

DRAFT MINUTES
Swarthmore Co-op Board Meeting Agenda
Monday, April 27, 2020

Via Zoom Videoconference

The existence of this member-owned market means that Swarthmore and its surrounding communities will be healthier and more vibrant, the local food system will thrive, and meaningful connections will be between member-owners, customers, and workers in a welcoming environment.

In attendance: Donna Francher, President; Jill Gaiieski, Vice President; Stephanie Edwards, Treasurer; Mark Rossi, Secretary; Barbara Amstutz, Greg Bockman, Kevin Kebea, Lori Knauer, John Moots, Ines Rodriguez, Jennifer Smuts, Mike Litka, General Manager.

Guests: Board Candidates Chris Galbraith, Jim Godderz, Vibhat Nair, Lauren Shoheit

- 7:04 Call to Order / Agenda Review All**
Donna introduced welcomed the four Board candidates to the meeting and invited their participation and questions.
- 7:05 Approve Minutes of March Board Meeting All**
Jill made a motion to approve the minutes as written. The motion passed unanimously.
- 7:06 Member comments**
None
- 7:07 General Manager Monthly Update Report Mike**
Mike presented an update on the significant and ongoing impact of COVID-19 on the store’s operations.

Events/Donations/Marketing:

As discussed during the March meeting, all events are suspended until normal operations resume following lifting of the COVID-19 restrictions. One exception is Quizzo, which will be held “virtually” on May 1. Mike noted the store may close on Memorial Day, Monday, May 25. Store hours this summer are subject to change as well.

Facilities:

Completion of the installation of the new controller for the refrigeration room is pending. Plans are being reviewed for future space allocation of beer and wine in the store, with the goal toward taking advantage of the significant natural light that is in the front portion of the building.

Operations:

The COVID-19 response and safety precautions are in full mode:

- 2,200 orders fulfilled on line to date.
- Local vendors are keeping the store stocked.
- A new supplier has been identified for paper products and yeast.
- Thermal temping of all staff and volunteers takes place at start of shifts.
- Face shields in addition to face masks are available all staff members.
- N-95 masks have been secured for staff members
- The staff has been doing an outstanding job, along with volunteers. The volunteer program is continuing
- There is a “virtual tip jar” for staff, which has collected over \$4,000 to date.
- Fifty new Co-op members have joined since the pandemic began.
- The store is averaging \$24,000 to \$27,000 a day in business. Last week we did \$132,000 compared with \$92,000 for the same week in 2019.
- The core membership of 400 represents the biggest supporters right now.
- The big question is whether the upward trends will continue once the pandemic restrictions end, or business will revert to pre-pandemic levels.

7:20

Finance Update

Mike

Good news: the Co-op received a \$262,000 SBA PPP loan to fund payroll during the pandemic. This is allowing us to keep a full staff.

Specific financial summaries were not created due to COVID-19 sales and responses. Numbers are skewed since not inventories could be taken last month. In addition, sales are in flux due to online orders vs. in-store shopping. The good news is that volume is up, and profits were almost \$62,000 last month. Mike encouraged the board members to review the financial information that is posted in Backpack.

Discussion and questions followed Mike’s summary about how we need to adjust the business in the future: What happens when the pandemic restrictions are lifted? Do we go back to business as usual? Should the heavy emphasis on online ordering continue? Should we have more of a mix of online vs. in-store? Should we invest in resources and technology that would further support online services? Should we implement charges for home delivery? All of these questions will be reviewed in the coming months as we weigh the outcome of the pandemic.

7:35

Welcome Board Candidates / Farewell to Departing Board Members

Donna led this session by welcoming and introducing the four new Board candidates who were guests at this meeting: Chris Galbraith, Jim Godderz, Vibhat Nair, Lauren Shohet.

The candidates each shared their background and their motivation and interest in serving on the Board.

Following the introductions the Board thanked the three departing members: Barbara Amstutz, Jill Gieski and Lori Knauer. Barbara’s three-year term is

ending. Jill and Lori are resigning to pursue their business interest with the Village Vine in Swarthmore. All three noted that although they will no longer be on the Board they will continue to support the Co-op and volunteer in the future.

7:50

Cooperative Principle 2) Democratic Member Control

The Cooperative Principle spotlighted at this meeting was #2, “Democratic Member Control.” The review of each principle is intended to encourage and engage Board input. For this principle, are we engaging our members in terms of democratic member control? Can we do better? Can we better explain the notion of democratic member control and make it more visible or better for members to understand? Ines noted that the Annual Meeting is the primary, obvious place where this comes in; this is where the changes to the store “live” and this is where owners/members are given the opportunity to approved changes and make improvements to the business that they own. We need at every chance to remind people that we are a cooperative, member-owned organization. We need to communicate this all the time. Jen asked if and how are we trying to gain members: Are we proactively offering information about membership to people? How do we tell them? Do potential members know our purpose?

The Board also addressed that this year we needed to postpone the Annual Meeting, which would have taken place in the store on April 16. The Bylaws require this meeting to take place. Board members are elected and reelected at the Annual Meeting. Barbara noted that a forthcoming agenda item at this meeting will allow the Board to address the need for the meeting to be rescheduled. John asked “other than voting for board members, what does democratic member control mean? Are there any other ways we can reinforce democratic member control?” Ines responded yes, noting that members have the means to change the board, including Board members, if they are displeased. Jill asked if there are there are additional items that member can choose to vote in the future. How much input do members have in the activity of the Board? How engaged are they?

The Board acknowledged that the range of activities/engagement can vary widely from one Co-op to the next.

For example Park Slope in Brooklyn has specific requirements of members, and committees do everything in the business. Many coops have much more involved groups. **Discussion:** Our group is different. Our owners join because they are Swarthmoreans. However, there are unlimited potential modes for involvement. Volunteers are participating in promoting the store, holding events, etc. but they don’t want to make governing decisions because they have a confidence level in the work that Mike and the staff are doing. However, we should be focusing on how to we keep volunteers engaged after COVID-19. Ines thanked member volunteers who are for all they are doing at this time: cleaning, stocking packing, delivering and shopping. Can we continue to use the volunteer base going forward? The Board consensus is YES and agreed that this principle should have our continued attention.

Donna thanked the Board for its input/discussion and noted that next month the principle topic will be Member Economic Participation.

8:05

Discussion

- **COVID-19 Response:**

As a follow-up to Mike's presentation, Donna asked if there were any additional questions or concerns. Lauren asked if we need more volunteers. Mike said we can use help anywhere and while we have enough volunteers we can always use more.

- **CARE Payroll Protection Plan (PPP) Loan:**

Donna, Stephanie and John reviewed the steps that were undertaken and approved by the Board in April to secure the CARE PPP loan for the Co-op Staff. Bob Long of PNC Bank, which holds our mortgage loan, made us of the Co-op's eligibility to apply for the Small Business Administration PPP loan of \$262,000, noting that we could qualify to receive it. On very short notice, the board members reviewed this opportunity carefully and voted to take on the loan. Stephanie and John noted that the application had to be pulled together and submitted very quickly. During this time the application itself was changed, making the process more complicated. We were notified very quickly that the loan was approved and it was placed into our PNC account. The terms call for 1 percent payback over two years. It is designed for us to meet the staff payroll for the next 2.5 months. ~~Payback begins six months from the date we received the money. If the store stays open, we could try to apply for forgiveness, but it is our intention to pay it back; we would have to show a hardship not pay it back. The timing of the loan will help us meet our payroll costs over the next few months. We will apply for forgiveness, based on the advice of Bob Long. The bank will notify us regarding the time period when we will have to provide the supporting data for forgiveness.~~

Continuing the payroll discussion, Greg noted that if someone tests positive for COVID-19 it would not be required that the store would automatically have to close. John asked Mike if we have a plan for what to do if someone would test positives. "What is our path if something were to happen?" Mike said that this possibility has been discussed of what, noting that Weavers Way closed one store for two days. We would do something like that for a 24 hour period in which a cleaning service to come in and do a deep clean. Our response would also depend on where the staff person worked in the store. We would have to evaluate our action on a case by case basis. A question was raised of how the staff will react to this occurring. Mike noted that it is hard to know. The staff appreciates the role there are playing and want to be there because they see the importance of serving the customers. John also asked about staff being in contact with affected employee. Mike responded that we would recommend that the person be self-quarantined and collects pay while staying at home. Greg noted that we would need to determine who else in the store had been around the affected individual. Cross training might also be necessary while the employee was staying at home. Mike noted that he will be beta testing tracer/identifier technology, which demonstrates who is in contact with each other. That technology could help us if an employee tests positive. Greg also questioned if shifts could continue to be adjusted to reduce exposure that employees have with each other noted that we have reduced hours, but we still have overlap. We are trying to minimize contact as much as possible.

- **Annual Meeting Next Steps**

Donna opened this discussion noting that the Bylaws require us to hold an annual meeting, but that the meeting can take place any time of year (it is not restricted to April.) We need to communicate to owners about the meeting 20 days in advance, provide an electronic voting ballot and notify owners of the new Board member elections at the meeting. It would be impossible to have an in-person or virtual meeting in May because of COVID-19 as well as the requirement of 20 days advance notice. The Board agreed that we could organize a virtual meeting to take place in early June. This would enable us to communicate advance information and develop a meeting presentation using a platform such as Zoom or Google Hang Out.

Action: Donna, Jennifer and Mark will meet with Mike to plan out the presentation of the meeting and advance communication to the owners.

Board Appointments and Elections:

Ines explained that there four Board positions to be filled by the four candidates. First, two of the positions will be filled by appointments of candidates to fill the terms being vacated by Jill (one year remaining) and Lori (two years remaining). Next, two of the positions will be filled through election by the owners: one will be a three-year term for Barbara's term that is ending now; the other will be a three-year term for a position that has remained vacant. There are currently 11 members on the Board and the Bylaws permit up to 12 members in total.

The discussion continued with who to appoint vs. elect among the four Board candidates. Donna called upon the candidates to state their preferences. Chris Galbraith and Jim Godderz expressed their willingness to be appointed at this time, and Vibhat Nair and Lauren Shohet agreed to be on the ballot for election at the annual meeting.

Donna raised the need to appoint officers for the coming year, and this also will be announced at the Board meeting. Donna, Stephanie and Mark agreed to retain their offices (President, Treasurer, Secretary respectively) but we with Jill's departure the Board will need to appoint a new vice president as soon as possible.

Action: Following these discussions, Donna led the process for motions and voting as follows:

Virtual Annual Meeting: Donna made a motion for the Board to approve a "virtual" annual meeting on June 2, in which meeting communication with the Board ballots will be emailed to owners 20 days in advance of the meeting. The motion passed unanimously.

Board Appointments: Greg made a motion for Chris Galbraith to be appointed to fill Jill's remaining one-year term. The motion was passed unanimously.

Mark made a motion for Jim Godderz to fill Lori's remaining two-year term. The motion passed unanimously.

The Board officially welcomed Chris and Jim to their newly appointed Board positions, which take effect immediately.

Board Elections: Donna made a motion to nominate Vibhat Nair and Lauren Shohet for election to the Board. The candidates' names will be presented to the owners before the annual meeting to place their vote. Stephanie seconded the motion and it was approved unanimously by the Board.

Appointment of Vice President: Donna opened the floor for Board members to express their interest in filling the vacant officer position of Vice President. Chris Galbraith expressed interest in filling this office. The Board voted to approve the appointment of Chris to the position of Vice President. According to the By-laws, immediately following the Annual Meeting the Board will officially elect the four officers to the Board for the coming year (until the 2021 Annual Meeting.)

- **Committee Updates:** The Community Engagement Committee will reconvene following the lifting of the COVID-restrictions. Jenn will replace Lori as chair of the committee. In the meantime, the Annual Meeting agenda will address how to formalize the Board's thanks to all the volunteers and participants who organized all of the events during the past year. **Action:** Jenn will gather input and ideas to showcase the event organizers and volunteers.

8:50 Adjourn

Next meeting: May 18, 2020

April 27 Meeting Documents

Board Meeting Agenda – April 27 Meeting
Board Meeting Draft Minutes – March 23 Meeting
General Manager Monthly Report – April 2020
Co-op 2020 vs. 2019 Sales, March
Sales and Income Graphs – March 2020
Co-op Income Statement – March 2020
Co-op Cash Flow Statement – March 2020
Co-op Balance Sheet – March 2020
13-month rolling Income Statement – P. 1 and 2