

Swarthmore Co-op Board Meeting

Minutes

September 27, 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; Greg Bockman, Vice President; John Moots, Treasurer; Mark Rossi, Secretary; Stephanie Edwards, Kevin Kebea, Vibhat Nair, Ines Rodriguez, Lauren Shohet, Mike Litka, General Manager

Absent: Jim Godderz

Call to Order / Agenda Review

Donna called the meeting to order at 7:33 p.m.

Review/Approval of July Meeting Minutes

There were no changes or questions related to the content of the draft minutes of the July Board Meeting. Lauren made a motion to approve the minutes as written and the motion passed unanimously.

Member Comments:

There were no members present.

General Manager Monthly Update Report

Mike provided an update to the Board:

The store is busy with the return of students to Swarthmore College. We have been over \$120,000 per week every week since the students returned. Our numbers are very positive for the same period compared with 2020 (which were affected by COVID-19) as well as 2019. For example, last week our sales totaled \$126,000 compared with \$95,000 for the same week during the previous year. Beer and wine sales continue to generate 8 to 9 percent of sales, but even without beer and wine, our sales are up. Students are contributing to sales in deli, prepared foods and sushi.

Other highlights follow:

Events/Donations/Outreach/Marketing:

- We've given several small donations to local sports teams.
- Swarthmore Town Center took over Truck-A-Thon this month with great results.

Facilities:

- The kitchen exhaust fan needs to be replaced. It is taking longer than normal for this work to be done due to parts shortages.
- The cardboard bailer repairs (for recycling) are pending.

Operations:

- Manufacturers and distributors are having supply and staffing issues, and this is affecting our ability to secure products. As a result, prices are increasing across the board. There is a shortage of metal to make cans and a glass shortage. We are continuing to work with regional suppliers to source products. Paper products are likely to be in short supply soon. Prices of raw materials are up as well, for example, bread is more expensive because of the increases in costs of ingredients. Cheese is another category in which prices are increasing rapidly.
- Thanksgiving preparations: We are now operating in "holiday mode". We will have whole turkeys this year but we may have issues getting turkey parts. People should stock up now on various Thanksgiving products, e.g. pumpkin.
- We are finally filling open slots and hired four people in the past week. The recruitment process cost over \$1,600.
- The employee handbook is being finalized and will be out by the new calendar year.

Financial Highlights (month to date):

- Compared with the budget, our sales, cost of goods and profits are all over budget.
- Net loss for the period was \$28,500, which was \$5,700 better than plan.
- Year to date numbers are good: Sales are up by nearly \$194,000 and there is a net profit of \$40,855.

Finance Committee Report:

John reported that the work to secure the PPP loan is completed. The overall loan was \$262,000. We secured about \$215,000 after paying back \$47,000. We are now well positioned to pay off loans; we have already paid off one of the outstanding loans of \$20,000.

This has greatly helped us to build our savings to plan for the future. As of tonight, we have about \$487,240 in the bank. (For comparison, we had \$60K when Mike became General Manager.)

John noted that our current financial metrics do not reflect PPP loan forgiveness so our current cash liquidity might even be more favorable. Mike confirmed that the numbers are

as of August. As we move forward everyone agreed that we want to handle our finances judiciously. We also are in a good position to continue to pay off the loans (both for the freezer repair and the liquor license) and have funds for equipment replacement and repairs as needed.

Board Budget

Donna noted that we now need to establish the Board Budget for the new year. We have the opportunity to fund professional development and training in 2022. During 2020 and 2021 we did not do any training or programming due to COVID.

Some possibilities include:

- An in-person session or workshop, perhaps a half-day.
- CBL half-day trainings or half-day attendance at CBL.

Greg recommended that we consider a Board Orientation both for new members as well as anyone who would like a refresher on Board practices and policies.

Action: Donna asked Board members to share their thoughts and will circulate suggestions for what we could do. We will discuss further at the next Board meeting.

Board Monitoring:

C7: Committee Principles

Ines reported that in the Board Survey and comments for C5, everyone thought we were in compliance. There was one question posed: Do we need to review committee charters? In particular, the Ownership/Engagement charter needs review.

Action: Lauren and Stephanie will take a look at this and report back to the rest of the Board.

Ines made a motion that we wait until so after we hear back from Lauren and Stephanie to vote that we are in compliance.

C8: Governance Investment

Ines reported that we are compliant, however, two comments were noted: Does Board member training need to be reviewed by board for approval? Another statement notes that we use we should use administrative support when needed. Currently we don't use administrative support, however, the means would be there to use it in the future if necessary.

Ines recommended that the Governance Committee look at the current policy language and see if changes are warranted.. We need to provide examples of how we might use outside people to monitor activities and do administrative work. An example would be whether we need an outside auditor look at financial records. Do

we budget for this support ? Do we seek this support “when necessary”? Would we hire someone to do our administrative work?

Action: Ines will take these questions to the Governance Committee to review the language.

Mark made a motion for Ines to review with the Governance Committee and to schedule C8 to be voted upon at the next meeting. The Board approved this motion unanimously.

GM Monitoring:

B3: Asset Protection

Lauren made motion that Mike is in compliance with B3 and the motion passed unanimously.

B10: Conflict of Interest

Donna made motion that Mike is in compliance with B10 and the motion passed unanimously.

B7: Co-op premises

Ines made a motion that Mike is in compliance with B7 and the motion passed unanimously.

Replacing departing board members

As discussed in the last meeting, there are currently two Board vacancies. Greg reported that so far we have not heard from anyone interested in serving on the Board.

The Board discussed ideas for helping to get the word out about the vacancies and inviting members to be considered. Lauren suggested putting the message at the beginning of “What’s Fresh?” so people see it.

Kevin suggested that we could place a handout at the Farmer’s Market table

Greg noted that we can see what the response is like and choose to install the new members in December. We also could wait until Board elections take place in April.

Owner Engagement Committee Report

Lauren noted that we will be moving forward with this committee and is setting up the agenda for meetings.

Strategy Follow-up

Donna recommended a follow up to the strategy planning meeting in early 2021. We could schedule the meeting in early 2022.

Co-op Survey

Vibhat Updated the Board regarding our new intern, Sabrina Aziz. Sabrina has finalized the survey document that will be used for in-person surveys at the Farmer's Market on Saturdays during October. Board members are invited to conduct the in-person surveys of Farmer's Market attendees who wish to participate. We will need to people available for a two hour period to conduct the surveys. The survey project and results will be wrapped up by December. The results of the survey will be used to help Mike with future planning.

Review of Action Items

- Board members are invited to send ideas to Donna for Board education/training activities in 2022.
- The Board will vote on the 2022 Board Budget at the October meeting.
- The Governance committee will meet to look at the language in C8, Governance Investment and share the outcome of that meeting with the rest of the Board so that we can vote on compliance at the October meeting.

Adjournment: 8:25 p.m.

Next meeting: October 25, 2021

September 27 Board Meeting Documents:

Board Meeting Agenda, September 27, 2021

Draft Board Meeting Minutes: July 26, 2021

General Manager Monthly Report – September 2021

GM Monitoring: B3, Asset Protection, August 2021

GM Monitoring: B7, Co-op Premises Monitoring Report, September 2021

GM Monitoring: B10, Conflict of Interest Monitoring Report, August 2021

Sales and income graphs, August 2021

Actual vs. Budget, August 2021

Co-op Income Statement, August 2021

Co-op Cash Flow Statement, August 2021

Co-op Balance Sheet, August 2021

13 month rolling income statement, parts 1 and 2, August 2021

Co-op 2021 vs. 2020 Sales, August 2021