

MEETING MINUTES
Swarthmore Co-op Board
Monday February 25, 2019
Community Room – Borough Hall

In Attendance: Donna Francher, President; Jill Gaieski, Vice President; Stephanie Edwards, Treasurer; Mark Rossi, Secretary; Greg Bockman, Lori Knauer; John Moots, Ines Rodriguez

8:10 **Call to Order / Agenda Review** **All**

8:11 **Approve Minutes of January Board Meeting** **All**

John made a motion to approve the January minutes as written. The motion passed unanimously.

8:12 **Member Comments**

There were no member comments for discussion

8:13 **General Manager Monthly Update Report** **Stephanie**

With Mike's absence the General Manager Monthly Update Report was shared by Stephanie. Highlights are below; Board members should consult the report for details.

Outreach/Events:

- Events continue through the efforts of Engagement Committee and staff: Quizzo, 3/1; Beer and cheese, 3/8; Real Philly deli promotion, March.
- The Annual Meeting will take place on April 18 at 7 p.m. The store will close at 6:30 p.m. that evening.

Facilities

- Efforts are underway to bring the kitchen exhaust fan up to fire code.
- Parts have been ordered for the installation of new lighting behind the fresh food areas.
- The issue of the need to repair the floor that has shifted under the freezer is ongoing. Mike will be updating the Board on the timetable for this work to take place by the contractor.

Operations

- Mike's second communication to owners and the community regarding the "state of the Coop" was sent earlier in February and was well received. These communications will be sent periodically through the year to inform owners and invite community engagement.
- The "reset" of the grocery aisles has been completed. The goal of consolidating shelves and reducing SKUs has been achieved, and owners have reacted positively.
- Conversations are taking place with One Village Coffee to potentially add a coffee bar.
- Efforts are underway to improve the prep food and deli area.

- Volunteers have assisted in the effort to update the Coop email contact list. Both phone numbers and emails are often incorrect or missing; postcards will be mailed to those for whom we need updates.
- Plans are in the works for a Coop gift card program.

8:30

Finance Update

Stephanie

- Stephanie presented the Financial Summary to Budget for January 2019. There was a question raised regarding a possible discrepancy with the numbers reported: **Sales were off by 2.7K. The bulk of this is due to a decrease in owner shops which are down \$239K or 2.7% over last year.** In the B-1 monthly update, it was reported that the sales are down \$5,958 from last year, and net profit loss for January is \$21,839.28.
Action: Stephanie will check with Mike to confirm the reporting of the January financials.

NOTE From March 25 meeting: Greg made a motion to approve the February minutes with minor fixes to the financial section: As clarified by Mike, the discrepancy of sales data between the financial Summary to Budget and the B-1 Monthly update from financial reports is that the first set of numbers are based on the 2019 budget comparison for the month in review, whereas the second set is a comparison of the current data to the same financial period(s) of the previous year based on the wording of the B-1 conditions. This explanation will be attached to the February minutes. Andy seconded and the minutes were approved with this modification.

- **B1-Financial Condition and Activities:**
Stephanie presented the updated B1 document. B1 and B12 are now combined, and B1 items 1-3 must be reported on a monthly basis by the General Manager to ensure any issues are discussed prior to annual B1 reporting.
Board members should consult the “Change Log” to see those changes that were discussed and approved previously. Lori suggested an edit to item 11, in bold: The General Manager shall not cause or allow capital expenditures to be made in excess of \$5,000 **up to \$35,000** annually in aggregate if they are not part of the budget or are not trade payables incurred in the ordinary course of business during any fiscal year without Finance Committee approval.
Discussion: The board agreed there should be a cap stated in this item. Mark made a motion to add the language in bold, Jill seconded and the motion was approved unanimously.

8:45

**Board Decisions
GM Monitoring Reports**

All

- **B5 - Member and Customer Relations**
The Board reviewed each component under B5.
The General Manager is in compliance under B5-1, B4-4 and B5-5 and B5-6.

The General Manager is out of compliance with B5-2: The communication of expectations of customer service is not

adequately referenced in the staff handbook. It was noted that work is underway to update the handbook and this will be addressed.

The General Manager is out of compliance with B5-3: A few concerns were noted relative to freshness standards and it was suggested that freshness checks should be more vigorously enforced.

Regarding B5-4, while the General Manager is in compliance, it was noted that in the future when requesting email addresses and phone numbers of owners, we need to explicitly follow the guideline that we not disclose this information to anyone else, *except to the extent necessary or appropriate to operate the Co-op and comply with applicable law.*

- **B11 - Succession**

The General Manager is in compliance. John made a motion to approve, and the motion passed unanimously.

Board Monitoring

- **C1: Governing Style**

Ines was not able to send via backpack survey and compliance will be addressed at an upcoming meeting.

8:15

Discussion

- **Policy Governance: Updated by-laws**

Donna informed the Board that the Policy Governance Committee has summarized the updating of the By-laws, based on the discussion and input from Board members and Mike over the past several months. Our goal is to be transparent with the entire ownership so they are familiar with the bylaws and the recent changes.

The major changes the Bylaws cover the following:

Section II: Ownership:

- Ownership Eligibility

- Ownership rights

- Transferability of ownership

- Termination of ownership

Section III: Government

- Ownership

 - Notice of Meetings

 - Voting

- Directors

 - Removal

Section IV: Capital Stock

- Redemption

- Unclaimed Property

- Death of an owner

Section VI: Miscellaneous Operating Provisions

- Annual Report

Next steps:

- Donna will share a summary of these changes with the Board for final signoff.
- Changes will be communicated to the Owners for them to vote their approval.
- Mike will send an email to all owners to announce the Annual Meeting on April 18. The email will include a link to a Bylaw Change Summary, which will provide the changes and related rationale for each. Those who do not have email will receive a postcard. Owners also can vote in the store. Owners can also request a ballot by phone.

● Preparation of Annual Meeting mailing list

The updating of the owner list is now in process to support primary means to announce the annual meeting via email. Volunteers are calling members to add and correct email addresses.

● New Board Candidates

Greg will communicate the Board's call for a new board member via Next Door Swarthmore, the Swarthmorean and the Coop website. We are seeking to fill one vacant board position to be appointed by the Board before the April meeting.

● Committee Updates: Owner Participation – Lori

Lori reminded the Board to review the Engagement Committee meeting summary for details of the committee's work.

Highlights:

- We would like to set up a table in the Coop that would be manned on Saturdays between 11 a.m. and 4 p.m. This will provide owners and customers with an opportunity to ask questions. Board members who can help should contact Donna.
 - There are plans for a "pop up" dinner in the Coop on March 15.
 - There are plans underway to strengthen our owner and community communications via a periodic email newsletter.
- Communication Strategy:**
- Donna, John and Mark have met to begin the process of formalizing our communications and messaging across all communication platforms.

9:10**Review of Action Items****Mark**

- Stephanie to confirm January financials
- The revised Bylaws document and the Bylaws Change Summary will be reviewed by the Policy Governance Committee and provided to Mike for the Annual Meeting communication to all owners.
- Volunteers will conclude owner phone calls as soon as possible for updating the owner contact list.
- Greg will issue the call for a new member to join the Board.

9:15 Adjourn

Next meeting: March 25, 2019

February 28, 2019 Board Meeting Documents:

DRAFT Co-op Board Minutes, February 25, 2019
Swarthmore Co-op Bylaws DRAFT amendments as updated 2/21/19
Summary of Proposed Changes to Co-op Bylaws
Board Agenda, February 25, 2019
General Manager Report, February 2019
B1 - Financial Conditions
B5 – Member and Customer Relations, February 2019
B11 – Succession, February 2019
Actual vs. Budget Board Report, January 2019
Board Graphs, January 2019
Income Statement, January 2019
Cash Flow, January 2019
Balance Sheet, January 2019
Rolling income, part 1, January 2019
Rolling income, part 2, January 2019
Sales Comparison, 2019 vs. 2018