

## Minutes

### Swarthmore Co-op Board Meeting

August 22, 2022

#### Swarthmore Borough Hall – Community Room

***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:** Greg Bockman, President; Stephanie Edwards, Vice President; John Moots, Treasurer; Mark Rossi, Secretary; Kevin Kebea, Vibhat Nair, Keith West

**Absent:** Donna Francher, Ines Rodriguez, Lauren Shohet

**Guests:** Dave Blanda, Carol Gallo

#### Call to Order / Agenda Review

Greg called the meeting to order at 7:34 p.m.

#### Review and Approval of July 26, 2022 Minutes

Prior to tonight's meeting, John reported that a correction in the Financial Highlights section: Last month's profit was **\$17k above the prior year, not \$14k below**. There were no additional questions or changes. Greg made a motion to revise and approve the minutes as amended and the motion passed unanimously.

**Action:** Mark will send the amended minutes to the Board and the final minutes will be posted in Backpack and posted on the Co-op website.

#### Member Visitor: Carol Gallo

Carol joined the meeting to provide some comments on product selections in the store. The last few times she was in the store there were items that folks tried to help her find. Everyone was helpful. She inquired about how products are selected and an employee explained that the GM does the product selections. Carol believes that the Co-op should not be supporting Nestle and cited several examples supporting her belief: She is concerned with Nestle's violation of human rights, claiming water as theirs and not allowing communities to access their water. She also mentioned that there are countries where the company convinced women of children bearing age not to breast feed and use their formula. They sell them the powder they have to mix with contaminated water.

For these reasons she does not think the Co-op should be supporting Nestle and should discontinue offering all Nestle products.

**Action:** The Board explained to Carol that product selection responsibility rests with the General Manager, and the interim General Managers will take her comments and request under advisement.

## **General Manager Monthly Update Report**

Dave Blanda, one of the three interim General Managers during the period that the Co-op is seeking a permanent General Manager, joined the meeting to present the General Manager Monthly Update Report.

Following are the highlights of Dave's report:

### **Front End:**

- We are preparing for the transition of our accounts to the Media PNC Branch, as the Swarthmore branch will close in late September.
- The liquor license validation and renewal application is being completed. The application is larger than in past years because of the expanded wine permit being renewed this year. The cost for the renewal is \$6,600.
- Our seasonal cashiers are returning to college and leaving us until the holidays, but we have welcomed two new additions at the registers, Hayden and Avery.

### **Grocery:**

- Fall products will start rolling in as produce season winds down.
- We are extending an offer to an applicant for an available part-time position.

### **Deli and Prep Foods**

- Deli and prep sales are up significantly, especially as students are now returning.
- The grab and go cases look good and revenue is rising.
- New menus and chalkboard displays are being prepared to attract customers and increase sales.
- We are looking to add staff in this area to support the increase in business.
- Soup station will return in mid- to late September.

### **Meat and Seafood**

- August is slow due to vacation season.
- We are continually reviewing sales and adjusting prices and volume of product being bought in order to help reduce product "shrink," including with chicken orders that need to be placed in advance.
- Extra resources are being assigned to help Tamika, who had been running the meat and seafood area on her own.
- Tamika can do special orders for people who desire special service.

### **Produce and Specialty**

- We have two new employees: Gabriela in Specialty and Celebrity in Produce are providing much needed manpower support in these areas.
- There are a variety of products from Linvilla Orchards that will be featured.

## Beer and Wine

- The product portfolio continues to be adjusted based on products that are selling quickly and slowly.

### Board Discussion following Dave's report:

Vibhat noted that people may not know about the extra level of service in the meat department and that we should add signage.

John addressed the issues of slowing sales and meat, noting that unit sales across the United States are down, largely due to inflation and changing consumer preferences.

Stephanie suggested that we host wine tastings to help us guide our product offerings.

The Board discussed the process in place to transfer deposits to the PNC Media Branch. An area of concern is safety. John noted that we are planning to do night deposits at Media one night per week. The other concern expressed was whether it is safe to have employees transporting and depositing money. There is a \$5,000 limit per cash deposit. Shaina will handle the deposits initially.

Keith expressed that we need to review the insurance policy to clearly spell out liability issues; e.g., What are the exclusions? What happens if the employee has a car accident?

**Action:** John noted that the policy includes "in transit" coverage, but he will ask Dawn to take a close look at what the policy says. The Board will discuss this at the September meeting.

The Board asked Dave about current staffing compared with 2021.

Dave replied that we have filled several key roles but still need to fill others. Deli has lost one member. Cole will be leaving later this year. Sharay is also leaving soon. We have one employee interested in moving from part-time to full-time.

Kevin asked Dave if the store has contacted the farm to order the Thanksgiving turkeys and Dave replied that they will be called next week.

The Board asked Dave about the store closure on August 17 as a day-off/reward for the entire staff to recognize their hard work. Dave noted that the day was well received and appreciated by the staff.

Donna attended and talked to the staff and there was discussion in the interest that has been expressed to increase base staff compensation from \$13 to \$14 an hour.

Donna shared some other notes about ideas for other benefits asked for by the staff: Can we help staff pay for meter parking? Can we provide a separate employee bathroom? Can we improve the break space?

The Board agreed that the parking benefit would be a nice idea, but the logistics would need to be explored; e.g.: If we were able to have the Borough extend this benefit to Co-op employees, would this mean that all businesses in town would need to offer this benefit as well? Is there a specific

area (further down Myers Avenue where many meters are unused) where we could offer this benefit?

**Action:** Greg will reach out to Marty Spiegel, Mayor, to discuss the potential for such an arrangement.

Once the new GM is on Board we can move forward with specific ideas for providing benefits to the staff.

### **Finance Committee Report**

John presented the July 2022 Finance Report. Following are the highlights:

Summary:

- Loss of \$12K is \$4K worse than budget and \$3K worse than prior year
- Sales of \$389K are \$34K below budget and \$34K below prior year
- Total Expenses of \$154K are \$14K below budget and \$14K below prior year
- Customer count of 15.8K is down 0.2K over prior year
- Basket size of \$24.57 is down \$1.79 over prior year
- Year to date profit of \$96K is \$2K below budget and \$27K above prior year

Drivers:

- July is usually a slow month, but several departments are down year to year
- Meat & seafood continue to decline. Sales of \$36K are down 35% year to year
- Beer & wine sales of \$34K down ~15% year to year (~9% of total store sales)
- Produce sales of \$50K are down 18% year to year
- Total grocery sales of \$156K are steady to last year
- Overall profitability was similar to last year due to lower expenses (\$155K vs. \$169K), primarily due to Office Wages (GM salary) which is down \$8K year to year
- Total store labor hours of 1.8K are down 33% year to year but sales per labor hour up 23%

Financial Position:

- Cash position of \$603K reflects \$14K decrease in June but up \$87K year to year
- Current Ratio (Current Assets / Current Liabilities) set at 1.25  
 $\$759K / \$157K = 4.8$
- Quick Ratio (Current Assets - Inventory) / Current Liabilities set at 0.70  
 $(\$759K - \$196K) / \$157K = 3.6$

## **Board Monitoring:**

Ines surveyed the Board on compliance in the following areas.

**C5: Directors Code of Conduct *(from July 2022)***

**C6: Officers' Roles *(from July 2022)***

**C7: Committee Principles**

The survey results indicated that the Board is in compliance.

**Action:** Mark made a motion that the Board members are in compliance with C5, C6 and C7, Vibhat seconded the motion and the motion passed unanimously.

## **GM Monitoring:**

**B3: Asset Protection**

Vibhat made a motion that the General Managers are in compliance with B3, Stephanie seconded the motion and the motion passed unanimously.

**B10: Conflict of Interest**

Mark made a motion that the General Managers are in compliance with B10, Vibhat seconded the motion and the motion passed unanimously.

## **GM Search Committee Report**

Greg updated the Board on the work of the search committee toward the selection of a new General Manager. All three finalists are still very interested. The next round of interviews will allow the rest of the Board, the interim GMs and Dawn Betts (HR consultant) to join with the search committee to meet with the candidates.

We will use the next round to let the candidates talk about their vision and to ask us questions.

Greg will share with the rest of the Board what the initial interview questions were during the screening round.

Three dates have been identified for the follow-up interviews: September 6, 12, 13.

**Next Step:** Greg will confirm details and share with the Board.

## **Ad Hoc Board Communications Committee Report**

Mark noted that the Board email to owners was sent in mid-August. We will send another email to the owners as we finalize and select our new General Manager.

## **Old Business**

### **Conflict of Interest Statements**

Mark noted that most of the conflict of interest statements have been received from Board members (as part of C5-10.) He will follow up with the few remaining members so that the complete list can be documented for 2022.

## **New Business**

### **Mural**

Greg noted that interest has been expressed for a mural to be painted on the side of the building as part of a desire to have a few new murals painted around town. There is one proposed for the garden wall at Ship Bottom Brew House.

Resident Sharon Mester (former Co-op Board Member and past president of Swarthmore Town Center) will join the September 26 Board meeting to present the proposal details to the Board and answer our questions.

### **Centennial Foundation Contribution**

Donna reported a recent conversation with resident Linda Heffernan, who is on the Board of the Swarthmore Centennial Foundation. She asked Donna if we would be interested in receiving a Centennial Foundation grant to upgrade the Co-op's patio furniture.

**Next step:** Donna will look into this further and find out how the request should be made, along with whether there would be an opportunity to ask for any other contributions to improve the store.

The Board members reminded each other that the patio space does not belong to the Co-op. It is the property of Swarthmore Borough. There would need to be a joint discussion between the Co-op and the Borough for the logistics, i.e. who would purchase the furniture, what involvement would the Borough have, etc.

**Next Step:** Greg will discuss with Marty Spiegel, Swarthmore Mayor.

### **Adjournment**

The meeting was adjourned at 9: 21 p.m.

**Next meeting: September 26, 2022**

### **August 22, 2022 Meeting Documents**

August 22, 2022 Agenda  
August 22, 2022 Department Reports  
July 2022 Finance Report  
July 26, 2022 Meeting DRAFT Minutes  
GM Monitoring, B3 – Asset Protection  
GM Monitoring, B10 – Conflict of Interest  
Income Statement – July 2022  
Balance Sheet July 30, 2022  
Side by Side One, July 30, 2022  
Side by Side Two, July 30, 2022  
Profit and Loss, July 30, 2022