

## Minutes

### Swarthmore Co-op Board Meeting

January 24, 2022

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, Jim Godderz, Kevin Kebea, Vibhat Nair, Lauren Shohet, Mike Litka, General Manager

**Absent:** Ines Rodriguez

**Owner Guests:** Cordelia Delson, Don Delson

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

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

#### **Review and Approval of December Meeting Minutes**

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

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

Mike updated the Board on the following items:

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

- We provided baseball and softball sponsorships to the Nether/Swarthmore league
- In the Policy Register, we are facing compliance issues relative to B-12, Numbers 8 and 9, for contributions, donations and disbursements of funds to non-profit organizations that are distinct from donations to food banks. We need clarity on when / how contributions can be allowed. This policy was last reviewed in late 2017 and needs to be reviewed by the Governance Committee.

**Action:** Donna will contact Ines to set up a meeting of the Governance Committee in early February.

**Facilities:**

- There were no issues to report. New meat and deli cases have been ordered.

**Operations:**

- The revised hours are continuing due to staffing shortages and COVID.
- Staffing shortage continue to challenge us as we continue to work to be fully staffed. We are in the process of hiring a new Manager on Duty (MOD). Ethan's last day was this past Saturday. We also welcomed two new hires, Jeff, in Grocery and Vlad, in the deli.
- We have had a few incidents of teenage shoplifting in the store. Vibhat asked what the usual process is. Mike responded that there multiple steps: 1) First offense gives notice to the person that we are aware the theft occurred. 2) Second offense would involve contacting parents. 3) Third offense involves contacting authorities.

The in-store cameras can be used to support the detection of thefts.

**Financial Highlights**

Mike reported that the financial position continues to be strong. December's numbers were very good. Net gain for December was \$80,879, which was \$19,951 over plan. We ended 2021 with \$6 million in sales, with 9.4 percent of sales in beer and wine. Our current ratio of assets to liabilities is \$769,092.46 to \$191,350.03, which = 4.03.

Our net profit for the year to date is \$198,150, which does not include the PPP loan forgiveness.

The Board asked Mike if the staff end-of-year bonuses (approved at the last Board meeting) have been paid. Mike replied that they were not paid yet but will be disbursed in the next pay cycle.

Mike reported that we lost 17 owners in 2021, with 15 due to deaths and two of folks who moved away.

**Finance Report**

John reported that the Finance Committee has not met since the last Board meeting and that Mike's report hits the key points. We are now looking forward and will refresh the preliminary budget we approved in the Fall of 2021. The refreshed budget will be presented at our March meeting for the Board to vote and approve. The upcoming strategy meeting will focus on what we want our priorities to be for improvements to the store. We also want to focus on capital reinvestment and being smart about our investments.

Donna noted that with our stronger financial position, we need to revisit the Bylaws, Section V, which addresses Distribution of Net Savings. The language in this section needs to be reviewed.

**Action:** The Governance Committee will work on this language and share with the Finance Committee for their review and approval of the entire Board so that we can have the Bylaws Updated for the Annual Meeting in April.

### **Board Monitoring:**

**C: Global Governance:** Acting on behalf of our owners, the Board ensures that our cooperative produces benefit and value while avoiding unacceptable actions and situations.

Greg made a motion that the Board is compliant with “C”, and the motion passed unanimously.

**D: Global Board-Management Connection:** The Board’s sole official connection to the operations of the cooperative will be through the General Manager.

John made a motion that the Board is compliant with “D”, and the motion passed unanimously.

### **GM Monitoring:**

#### **B: Global Executive Constraint:**

The Board made a motion that Mike is compliant with B, and the motion passed unanimously.

**B1: Financial Conditions:** B1 is folded into B12. Within B12, Mike explained that he is not compliant with B-12-8, “Cash donations are not a suitable means in which to support a charitable organization, community group or individual and will not be a means of support. (This follows coverage of this topic in Mike’s report tonight.)

**Action:** The Board agreed that this requires the attention of the Governance Committee. The Board approved that the language will be reviewed and revised by the committee and brought to the Board for a vote at the February Board meeting.

### **Recruiting new Board Members for 2022 (in time for April Annual Meeting)**

The Board discussed continuing efforts to identify and recruit new Board members for two vacant positions. These will be the positions vacated by Jenn Smuts and Chris Galbraith when they resigned from the Board in 2021.

Greg reported that the call for interested parties via social media and communication in “What’s Fresh” did not yield any nominees.

**Action:** Greg will repeat the public call for nominees including in the Swarthmorean. Mike also looked at the list of at top customers, which comprise about 400 owners. It may be worth communicating to that list to see if anyone would like to step forward.

We also have lists of volunteers who worked with the Board on various engagement/volunteer activities and committees.

Donna and Lauren noted that we would like to make the Board more diverse.

The Board would benefit from a new member with marketing/communications skills to help us with our messaging.

Kevin's term is due to expire in April this year, and he has agreed to stay on the Board for another term.

**Action:** Donna asked Board members who would like to participate in the interview process to let her know.

### **Review Committee Memberships and Purpose**

Donna led the discussion to review the current standing committees of the Board and asked Board members to confirm the committees where they would like to serve. Committees include Finance, Policy Governance, HR Nominating Committee, the Owner Engagement and Beer and Wine.

There was some discussion regarding the current owner engagement committee. Do we want to review its charter and change its focus to focus on education of the public and our owners? There will be continued discussion of this topic in the coming weeks, including at the upcoming strategy session.

### **Preparation for strategy meeting**

The Board agreed with Donna's suggestion that we move this meeting to the end of February. We will meet at Donna's house on Sunday, February 27.

Greg noted that a year ago we worked on a strategy plan and recommended that we should give a "fresh eyes" look at that plan, and use the information from last year as a jumping off point for this year's discussion. The Board agreed and Donna will build the key takeaways from that meeting into our upcoming session.

**Action:** Donna has sent an email asking all Board members to provide input to some general agenda items she is suggesting. The agenda will take shape during February so that we can make the best use of our time when we are together.

### **Adjournment**

There were no other items raised for discussion.

Lauren made a motion to adjourn at 8:25 p.m. and the motion passed unanimously.

**Next Regular Board Meeting: February 28, 2022**

**January 24, 2022 Meeting Documents:**

Board Meeting Agenda, January 24, 2022

DRAFT Board Meeting Minutes – December 20, 2021  
General Manager Monthly Report – January 2021  
Ownership Graph – 2021  
Policy Register: B12 – Financial Conditions, January 2022  
2021 – Full Budget to Actual  
Actual vs. Budget: December 2021  
Sales and Income Graphs, December 2021  
Year over year sales and income graph, 2012 through 2021  
Co-op Income Statement, December 2021  
Co-op Cash Flow Statement, December 2021  
Co-op Balance Sheet, December 2021  
13 month rolling income statement, parts 1 and 2  
Co-op 2021 vs. 2020 sales, December 2021