

**Swarthmore Co-op Board Meeting
Minutes
Monday, January 25, 2021
Via Zoom**

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 forged between member-owners, customers, and workers in a welcoming environment.

In Attendance: Donna Francher, President; Chris Galbraith, Vice President; Mark Rossi, Secretary; Greg Bockman, Stephanie Edwards, Jim Godderz, Kevin Kebea, Vibhat Nair, Ines Rodriguez, Lauren Shohet, Mike Litka, General Manager

Absent: John Moots, Treasurer; Jennifer Smuts

Owner Guests: Kim Braun, Nick Holik, Ted Heidt, James Verdi

7:33 Call to Order / Agenda Review **Donna**

7:35 Approve Minutes of December Board Meeting

Jim made motion to approve the minutes of the December Board Meeting.
The motion passed unanimously.

7:36 Owner/Member comments

Owners Kim Braun, Nick Holik, Ted Heidt and James Verdi attended the meeting via Zoom.

Comments:

James expressed his appreciation to the Board for everyone's hard work during the past year. He also asked if the Co-op can do more to support eliminating food waste in the community. The Board thanked him for this input and agreed that this can be an area of focus.

Kim and Nick just recently joined the Co-op and said they were attending to learn how things operate.

The Board thanked the owners for joining and encouraged them to remain involved in the business.

7:37

General Manager Monthly Update Report

Mike

Mike opened his monthly report informing the Board that Co-op made a profit in 2020. After several challenging years, this was encouraging news.

Events/Donations/Outreach/Marketing:

- Philly Food Rescue is doing a feature podcast about the Co-op and our partnership with them. This is GREAT exposure for the Co-op.
- Once COVID-19 restrictions are relaxed we will begin discussions about holding more public events later this year, e.g. Truck-A-Thon.

Facilities:

- All 27 shopping carts have been replaced with new ones. There are 18 small and 10 large carts in inventory.

Operations:

- Mike noted that we are now moving toward a unified platform for internal communications within the store staff. For example, all staff now has a .coop email account, a new staff portal will be used to access basic forms, and all computers are now running on Office 365, including "Teams" and "SharePoint." These steps are expected to greatly improve our operational efficiency.

Highlights of Financial Results:

Mike reported highlights of financial results for calendar year 2020:

- Sales were over budget by \$359,862
- Gross profit was over budget by \$141,330
- Net Gain for the year was \$98,904.

Mike noted that these results were the result of the incredible response and support of owners and the community during the COVID-19 pandemic.

- In the administrative cost category, Mike noted that the Co-op was over budget by \$54,734, largely due to credit card fees. Credit card expenses went up by \$20,000, from \$72,000 in 2019 to \$92,000 in 2020.

This led to discussions about ways to bring these fees down. Ines asked if we can do more to promote our houses accounts. Chris noted that he was not aware of the house accounts and many owners do not know that house accounts are available. Everyone agreed that that this ownership benefit should be better communicated in 2021.

7:50

Finance Report

Stephanie/Vibhat

In John's absence, Stephanie and Vibhat reported on the Finance Committee's most recent meeting:

Stephanie noted that the meeting focused on preparation for the Preparation strategy and planning session the Board will hold later in January. Now that we ended 2020 with a profit and that beer and wine sales have commenced, we need to turn attention to the store's needs that may arise. As the infrastructure continues to age, how can we stay ahead of issues that may arise? What can we do to be prepared? For example, we are moving forward with the refinancing of the mortgage. This will save us about \$1,500 a month and we are planning to lock in at the new rate for 10 years instead of five.

Stephanie also reported that the repayment status of the PPP loan we received to handle staff payroll during the COVID-19 outbreak is not yet resolved. Most organizations are in the same "holding pattern". Because we administered the loan properly we are hopeful the loan will be forgiven. There is no timeframe yet for resolution.

Vibhat noted that the next major equipment challenge we may face is the potential failure of the aging refrigeration equipment. We could address such an issue with a new line of credit.

Vibhat also noted that as part of the mortgage refinancing, the appraisal of building has completed and that the cost of the appraisal will be folded into the closing costs.

7:57

Board Monitoring and Executive Limitations Policies:

Each year in January, the global monitoring policy statements (B, C and D) in the Co-op Policy Register are presented to the Board for approval. They provide the foundation for individual policy statements and topics under each category.

Board Monitoring:

Policy Title: Board Process: C – Global Governance Commitment

"Acting on behalf of our owners, the Board ensures that our cooperative produces benefit and value, while avoiding unacceptable actions and situations."

Policy Title: Board Management Relationship: D – Global Board-Management Relationship

"The Board's sole official connection to the operations of the cooperative will be through the General Manager."

Action: Ines made a motion that the Board is compliant with the C and D Global Policy statements. The motion was approved unanimously by the Board.

Executive Limitations:

Policy Title: B - GM Monitoring: Global Executive Constraint

"The General Manager shall not cause or allow any practice, activity, decision, or organizational circumstance that is unlawful, imprudent, or in violation of commonly accepted business and professional ethics and practices, or in violation of the Cooperative Principles. The General Manager shall not, either by direct action or indirectly, make Board policy decisions for the organization."

Action: Ines made a motion that the General Manager is compliant with B-Global Executive Constraint. The motion passed unanimously.

Policy Title: B-12 Financial Condition and Activities

Mike presented B-12 for the Board's review, discussion and approval.

Ines asked about the B12-2, which refers to the lease for a storage unit (approved in 2011) which keeps all required bylaw documentation for its respective lookback time. Mike noted that this unit is offsite next to the mall on Baltimore Pike. This is where records are kept for accounting purposes.

Twice a year Mike goes to the unit, and ensures all records are being added and kept appropriately. Expired documents are removed and shredded.

Action: Mark made a motion for the Board to pass B-12. The motion passed unanimously.

8:02

Policy Register Monitoring and Board Meeting Calendars

Mark informed the Board that the Annual Monitoring Calendar for 2021 has been emailed to all Board members, along with the Board Meeting calendar of monthly meetings. These documents will be filed in Backpack as well. In-person Board meetings will be held via Zoom until COVID-19 restrictions are lifted.

8:05

Governance Committee Report

Ines reported to the Board on the January 12 Governance Committee meeting.

- The meeting was attended by Ines, Donna, Mark, Greg, Jenn and Lauren.
- The committee addressed several areas of the Bylaws for review and language revision to ensure greater clarity and understanding.
 - Owner Termination
 - Director Terms/Term Limitations
 - Access to Information
 - Distribution of Net Savings
 - Immediate family members of Directors as employees.
- **Action:** Committee members received assignments to update language. The Committee will meet again on February 9 to review these changes. Proposed revisions will be presented to the entire Board at the upcoming Board meeting on February 22. Approved changes will be incorporated into the Bylaws for review and approval by all owners in conjunction with the upcoming Annual Meeting in April.

8:07

Board Vacancies

Greg reported that four current Board members, Ines, John, Mark and Greg have terms ending in April 2021. All of them can consider serving for another three-year term. Greg asked for these members to let Donna and him know their intentions ASAP. Once we have this information, we will know if we need to advertise for owners to fill any resulting vacancies (if we wish to keep the Board size at 12 members).

Lauren asked if we should consider expanding the Board size and increasing Board diversity. We will consider this option at the February Board meeting. If we decide add members to the Board we will need to update the bylaws.

8:19

Owner Engagement Committee Report

In Jennifer's absence, Mike reported for her.

The committee recently met via Zoom.

The committee discussed how to continue engaging owners as COVID-19 restrictions continue. The idea of a "virtual cooking class" is being explored. There is also interest in developing a new owner package so that the new owners can immediately be aware of the benefits of ownership and various services that are available. There was also discussion of creating new "put

“together meals” featuring pre-orders, or pre-made meals. Chris offered to help with this initiative. Greg suggested that we could now offer wine and dessert pairings.

8:33 Strategy Session in January

Donna reminded everyone that the board strategy meeting will take place on Sunday, January 31, 9 a.m. to 12 noon via Zoom. Donna’s email sent to the Board on January 19 has the details for everyone to prepare for this meeting.

8:45 Review of Action Items

Mark noted that immediate action items include preparation of the strategy meeting on January 31 and the work of the Governance Committee for their next meeting on February 9. Board members whose terms are ending should notify Donna and Greg of their intentions ASAP.

8:50 Adjournment

Next Board meeting: February 22, 2021

January 25 Board Meeting Documents:

Board Meeting Agenda: January 25, 2021
DRAFT Board Meeting Minutes, December 21, 2020
General Manager Monthly Report, January 2021
B1/B12, Financial Conditions, January 2021
GM Monitoring, B: Global Executive Constraint
Actual vs. Budget Board Report: December 2020
Sales, Income, Customer Breakdown Graphs: December 2020
Co-op Income Statement, December 2020
Co-op Cash Flow Statement, December 2020
Co-op Balance Sheet, December 2020
13-month rolling income statement, December 2020, parts 1 and 2
Co-op 2020 vs. 2019 Sales, December 2020
Annual Monitoring Calendar, 2021
Board Meeting Dates Calendar, 2021

