

# **Swarthmore Co-op Board Meeting**

## **Minutes**

**Monday, May 24, 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; John Moots, Treasurer; Mark Rossi, Secretary; Greg Bockman, Stephanie Edwards, Jim Godderz, Kevin Kebea, Vibhat Nair, Ines Rodriguez, Mike Litka, General Manager

**Absent:** Lauren Shohet, Jennifer Smuts

### **Call to Order / Agenda Review**

Donna called the meeting to order at 7:32 p.m.

### **Review Summary of Annual Meeting, Confirmation of Officer Elections**

Donna recapped the Annual Owner Meeting that took place on April 22 via Zoom. The meeting was highlighted by Mike's presentation. Positive comments were received from the attendees.

A video recording of the presentation can be viewed on the Co-op Website in the "News and Blogs" section.

During the meeting Donna reported the election of the Board members Greg Bockman, John Moots, Ines Rodriguez and Mark Rossi to new three-year terms.

Donna also confirmed that the Board elected the officers to the 2021-22 term: Donna Francher, President; Chris Galbraith, Vice President, John Moots, Treasurer, and Mark Rossi, Secretary. Donna asked the Board members to consider serving as President for the 2022-23 term.

### **Member comments:**

No member owners were present for this meeting.

### **Discussion regarding customer safety in the store:**

Ines shared that she was informed by a member owner who was involved in an incidence of a contentious verbal altercation in the store. The interaction stemmed from a shopper's alleged concern that social distancing norms were violated by the member owner. The shopper felt threatened, and Mike and the store staff intervened to resolve the situation.

Mike provided the Board an explanation of what transpired from the beginning to the end of the incident.

This led to a discussion about how situations such as this are handled. How do staff and management intervene? Is there a “lessons learned” guideline that can be followed? Do we have a plan or guidelines in the employee handbook? Do we need a policy?

Mike noted that “COVID fatigue” has increased tension and frustration, and unfortunately, violent incidents between people in all environments, including grocery stores. How do we respond? Do we have policies in place and training to mitigate it?

We do not have a written policy but staff is noticed to react quickly and contact Manager on Duty. The managers on duty need to step in on a basic level and understand that they need assess the situation very quickly and avoid putting themselves in a life threatening situation.

The three basic steps to be followed in every situation are to assess, be safe and call police. It was agreed that these general guidelines should be reinforced in writing.

### **General Manager Monthly Update Report**

Mike reported to the Board on the following:

#### **Events/Donations/Outreach/Marketing**

- A better means of communications has been put in place to streamline promotions and instore marketing with social media.
- The Co-op is serving as a major sponsor of the Swarthmore Town Center’s “Nights in the Ville” program this summer.
- We are working with the new pop-up restaurant at Vicky’s to cross-promote beer and wine sales.

#### **Facilities:**

- The heat reclaim water tank needs to be replaced. The original manufacturer is out of business. We are awaiting delivery of a new tank.
- We experienced an electrical capacity issue with the new self-contained units in the front of the deli.
- New chairs and tables have been purchased for the café area in the store.

#### **Operations:**

- Post-COVID Operations: Mike is now preparing a “post-COVID” strategy. As of June 13, the mandate for shoppers to wear masks will be lifted, but they can still choose to wear masks. Employees who do did not receive vaccines are being asked to continue wearing masks. We can encourage this but cannot require it. There are five employees who have chosen not to vaccinate. Greg noted that staff members should be encouraged to stay home if they have any related symptoms. John asked if

we could consider offering an incentive to the five who do not wish to vaccinate, but this may create issues with the rest of the staff, since we have only 37 employees in total.

**Hazard Pay:** This conversation led to a related discussion of whether the hazard pay that was instituted at the beginning of the pandemic should be permanently built into staff wages. Mike noted that we have been paying the hazard pay on a quarterly basis for the past 15 months.

This issue is becoming more pressing as discussions about the minimum wage are coming back as people move from unemployment back into the workplace. Many retail starting positions are now paying \$14 (McDonald's) to \$15 per hour. Our regular starting hourly pay is currently \$11, while interviewees expect \$13.

Mike wants to encourage us to make hazard pay part of regular pay.

Currently we counter the lower pay by offering a stronger benefit package, however it seems that people are more interested in hourly pay than they are benefits.

John noted that this issue is also an agenda item for the Finance Committee, so the discussion will be continued at that point in this evening's agenda.

### **Online Ordering System**

Mike noted that our online orders have dropped dramatically and that coming out of COVID we can take a look at implementing a new system to grow our online presence. Rosie is a firm that offers an online ordering platform that includes digital marketing capabilities. It may be worth investing in this product, as we have been considering how to expand our online ordering services. The proposed service fee is \$400 per month and requires a two-year agreement. There is no installation fee. We would need to create customized ads to work with the platform. Rosie would take a 3% cut of online sales.

**Discussion:** The service fee of \$400 x 24 months would require Board approval.

Vibhat suggested that this may be worth a try because it represents a cost-efficient way to get an online ordering system in place. John asked if there is incremental work to set up everything. Mike replied that it would be nominal.

We can estimate how much traffic it will get, although our marketing will be more promotional than currently with "What's Fresh" emails.

Donna asked what we need to make a decision to move forward. The Board agreed that due diligence from the Finance Committee would be helpful. John offered to create some scenarios to show the worst case scenario after two years.

Rosie wanted a commitment to move ahead on June 1, but the Board agreed that more information is needed before the Board can approve this expenditure. **Action:**

The Finance Committee will report back to the Board so that a vote can take place to authorize a working relationship with Rosie.

### **Honoring David Ffrench: Follow-up**

Mike reported that a memorial stone can be made to place on the outside patio (Borough property). The Board agreed with this plan. Mike will let Betsy Ffrench know our intentions.

### **Financial Summary to Budget (May to date)**

- Sales were over budget by \$63,853.
- Cost of Goods was over budget by \$42,049.
- Gross Profit was over budget by \$19,310.
- Net Gain for the period was \$30,789 vs. Budget of \$17,184.

### **Finance Report**

- **Beer and Wine Sales:** John reported that beer and wine drove the sale gains for the period.
- **Hazard Pay:** John and Mike continued discussion of the issue of hazard pay that was addressed earlier during this meeting. Mike and the Finance Committee recommended that we make the hazard pay permanent in order to increase the hourly pay of the store staff. At the same time, John noted that we need a longer term plan for what we want the hourly wage and benefit package to look like in the future. We are hearing that people may be more inclined toward higher pay rather than a combination of pay and benefits. We also should better package the combination of pay and benefits to show the potential employees advantage of this approach. Greg noted that part time people are not interested in benefits packages.

Vibhat asked if we know how much we really spend an hour based on benefits the employees receive along with their hourly pay. Mike replied that the benefits are about 20 percent of the overall compensation package.

**Next Steps:** the Board agreed to continue exploring the issue of pay/benefit packages and to improve communication of benefit packages to prospective employees.

**Action:** The Board agreed to a vote to make hazard pay permanent. Donna made a motion for the Board to approve this action and the motion carried unanimously.

- **PPP loan:** The loan forgiveness process still in the works. Our loan was for \$262,000. PNC has informed us that they would not approve the full amount for forgiveness and it would be more like \$216,000. The final amount will depend on the documentation we provide, which will go through approval by PNC first, then the SBA.

- **Store Interns:** Vibhat reported that we are looking to add one or two college interns this fall. The focus of their work will be on customer and market research and transaction data. The interns will be paid and will receive credit for their work. Interviews were scheduled for May 25.

## **Board Monitoring:**

### **C4: Board Meetings**

Ines reported that Board member responses to the surveys for C4, Board Meetings, were received and there were no issues raised regarding compliance.

Mark made a motion for the Board to approve that the Board is in compliance with C4. The motion passed unanimously.

### **GM Monitoring: A: Global Ends**

Before the Board votes, Ines asked how do we derive data as stated in this policy. Can we look at this next month? Mike will look report on this for us and then and then we can vote.

**Action:** This vote will be tabled tonight and voted upon at the June Board meeting.

Ines also noted that the old ends statements are above the windows behind the registers and perhaps we can replace them with the current Ends Statements.

Mike noted that they have been left there since they serve as a sunscreen. We can address possible replacement at a future date.

## **Board Meeting Locations**

With the pandemic winding down, Donna asked the Board for thoughts on when we should resume in-person Board meetings. We can also consider a hybrid to continue some meetings with Zoom and periodically meeting in person.

Donna also suggested skipping the August meeting completely and scheduling the next in person meeting for September.

Action: Mark will check with Borough Hall on the availability for meetings starting in September. This will be discussed at the June Board Meeting.

## **Additional Discussion items:**

**Beer and Wine Committee:** Kevin reported that the he will be reconvening the beer and wine committee as we continue to fine-tune our inventory.

**Strategy Planning Follow-up:** Donna noted that the strategy planning follow-up will be addressed at the June meeting.

**Paper Bags – Charging Customers:** Ines asked if we are going to revert back to charging people for paper bags, now that shoppers are being encouraged to use personal bags that the check-out staff will bag for them.

Mike replied that we will reinstitute the bag charge. Bags are very expensive to buy, so our intention is to encourage shoppers to use their own bags.

### **Review of Action Items**

- Mike and the Finance Committee to move ahead with asking Rosie to get an extension so the Board can decide to approve this expenditure.
- John will prepare scenarios for how the online ordering platform can grow our the business.
- Mike will review the policy statements for how customer confrontations can be handled.

The meeting was adjourned at 9:22 p.m.

**Next meeting: June 28, 2021 via Zoom**

### **May 24 Board Meeting Documents:**

Board Meeting Agenda: May 24, 2021

General Manager Monthly Report, May 2021

GM Monitoring: A – Global Ends

Board Monitoring: C4: Board Meetings

Color Strategy

Actual vs. Budget Board Report: April 2021

Sales and Income Graphs, April 2021

Co-op Income Statement, April 2021

Co-op Cash Flow Statement, April 2021

Co-op Balance Sheet, April 2021

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

Co-op 2020 vs. 2019 Sales, April 2021