

**Swarthmore Co-op Board Meeting
Minutes
Monday, December 21, 2020**

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; Chris Galbraith, Vice President; John Moots, Treasurer; Mark Rossi, Secretary; Greg Bockman, Stephanie Edwards, Jim Godderz, Kevin Kebea, Ines Rodriguez, Lauren Shohet, Jennifer Smuts, Mike Litka, General Manager

Absent: Vibhat Nair

7:04 Call to Order / Agenda Review

7:05 Approve Minutes of November Board Meeting

Donna made a motion to approve the minutes of the November Board Meeting. The motion passed unanimously.

7:06 Member comments:

There will no members present.

NOTE: Meetings will continue to be publicized to owners. They can request to join via Zoom. Due to the COVID-19 pandemic, Board Meetings will continue to be held via Zoom until further notice.

7:08 General Manager Monthly Update Report

Mike

Highlights:

Mike reported that COVID-19 is creating challenges in receiving product inventory from suppliers. Example: COVID-19 outbreak at the Canada Dry warehouse slowed delivery of ginger ale to the store.

New owner memberships are on the rise. Mike clarified that new owner money goes into operating funds.

Margins for alcohol sales will increase once we are beyond the start-up expenses.

Events/Donations/Outreach/Marketing

The Co-op participated in the local Lions Club holiday food donation program. 32 boxes of food were distributed on 12/24.

The Coop is also working with Philly Food Rescue. An anonymous donor purchased \$2,500 of food for delivery to food banks in Chester.

Operations:

Thanksgiving results were outstanding in all respects. The entire operation ran smoothly and successfully, even with the presence of COVID-19.

Beer and wine sales are moving along very nicely and are right on track at 9% of overall store sales.

Highlights of Financial Results:

November 2020 results were significantly over November 2019, however this was largely due to the calendar. In 2019, Thanksgiving results were not reported until December.

Net loss for November 2020 was \$11,180, however, this included the security system bill, which will be moved to the capital expense category. This will result in a net gain of \$3,000 for November 2020.

Year to Date results are very positive compared with 2019: Sales are up \$631,819, net profit is \$34,098.

Finance Report**John**

John reported that we are moving forward with mortgage refinance we are working with Bob Long of PNC Bank. The appraisal is being scheduled. Mortgage rates are currently very favorable and we will lower our monthly mortgage payment by about \$1,000. Once we have the firm numbers we can update our operating budget for 2021.

John suggested that we consider using the savings each month for items we need in the store; e.g. equipment, repairs, etc. The Finance Committee would like to develop is a five-year capital plan and work with Mike to identify five next big projects that will require capital investment. The initial list of items will be shared with the Board at the Board's upcoming strategic planning meeting. The capital plan should be tied to the strategic vision of the store.

Our continuing discussions should focus on ranking the order of what needs to be done. We will cover this in the late January.

John also reported the PPP loan paperwork has been submitted by Mike. We will probably not receive a response until early 2021.

7:30**Board Monitoring****Policy Type: Board-Management Relationship****D3- Delegation to the GM**

The Board delegates authority to the GM through written Ends and Executive Limitations.

Ines presented the Board survey results that the Board is compliance.

Mark made a motion to accept that we are in compliance with B3. The motion carried unanimously.

D4: Monitoring GM Performance

The Board will systematically and rigorously monitor and evaluate the GM's Job performance.

Ines presented the Board survey results that the Board is compliance.

Ines made a motion to accept that we are in compliance with D4. The motion carried unanimously.

7:30

Items for Discussion

Finalizing the 2021 Board Calendar

- Board meetings in 2021 will continue to be held via Zoom until COVID-19 restrictions are lifted.
- It was agreed that the starting time for regularly scheduled Board meetings will be moved from 7 p.m. to 7:30 p.m. to better accommodate everyone's schedule.
- Regular scheduled monthly Board meetings will take place on the fourth Monday of each month.
- **Action:** Mark will send out the board meeting calendar of meeting dates for the 2021, along with the updated monthly calendar of policy register/governance topics to be covered at each meeting.

Board Terms and Vacancies in 2021

Greg led the discussion regarding board terms:

- First terms for Greg, John and Mark are ending in April, and Ines's second term is ending in April.
- Currently, there are 12 Board positions, all of which are filled.
- The other Board members are in the middle of their terms.
- If Greg, John, Mark and Ines do not wish to continue serving, the Board can decide how many of the resulting vacancies to fill. The Bylaws currently call for a minimum of five and not more than 12 members to sit on the Board.
- The Board also discussed whether we are doing enough to cultivate diversity in our membership and whether expanding the Board would

help us achieve this goal. We can also amend the bylaws to increase the size of the board.

- **Action:** Board members with expiring terms should be prepared to announce their intentions at the January meeting. The Board will also confirm whether we wish to expand the Board. If it is determined that the Board positions need to be filled, the Nominating Committee will proceed to issue a call for new Board members.

Owner Engagement Committee

Jenn reported that the committee is looking for creative ways to foster engagement during the COVID-19 restrictions. Beth DeBruyn is leading the Instagram takeover as a component of our social media outreach. The committee is working on getting more owners involved.

Mike issued a call for volunteers to support the in-store shopping and delivery services. This includes wiping down carts and delivering orders. He noted that next Tuesday, 12/29 is heavy volunteer day.

Kevin suggested that we should think about beer tasting and wine tasting in the store once COVID-19 restrictions are lifted.

7:40 p.m.

Strategy Session in January

Donna

Donna led the discussion for preparation for the upcoming strategy planning meeting.

- The session will take place on Sunday, January 31, 9 a.m. to 12 noon via Zoom.
- Key Questions for this meeting: What do we want to accomplish? What is the best way to use our time together?
- Donna and Kevin asked Board members to each think about one topic that they would like to see covered. What is the one thing that we want to discuss? What is important to each of us to bring to the meeting?
- Potential items for discussion:
 - What do we want to do now that we have beer and wine....what do we want to be?
 - What is our vision?
 - What do we want the store to be?
 - How do we continue to measure that?
 - How do we measure Mike and ourselves with the right milestones to moving ahead?

Jenn will revisit the report that Swarthmore Town Center prepared last year. Do we have anything we can draw from?

Donna asked the Board to review the ends statement to see if it needs to be tweaked.

Next steps: In order that everyone can prepare in some way to make the limited time together productive, a “homework assignment” will be sent in advance before January 31 that will help us to answer the following questions:

- How do we make sure the coop will be sustained? How do we keep it around?
- Will we be here in the next five to ten years?

Action: Donna and Mark will work on an agenda that gathers everyone’s input and thoughts to answer these questions at our meeting.

8:00 p.m. Discussion of Beer and Wine Sales

Kevin asked Mike if we are seeing anything with wine and beer sales that that are problematic from an operations perspective. Mike responded that things are going well. The product mix is being tweaked, e.g. kosher products are being added, and hard lemonade is not selling and being removed for now. Yards Brewery products are being added. In terms of rules, Mike emphasized again that every purchaser must be carded and that volume purchases are restricted.

8:05 p.m. By-Laws Review

Ines reported that she will be arranging for a meeting of the Governance Committee to review several items in the By-laws. The By-laws were last updated and shared with owners in April 2019 and are due for a comprehensive review. Following are a few items that will be discussed:

- **Term Limits:** Board members have traditionally served for up to two consecutive three-year terms, but this is convention and it is not specifically required in the By-laws for someone to leave after two terms.

Action: The Governance Committee will consider if the Bylaws should be amended to limit service to two-consecutive three-year terms.

- **Fiscal Year:** The Bylaws currently state that the annual budget is currently based on a calendar year. John asked if it would be worth considering changing the fiscal year to a different annual cycle. Mike noted that setting up the next year’s budget in the third and fourth quarter can be challenging with all of the operational challenges in the store in the fall, especially with the Thanksgiving and December holidays.

It was suggested that doing the budget early in the calendar year might be a solution.

Action: The Governance Committee will address this idea and the Board can discuss in January and February and consider a change for the future.

8:25 p.m.

Review of Action Items

Mark

- Board make-up: Members with terms ending in April should be prepared to inform the Board at the January meeting if they will be staying or leaving.
- The Board will formalize whether to make the two-term limit a requirement in the Bylaws.
- Donna and Mark will develop an agenda for the January 31 strategy meeting that will enable members to provide input for a meaningful session.

8:30

Adjourn

Donna made a motion to adjourn and the motion passed unanimously.

Next Board meeting: Monday, January 25, 2021, 7:30 p.m. via Zoom

Strategy Meeting: Sunday, January 31, 2021, 9 a.m. – 12 noon via Zoom

December 21 Meeting Documents:

Board Meeting Agenda: December 21, 2020

DRAFT Board Meeting Minutes – November 23, 2020

Membership Graph – 2020

Actual vs. Budget Board Report – November 2020

Sales and Income: November 2020

Co-op Income Statement, November 2020

Co-op Cash Flow, November 2020

Co-op Balance Sheet, November 2020

13 month rolling income statement, parts 1 and 2, November 2020

Co-op 2020 vs. 2019 Sales, November 2020