

## Minutes

### Swarthmore Co-op Board Meeting

July 25, 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; John Moots, Treasurer; Mark Rossi, Secretary; Donna Francher, Kevin Kebea, Ines Rodriguez, Keith West

**Absent:** Stephanie Edwards, Vibhat Nair, Lauren Shoheit

**Guests:** Kira Montagno, Shaina Ragamat

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

Greg called the meeting to order at 7:31 p.m.

Greg reported that Jim Godderz is leaving the area and has resigned from the Board. The Board thanked Jim for his service and wished him well in his future endeavors.

#### **Review/Approve June 27, 2022 Minutes**

Prior to tonight's meeting, Lauren corrected the spelling of the new employee, Carl Marissen, in the draft minutes of the June 27, 2022 Board Meeting. John reported that the Financial Highlights from the June meeting needed to be corrected to compare May 2022 results with May 2021 results, and provided that information to Mark. There were no additional questions or changes. Donna made a motion to revise and approve the minutes with these corrections, John seconded the motion, and the motion passed unanimously.

**Action:** Mark will send the corrected minutes to the Board and the minutes will be posted in Backpack.

#### **Member/Owner comments:**

There were no owners in attendance at tonight's meeting.

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

Kira Montagno and Shaina Ragamat, two of the three co-managers during the period that the Board is seeking a new General Manager, attended the Board meeting and provided the Department Monthly Reports from Dave Blanda (the third co-manager) and department managers:

So far, the month of July has been slow, reflecting the typical summer slowdown of business. This is enabling staff to schedule time off.

We will lose some of student staff soon as they prepare to return to college, so we are looking for a few hires to fill in after August.

We will have some of our seasonal employees coming back to help us during the busy times with the holidays.

This month there were four member redemptions due to people moving from the area. Longtime owners Jim and Wendy Emrich are moving away and chose to gift their equity holdings to the Co-op. The Board sent a thank you note to them.

Donna asked who is handling redemptions currently. Shaina replied that she and Karen Hamilton track and handle redemptions. We also have added some new owners over the past month.

Donna reminded the Board that we should always keep in mind how to handle redemptions. The GMs historically have taken care of redemptions but the Board should be aware of when and how they are processed; e.g., as soon as we get requests or quarterly.

Ines asked how well versed are we in selling memberships to customers. Shaina replied that the checkers they know the basics and can explain the benefits of joining. We have an updated handout we can give to them.

As discussed previously, the owner ID numbers are important when people are checking out, as it gives us data about sales of owners vs. non-owners.

Kira noted that the staff members feel comfortable taking vacation, and co-managers have adequate help to let people take time off. Many folks have not traveled since before March 2020 and are scheduling trips again. Our goal is to be sure we are adequately staffed in all areas, even when people go away.

We also have a vacancy coming as Sharay will be leaving to move to Tennessee. We will need to fill that position with someone who can service both Specialty and Produce.

Donna asked what happens if Sharay leaves before we hire someone. We have a new staff member, Gabrielle, who we may be able to move to fulltime. She has knowledge in Specialty and Produce, and we can fill in with other staff to make things work.

Grocery is also looking for part-time and full-time staff. Ethan is coming back to work in administration. He is adept at pricing meat and in produce and grocery.

Kira and Shaina noted that there is going to be a full-store staff meeting in August. The store will be closed for a day (Date TBD) and the staff will socialize with a cookout. This will hopefully serve as a morale-booster for the staff.

Greg asked Kira and Shaina how, overall, the Board can continue to be of support to the co-managers. In Dave Blanda's written report to the Board he suggested that there needs to be more regular communication from the Board to owners and the public.

Greg replied that the Board is developing communication that will be emailed to all owners in the next few weeks. The Board sent a letter to the Swarthmorean, published on July 22, which was in response to an owner letter about the changes in the Meat Department.

The staff is also asking for better communication between Dawn Betts and more communication from management to the rest of the staff. Shaina noted that Dawn has had a Q&A meeting with staff to answer their questions.

The Board informed Shaina and Kira that there is money in the budget that will cover staff registration for professional development classes allowing members to enhance their work in the store. Ines noted that the MAFCA (Mid-Atlantic Food Co-operative Alliance) meeting is coming up in Frederick Maryland on September 11<sup>th</sup>. The Expo East program is in Philadelphia this year. Columinate has COOP cafes and coop training available. We would be happy to reimburse staff who wish to attend these events.

Greg asked Kira and Shaina to continue to tell the Board how we can support them until the new General Manager is named.

### **Discussion Regarding Staff Compensation**

The Board, Kira and Shaina continued the discussion regarding the desire expressed by several staff members for the Co-op to increase the staff's hourly pay, and how to respond to the staff's concerns. (These staff concerns were shared in letter to the Board that the Board discussed at the last Board meeting.)

The Board and the co-managers talked about ways that the overall compensation packages for staff can be improved. Should we eliminate benefits and focus on pay? Do we implement four-day workweeks and keep hourly pay the same? How important is offering health care insurance? Do we need to do more in terms of staff outings?

Keith asked what challenges there maybe with having a four-day workweek. Four ten hour shifts may be difficult. Do we have enough people in the store to handle it?

Kira replied that we haven't really thought about it and that ten hour shifts may be too much.

Ines expressed that it is really up to the managers if they want to do it.

Kevin noted that another solution could be an occasionally day off that is given to staff members.

John asked if the staff expects the board to respond directly to some of these concerns.

Everyone agreed that if there is NO response that is not good. Board members may want to join with the three co-managers in scheduled meetings the staff. Maybe Board members could join the August staff meeting and address the points that were covered in the letter that was sent to the Board.

Greg noted that he has been responding to questions that have come to him. A staff member has said to Greg that issues are still unsettled.

It's important for the staff to know what impact that across-the-board hourly increases could have on the financials. John asked if the staff has access to the store's financials. Mike Litka used to share but we are not sure if Dave or anyone else is sharing currently.

The staff needs to be aware that we have obligations to repay the owners who gave use loans for the freezer and the liquor license applications. By improving our operational efficiencies and increasing sales, we are meeting these obligations.

Donna noted that if the Board participates in these discussions with the staff, we still need to reinforce the chain of command so that staff is clear: The staff reports to the General Manager (three co-managers in the interim). The General Manager reports to the Board. The General Manager works with the HR Consultant to determine pay grades and increases.

#### **Other items discussed with Kira and Shaina:**

Keith asked who created the sign in the store showcasing local products, and whose idea it was to create it.

Shaina created it....it's on the chalkboard...we did it since sometimes people ask where things are from....is this local?

Kira also reported that the staff handbook is now on the portal and we want to tell the staff that they can look through it.

There was shared concern that more needs to be done for overall marketing of the Co-op. Kira and Shaina noted that Savanna, who handled social media, is away on maternity leave. The team agreed that a primary focus of the new GM should be on how to ramp up marketing.

#### **Finance Committee Report**

John reported that our June results were solid.

Following is the report of financial highlights he shared with the board:

- Sales of \$540K are \$26K below budget and \$26K below prior year
- Customer count of 20.7K is up 0.5K over prior year
- Basket size of \$26.11 is down \$1.95 over prior year
- Cost of Goods of \$347K is \$4K below budget and \$12K below prior year
- Total Expenses of \$166K are \$30K below budget and \$30K below prior year
- Profit of \$21K is \$7K above budget and \$17K below prior year
- Year to date profit of \$108K is \$2K above budget and \$30K above prior year

#### **Drivers:**

- Total grocery sales of \$211K are up \$5K YoY. Most Dept's on track with last year:
- Meat & seafood sales of \$53K are down \$17K (~25%) vs. prior year
- Specialty Dept sales of \$40K are down \$7K (~8%) YoY

- Beer sales of 25K down ~10% YoY. Beer & wine are steady at ~9% of total store sales
- Expenses YoY favorability due primarily to wages (\$3K), bonus salaries (\$12K) and repair/maintenance expense (\$5K)
- Total store labor hours of 2.3K are down 22% YoY but sales per labor hour up 21%
- Avg. wage per hour of \$22.88 vs. \$19.35 last year

**Financial Position:**

- Cash position of \$616K reflects \$60K decrease in June
- Current Ratio (Current Assets / Current Liabilities) set at 1.25  
 $\$785K / \$152K = 5.2$
- Quick Ratio (Current Assets - Inventory) / Current Liabilities set at 0.70  
 $(\$785K - \$200K) / \$152K = 3.2$

**Takeaways:**

Our cash position is good even though we are in the slow season.

We are continuing to pay down our debts and we can invest in new capital improvements.

**Board Monitoring:**

Board members will be surveyed on compliance in the following areas and these will be addressed at the August Board Meeting.

**C5: Directors Code of Conduct**

**C6: Officers' Roles**

**GM Monitoring:**

**B8: Communications with, Counsel to, and support of the Board**

Kira created and provided B8 for the Board to confirm that the co-managers are in compliance.

Mark made a motion that the co-manager are compliant with B8, Donna seconded the motion and motion passed unanimously.

**Discussion of Employee Grievances**

In light of the need to be sure that staff concerns are being handled properly, John asked if the staff knows how to communicate grievances, and to whom. Do they know the chain of command when

they express a concern? During this period without a GM, are their concerns being properly channeled for a response?

Kira noted that this topic should be covered in the Employee Handbook.

Several Board members asked if this is covered anywhere in the Bylaws. Ines asked if this is something that should be handled within the staff and without Board involvement.

Keith recommended that every employee should sign the handbook upon receiving it. There was also discussion about related issues of harassment should be handled.

Overall, the Board felt that any of these issues should be handled internally within the store, unless it is about a specific issue with the GM, and such an instance would rise to the Board for attention.

**Action:** Greg and HR Committee will see if this is addressed in the Bylaws. The Employee Handbook will also be checked. There should be consistency between the Bylaws and the Handbook.

### **GM Search Committee Report**

Greg reported that we have received a total of seven candidate profiles, and the committee has narrowed down the interview candidates to five.

The interviews are being set up for July 31 (Morning) and August 1, 2 and 3 (evenings).

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

Mark noted that the Board Letter to the Swarthmorean was published on July 22 in response to a letter three weeks earlier from an owner who questioned the move from full-service to self-service in the meat department. We will be sending an email to all owners in August that will update everyone on a variety of developments and news in the store, including the search for a new GM.

### **Old Business**

As discussed earlier this evening, Greg will meet with the staff as we evaluate some changes in the pay and compensation policy in the store.

### **Backpack**

Greg reported that we will be working to replace Backpack with a Dropbox-based system that will provide a better means to save and back up critical documents.

We may be able to have an intern help with this effort.

### **PNC Bank Branch Closure**

With the closure of the PNC Swarthmore branch scheduled for September, John is looking into this matter with our PNC manager contact for how it will impact our account and deposits going forward. Shaina and Dawn also discussed this matter with someone from PNC Headquarters in Pittsburgh who provided a range of potential options for making sure money can be easily and safely deposited into the Bank.

Keith asked if there are issues with employees driving deposit money to the bank. What kind of liability insurance issue does this create?

**Next steps:** Various options will be explored and discussed at a future Board meeting.

**New Business**

**Conflict of Interest Statements (C5-10)**

Mark will compile conflict of interest statements from Board members and post in Backpack.

**Adjournment**

The meeting was adjourned at 9:13 p.m.

**Next meeting: August 22, 2022**

**July 25, 2022 Board Meeting Documents**

Board Meeting Agenda, July 25, 2022

DRAFT Board Meeting Minutes, June 27, 2022

Department Monthly Reports (Co-Managers), June 27, 2022

June 2022 Finance Committee Report

GM Monitoring - B8, Communication with, Counsel to, and Support of the Board

Meat Sales for 2022 vs. 2021

June Profit and Loss, 7/2/2022

Balance Sheet: July 2, 2022

Statement of Cash Flows: 7/2/2022

Side by Side 1: 7/2/2022

Side by Side 2: 7/2/2022