

Swarthmore Co-op Board
Meeting Minutes
Monday, June 28, 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; John Moots, Treasurer; Mark Rossi, Secretary; Kevin Kebea, Lauren Shohet, Jennifer Smuts, Mike Litka, General Manager

Absent: Greg Bockman, Stephanie Edwards, Jim Godderz, Vibhat Nair, Ines Rodriguez

Call to Order:

Donna called the meeting to order at 7:35 p.m.

Donna informed everyone that Chris Galbraith resigned from the board. He cited a conflict of interest with his new employment. Also, Jen will be moving away and w leaving the board as well. This will leave two Board vacancies and 10 Board members in total. Donna asked if anyone had thoughts on how soon we should fill these vacant positions with new appointees, if at all, before Board elections next year. There was some discussion but no formal decision. We may want to consider one appointment from several potentially interested parties. The Board will take up this discussion and address next steps at the September Board meeting.

Regarding the upcoming meeting schedule, Donna proposed that we meet in-person on the Co-op patio, Monday, July 26 to celebrate the many positive events in everyone's lives (new babies, etc.) since COVID-19 and to give all the members a chance to final meet face-to-face. Everyone agreed that this is a great idea.

Donna also reminded everyone that there will be NO meeting in August.

Approval of May Meeting Minutes:

There were no changes or questions related to the content of the draft minutes of the May Board Meeting. Donna 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 Board on the following:

COVID Rules Relaxed

Wearing of masks is no longer required in the store for anyone who has had their first and second vaccination. An honor system is in place for everyone else, and anyone who wishes to continue to wear a mask can do so.

Events/Donations/Outreach/Marketing

- Mike confirmed that the responsibility for the “Truck-A-Thon” event has been transitioned to Swarthmore Town Center. The Co-op will play a support role.
- We will have a marketing intern from Widener working with us starting this fall.
- Jack Cavanaugh is providing a quote for the installation of the David Ffrench memorial stone.

Facilities

- The roof compressor unit that controls the freezer cases in the store failed and needs immediate replacement. The failed unit dates from 1993 and was purchased second-hand and installed when the Co-op was constructed. In the short term, Mike was able to make 10 of the 21 freezer door cases are operational again, but the new compressor must be installed for all 21 doors to be holding frozen product. Mike is working on getting a replacement unit, hopefully before the July 4 weekend. The Board will approve the cash outlay for this expenditure when the estimate is received. It is expected that the compressor replacement cost will be about \$10,000.
- The heat reclaim water tank is failing and needs replacement.
- A new fryer has been installed and will be used to expand our offerings of fried chicken.
- We are looking to have a soup station built-in to incorporate a food warmer in fall 2021.

Operations

- The indoor and outdoor seating areas have been reopened. People can now drink beer or wine in the café areas inside or outside but cannot carry alcohol in the rest of the store. John asked about whether we can start offering tapped beer for purchase. Mike responded that it has been discussed but we can't have that service open to the public.
- Mike also noted that we are looking provide more services to encourage use of the café seating, e.g. adding slush machines.
- Following up on our recent discussion about the current posting of the old “ends statements” in the store, these also posted on the window shades. Mike is reaching out to Leo Muldoon, the window shade supplier, to order new shades without ends statements. Mike will take down the old ends sign and replace with a new one once the new blinds are in place.
- We are moving toward creating a “super deli”, which will merge prep foods into the deli, with Kira assuming responsibility.

- Shaina has been hired as our new customer service manager.
- The Manager On Duty (MOD) role has been redefined as more of a total store support function in regard to administrative duties, including marketing, promotions, pricing and support.
- We need to add cashiers and are looking to fill these positions as soon as possible.

Financial Highlights:

Mike noted that overall our financial results are very solid, and we are ahead of 2020. Basket size is up, with a significant contribution from beer and wine sales.

- Sales (June to date) were over budget by \$52,365
- Cost of Goods were over budget by \$41,182
- Gross profit was over budget by \$10,000.
- Year to Date sales are up by nearly \$47,000.
- Net Profit is \$74,400, although this will be impacted by forthcoming expenses, including quarterly hazard pay, pay increases, and facility expenses.

The application for loan forgiveness was sent in to PNC bank this past Tuesday. There will be a review process: 60 days at PNC and then 90 days with the Small Business Administration (SBA).

Now that the students will be returning soon, we want to try to do more with student planning for meal cards.

John asked if the \$2,368 that was raised with the beer company could be used to update the seating area, noting that they paid for the tables and chairs. Mike noted that we can also add a plaque to them for this contribution.

Finance Committee Report:

John and Mike updated the Board on the previous Board meeting discussion regarding the Rosie online ordering/marketing system. Given that our online sales have diminished significantly since the height of the pandemic, the yearly investment of \$6,000 is probably too much at this time. The monthly fee of \$500 plus the fee per transaction would erode our margin. We would have to dramatically shift the behavior of customers to buy more online. We do want to put aside marketing funds, and we can look at boosting our online presence, but not with this particular contract. The Finance Committee recommends that we not move forward with Rosie at this time.

Regarding steps we can take to encourage online ordering, maybe Jason can track top items in each department...we know what we sell a lot of. We can strategically create target and identify products for online orders and use this in our marketing. Mike noted that we are not getting many online sandwich orders, but perhaps we can do more to build awareness.

Donna noted that at the time of our planning meeting earlier this year, we identified our technology strategy as a key focus. What kind of technology do we want to build the business? How do we explore the opportunities? What do we want to sell more of? How will technology support this? All of these questions provide the basis for our continued planning.

John reported to the board that the \$20,000 loan for the new freezer is maturing. We have to start paying the loan back and will notify the lender that he will be receiving a payment for the loan. In addition, those who loaned money for the license to sell beer and wine are receiving their third check.

John noted that we raised about \$80,000 in the freezer and capital campaign...we have to plan for those loans to be paid back over the next five years.

Board Monitoring:

- **A: Global Ends**

At the May Board Meeting, Ines asked how we derive the data as stated in this policy. The Board agreed to postpone voting on compliance until the June meeting, and Mike agreed to add details to answer this question, and revised and presented the A - Global Ends policy this evening.

Mark made a motion that Mike is in compliance with A – Global Ends, and the motion passed unanimously.

- **GM Monitoring: B6: Staff Treatment and compensation**

Mark asked if the employee handbook, which is mentioned in this policy, has been updated. Mike confirmed that this work was completed.

Donna made motion that Mike is in compliance with B-6, and the motion passed unanimously.

Conflict of Interest Statements:

Mark reminded Board members to complete and submit their Conflict of Interest Disclosures to him. Mark will record the responses and summarize them.

Upcoming Vacancy in Board Membership

As Donna mentioned earlier this evening, with Chris and Jen resigning from the Board, we will have two vacancies. Donna asked Board members to think about we should handle these vacancies, such as filling positions before the 2022 elections.

Action: Board members should share their thoughts with Donna, suggest names of possible Board appointments and let her know if they would like to be part of the process to interview new Board members.

Committee Reports

With Jen's departure, Lauren will assume responsibility for the Engagement Committee and will represent the Co-op on the Swarthmore Town Center Board, and will be supported by Stephanie.

With the relaxation of COVID restrictions, Donna asked Mike if we can think about doing some type of thank you event for volunteers who helped immensely during the pandemic.

Strategy Follow Up:

This topic was tabled this evening since four Board members are not in attendance.

Next Board Meeting: July 26, 2021, 7:30 p.m. at the Co-op

Adjournment: The meeting was adjourned at 8:20 p.m.

June 28 Board Meeting Documents:

Board Meeting Agenda: June 28, 2021

General Manager Monthly Report, June 2021

GM Monitoring: A – Global Ends - REVISED

GM Monitoring: B6 – Staff Treatment Monitoring Report

Actual vs. Budget Board Report: May 2021

Sales and Income Graphs, May 2021

Co-op Income Statement, May 2021

Co-op Cash Flow Statement, May 2021

Co-op Balance Sheet, May 2021

13-month rolling income statement, May 2021, parts 1 and 2

Co-op 2021 vs. 2020 Sales, May 2021

Procedure – How to handle an Incident