

**Minutes**  
**Swarthmore Co-op Board Meeting**  
**February 28, 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, 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 7:31 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 January Board Meeting. Greg 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:**

- The Co-op publicized the Board vacancies, with the goal to attract the interest of owners to join and serve.
- Mike communicated with the owners regarding the upcoming changes in the meat department. There were no negative reactions to this message, and several owners expressed their support for this change.
- The Co-op will support Town Center with the Truck-A-Thon in April.

**Facilities:**

- Arrangements are moving forward for the new deli and meat cases and we are hoping to have them in place by the end of March.

**Operations:**

- Regular hours are being restored on February 28. We are shifting staff to accommodate the full schedule, although we still have staff shortages in the deli department.
- Costs of packaging and paper are skyrocketing. Suppliers are faced with shortages and will not quote on products currently.
- We are noticing a downward trend of shops from owners. Sales are falling flat and slightly behind, even with the price increases of specific products.
  - Discussion: The Board and Mike questioned why this may be happening. There is a continuing issue of some of the cashiers not asking for the shopper's ID number when they check out. This is the only way that we can capture data for owner shops. Mike will remind the staff that it is very important to ask everyone for their owner ID so we have a better picture of shops between owners and non-owners.
- In preparation for offering more pre-packaged meat products, Mike is meeting with meat vendors about various options and reviewing costs.
- The Staff Handbook is being finalized.
- Preparations are being made for the Annual Owner Meeting in April. The Board and Mike confirmed that April 21, 7 p.m. has been confirmed for the meeting. (See Annual Meeting notes in these minutes).
- A crypto currency ATM machine will be added later this week. We will receive income of \$225 per month in partnership with one of our grocery suppliers.
  - Discussion: John and Vibhat asked whether adding this machine conflicts with our mission. Since the machine is set to be installed, we cannot cancel at this time. Mike will monitor activity with the new machine and keep the Board updated.

### **Financial Highlights**

- Sales were over budget by \$38,362.
- Gross profit was over budget by \$23,997.
- Wages were under budget by \$23,973. (2021 year-end bonuses were paid in February).
- Net gain for the period was \$50,096.

### **Finance Report**

John reported that the Finance Committee will meet soon to look at the final budget for 2022. This follows the Board's previous action to approve a temporary 2022 budget in Fall 2021, with the agreement that the calendar year budget would be finalized and approved at the end of the first quarter of 2022. (This budget preparation, review and approval schedule will be followed annually.)

**Action:** The Finance Committee will present the final budget for Board approval at the next Board meeting on March 28.

## **Board Monitoring:**

### **C1: Governing Style**

Ines surveyed the Board to confirm our compliance with C1, which states that we will govern in a way that emphasizes empowerment and clear accountability.

Mark made a motion a motion that the Board is compliant with C1 and the motion passed unanimously.

## **GM Monitoring:**

### **B11: Emergency General Manager Succession**

This policy states that the General Manager shall not operate without a plan for emergency management succession.

Mike noted that both Dave and Kira are involved with stepping in as needed in the event that Mike is absent due to an emergency or planned absence.

### **Discussion:**

Ines asked if we have a succession plan documented. In addition, the issue was raised about a succession plan if Mike were to leave his position.

Vibhat asked how well do we know the people who would need to step in if Mike were to leave? Do we have a confidence level that they could take over until a new General Manager is found? How would we vet people?

John noted that there should be a GM succession plan that would serve to guide operations in the event that Mike would need to resign.

Ines asked whether we have adequate documentation of training that would be provided to the person who needs to step in.

Ines noted to the Board that in past years there was a situation where the GM suddenly resigned and we were scrambling to run the store until a successor could be found.

Stephanie asked, from an educational perspective, if it might be appropriate to invite one of Mike's direct reports to a Board meeting so they have greater familiarity with the Board.

Greg noted that a "Succession Plan" is multi-faceted document that can mean different things. This discussion is about the short-term loss of the GM. We also would need to be concerned with what happens if the GM would resign on short notice.

In this event, we would need a roadmap for how to communicate with various The other part of the process is to identify someone as a potential successor. We would

need to be able to put a plan in place for this person to be able to report to the Board.

Lauren suggested that we invite a staff member to a Board meeting and that the employee report out on their area of responsibility.

Donna noted that this is great idea but that we want the staff to clearly understand that they report to Mike and not to the Board.

Mike noted Kira and Dave both have an understanding of administration and operations. Shaina took over as customer service team leader in June 2021. She is starting her sixth year at the Co-op.

**Next Steps:** The Board agreed that, for now, the General Manager is compliant with the statements that are listed under B11, from B11-1 through B11-2, but that the Board will continue to analyze this policy for review next year.

**Action:** Ines made a motion to approve this plan, and the Board passed this motion unanimously.

Separately, the Board will discuss the actual process to be followed in the event that the General Manager would resign and the Board would need to recruit a new General Manager.

#### **B5: Member and Customer Relations**

This policy was also addressed for compliance review. It focuses on dealing with customer interactions.

**Discussion:** The Board suggested that this policy should be updated with language about professional development of the staff to provide evidence that that the General Manager is compliant.

**Action:** Mike will draft additional language for B5 that the Board will approve for compliance at a future meeting.

#### **Governance Committee: Recommendation for Revision of B12, Sections 8 and 9**

Following up from the last Board meeting, the Governance Committee met during February via Zoom to address the language around how cash donations for charitable causes should be addressed.

**Discussion:** In reviewing the existing language, the Governance Committee is recommending that this should be a Board Compliance Policy rather than a General Manager Compliance policy. The Board agreed with this recommendation.

**Next steps:** This will become a new policy in the Board Monitoring Policy Register, to be designated as C9. There is no action required at this time. Ines will schedule future meeting of the Governance Committee to move this new policy forward.

### **Preparation for Annual Meeting**

Donna led the discussion regarding preparation and next steps for the Annual Owner meeting in April. Following a summary of the points discussed:

#### **Meeting format and location:**

The Board agreed that with the relaxing of COVID-19 restrictions it would be great to hold the meeting in person, but to also offer it simultaneously via Zoom, so that anyone concerned with being in a meeting setting would have the option to view it from home.

Because the store now has beer and wine aisles and shelving where the meeting seating was in previous years, having the meeting in the store could be difficult.

Donna suggested that new Park Avenue Community Center in the Methodist Church building could be a great location for a large group.

**Action:** Donna will check with the Community Center to see if this would be possible.

**Meeting Date and Time:** The Board agreed to Thursday, April 21, 7 p.m. This is the week after the Easter holiday/school spring break.

**Meeting Content/Agenda:** The meeting will run with the same format as in past years. Mike will deliver the "State of the Co-op" address and the results of the Board elections (for up to two current vacancies) will be announced. There are no changes to the Bylaws this year for owners to vote on in advance of the meeting.

**NOTE:** According to the bylaws, the names of new candidates and their bios must be communicated to the owners at least 20 days before the Annual Meeting.

#### **Next steps:**

- Mike and Donna will check with Jason to see if a Zoom meeting would be possible. We will also ask Jason to manage the communication to the owners that will direct them to the website to vote on the Board candidates in advance of the meeting.
- We will also discuss the idea of having drinks and refreshments at the Co-op following the meeting.

### **Board Strategy Meeting**

Donna suggested that the Board Strategy meeting that we originally planned for February 27 could take place in late March/early April. She will email the Board with a potential date, time and location.

## **Adjournment**

Lauren made a motion to adjourn the meeting. The meeting was adjourned at 8:45 p.m.

**Next meeting: March 28, 2022**

## **February 28, 2022 Meeting Documents**

Board Meeting Agenda, February 28, 2022

DRAFT Board Meeting Minutes – January 24, 2022

General Manager Monthly Report – January 2022

Policy Register: B5: Member and Customer Relations, February 2022

Policy Register: B11: Succession, February 2022

Actual vs. Budget: January 2022

Sales and Income Graphs, January 2022

Co-op Income Statement, January 2022

Co-op Cash Flow Statement, January 2022

Co-op Balance Sheet, January 2022

13 month rolling income statement, parts 1 and 2, January 2022

Co-op 2022 vs. 2021 January sales