meal delivery to elderly residents who are unable to afford meals. Holly from the Co-op staff coordinates this event. We are at capacity with service to 14 residents

Discussion: Mike requested that the Board appoint a liaison to help in the coordination of volunteers and management of the overall program. There are many questions that need to be answered and understood as we proceed, e.g., Who prepares meals? What are the requirements of staff vs. volunteers who take part? Are all meals prepared in the store? What are the insurance parameters for volunteers who take part? Do we need to create a separate 403-C provision to be providing this type of service to the community? Do we ask owners to donate? Do we accept donations from restaurants? How do we coordinate getting volunteers? What are the logistics of having meals delivered?

Action:

Greg expressed interest in serving as a Board liaison (his wife was previously coordinated when she served on the Co-op Board and has insight into managing the program.)

Mike will contact insurance carrier to understand how coverage would work for volunteers working with the staff.

- **Updates to Owner Contact Information**

Mike is taking steps to centralize our database of contact information of all owners in support of our continuing outreach via email. There are 600 of the 2,000 owners for whom we have invalid or no addresses. Mike asked for volunteers to place calls to these members in an effort to update our email list. This outreach will take place during February.

Facilities:

- The wiring for the kitchen fan is being resolved to ensure it meets the current fire code.
- The new oven arrived and installed in January 17.
- Billy Hodges, electrician, is working on repairing failed lighting over the deli, which will cost \$3,000 to replace.

Operations:

- We are introducing new oven meat items and prep foods in the display case.
- As discussed in previous meetings, SKUs are now being reduced and eliminated for items that are slow sellers. There have been no complaints from owners as we begin this process.
- Analysis of 2017 vs. 2018 continues to identify top sellers and informs ongoing plans to reduce excess inventory.

7:35

Finance Update

Mike

- 2018 Yearly statement: Sales are down \$184,750 from 2017; however we had a profit of \$39,026.
- January 2019 is down \$8,000 compared with January 2017. Last week's sales were only \$97,000.

Discussion:

Mike reiterated that our efforts to sustain the business depend on the reduction of SKUs. This process is beginning now with removal of an aisle in the front area of the store. This space will be devoted to seating. John questioned if we are being aggressive enough with limiting SKUs. Mike noted that reduction of the one aisle will help. Examples: We will reduce pasta selections from 32 feet to 16 feet. Juice will be reduced to 16 feet.

Concern was expressed about how we can still make the store look complete with fewer products. We will monitor customer concerns and reactions.

Mike noted that customer transactions continue to trend downward, with less people coming into the store. We will monitor how the move to limit SKUs will affect our operations.

There was discussion about the need to continue to differentiate our offerings. Lori mentioned with everyone's agreement that bulk is a differentiator and the Co-op should continue to play up bulk offerings.

With Mike's efforts at data analysis, the Board has a much clearer, detailed picture of our financials than in past years. This is support ongoing planning for how to adapt the store to continuing sales declines.

7:50

Board Decisions

Board Monitoring Reports

All

- C1: Global Governance
Ines noted that one board member responding to the online Board survey indicated that the Board may not be complaint. There was no additional discussion.
Andy made a motion to approve, Barbara seconded and the motion passed unanimously.
- D3: Delegation to GM
The Board is in compliance. John made a motion to approve, Mark seconded and the motion passed unanimously.
- D4: GM Monitoring
The Board is in compliance.
Donna made a motion to approve, Barbara seconded and the motion passed unanimously.
- D: Global Board-Management Connection
The Board is in compliance. Mark made a motion to approve, Donna seconded and the motion passed unanimously.

GM Monitoring

- B: Global Executive Constraints
Mike is in compliance.
- B1 Financial Conditions
Mike is in compliance.
John made a motion to approve, Barbara seconded and the motion passed unanimously
- Mike requested that the Board vote on the redemptions of ownership of five owners who have moved away from the area. The total of the redemption is \$1,315. An additional owner who is dissatisfied with her membership asked for redemption of \$80.
Donna made a motion for the Board to approve these redemptions, and the motion was approved unanimously

7:55

Discussion

All

Visioning Meeting Review

Donna led the discussion of the summary of the January visioning meeting and follow-up activity. Donna's summary of that meeting and John's response to that summary are very helpful documents for next steps. Enhanced communication to the owners and increased owner involvement via the Engagement Committee are two key ingredients. Regarding a new communication strategy, Mike, Donna, John and Mark will meet in February to develop key messages and FAQs/responses that will help us in answering questions. This will help us in future communication from Mike to the owners and the public.

Updates to Co-op Bylaws

The definition of "Ownership", suspensions and redemptions are main topic areas of the current Bylaws that require updating and clarification. The changes must be approved by the Board and shared with the owners at least 30 days prior to the Annual Meeting on April 18.

Action: The Board Governance and Administration Committee (Donna, Lori, Jill, Ines and Mark) will meet in February to redraft those areas of the bylaws that require attention. This will be shared with the entire Board for review and approval at the February 25 Board meeting

Committee Updates:

Lori noted that the Engagement Committee will hold its next monthly meeting on January 31 to work on volunteer assignments. There will also be an input meeting with new volunteers.

8:30 Other Business All

Greg questioned how we should communicate the open position on the Board to replace Jacquelyn Diamond.

Discussion:

It was agreed that we should advertise for this position, and to seek someone with a marketing orientation. We would like to have the position filled in conjunction with the annual meeting.

Action: The Nominating Committee will review and advance a plan for seeking Board members and completing the nomination process.

8:35 Review of Action Items Mark

Sunday Supper Plan
Communication/Outreach/Messaging Planning
Volunteer Outreach
Finalize revisions to Bylaws
Nominating Committee – follow up to replace vacant position

8:40 Adjourn

Next meeting: February 25, 2019

January 28, 2019 Board Meeting Documents:

January 28 Meeting Agenda
December 17 DRAFT Meeting Minutes
GM Report – January 2019
B – Global Executive Constraint – January 2019
B1 – Financial Conditions – January 2019
Internal Board Monitoring Report, Global D – January 2019
Internal Board Monitoring Report, Global C
Internal Board Monitoring Report, D3
Internal Board Monitoring Report, D4
Food Purveyors Breakdown of Payments
2019 Board Meeting Calendar (1-14-19)
Co-op Annual Monitoring Calendar, 2019

Owner Redemptions for Board Approval

Additional Redemptions for Board Approval

Actual vs. Budget – December 2018

Co-op Sales, 2018 vs. 2017

Annual Graphs for Board Report – 2018

Ownership Graph, 2018

Income Statement – December 2018

Cash Flow Report – December 2018

Balance Sheet – November 2018

13 month rolling income statement, December 2018, p. 1 of 2

13 month rolling income statement, December 2018, p. 2 of 2