

## Minutes

### Swarthmore Co-op Board Meeting

October 24, 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; Donna Francher, Lauren Shohet, Keith West; Kira Montagno, General Manager

**Absent:** Kevin Kebea, Vibhat Nair, Ines Rodriguez

#### Call to Order / Agenda Review

Greg called the meeting to order at 7:31 p.m. The Board welcomed Kira Montagno and congratulated her on her appointment as General Manager.

#### Review/Approve September 2022 Minutes

Lauren noted that there were a few typos in the September 26 minutes and she will send to Mark to incorporate into the final minutes. There were no other comments or changes to the minutes.

**Action:** Donna made a motion to approve the minutes with typos to be corrected, John seconded the motion and the motion passed unanimously.

#### Member Comments

There were no members present.

Kira reported a comment from owner/member Heather Jorgenson who requested that the staff should be wearing name badges consistently.

#### General Manager Report

Kira presented the team reports to the Board for review and discussion.

#### Highlights:

Front End Update (Shaina):

- The team is looking to hire two more people.

- No owner redemptions this month and a few new memberships. There are plans for another member appreciation day to attract new memberships.

#### Deli Update (Vlad)

- Volume of students has dropped a bit since the new cafeteria opened on the campus. Currently we are looking at ways to re-attract students.
- Deli area in general is doing well. We'd like to better cross train people across areas to make sure we have areas adequately trained and staffed.

#### Grocery (Dave)

- There are a few staffing changes and new hires.
- We're planning ahead and keeping popular items in stock as we approach the holidays, e.g. baking supplies as we move toward the holidays.

#### Marketing/Admin (Ethan)

- Ethan is taking on responsibility for our variety of marketing initiatives, including ramping up the volume of our communications and social media activity, including "What's Fresh" and Manager Specials.
- There will be heavy promotion toward boosting Thanksgiving sales.

#### Meat/Seafood (Tamika)

- We are continuing to look at sales reports to adjust pricing reduce shrinkage, (what we buying vs. what is selling.)
- We are preparing for Thanksgiving as we take orders for turkey and turkey breasts.
- We are focusing with Samuels on revamping our seafood offerings with better products.
- More customer demonstrations are planned, including recipe information and instructions for how to prepare products.

#### Beer/Wine (Holly)

- Heather, our wine expert will be back for a Taste of Fall sampling day.
- We are monitoring specific product sales and adjusting offerings accordingly.

#### Produce/Specialty (Sharay)

- Gabriella is now with us full time and doing a great job.
- We are focusing on marketing ideas to increase sales.

#### **Discussion:**

**Staffing:** John asked how things are with staffing. Do we need to increase staff? Are there areas of expertise in which we wish to concentrate, and can our budget handle this? Are we staffed correctly? Do we have a sweet spot for staffing, e.g. number of staff vs. less people

with more focused expertise? The areas of greatest concern are Produce and Meat & Seafood. Specifically, do we need a Produce Manager?

Kira is aware that this is a priority and is concentrating on adjusting so there is the right staffing mix.

### **Health Plan Renewals:**

Kira and the Board also discuss that it is time for health benefit plans to be renewed.

Dawn Betts, our HR consultant, will lead the meeting with the staff and is reviewing the renewal rates for 2023. Most employees are single and opt for the lowest tier plan. Can we find a way to pay a higher percentage for the lowest tier health plan?

Kira will ask for a detailed summary from Dawn to confirm the renew plan for 2023.

### **Finance Committee Report**

John presented the September 2022 Finance Committee report. Following are the highlights:

Summary:

- Profit of \$39K is in-line with budget and \$1K below prior year
- Sales of \$587K are \$34K below budget and \$34K below prior year
- Total Expenses of \$162K are \$28K below budget and \$27K below prior year
- Customer count of 25.6K is up 0.1K over prior year
- Basket size of \$22.90 is down \$1.46 over prior year
- Year to date profit of \$116K is in-line with budget and \$35K above prior year

Drivers:

- Overall sales down ~5% year over year despite an 8% increase in inflation
- Total grocery sales of \$241K up 1% to last year (down adjusted for inflation)
- Deli and Prepared Foods doing well, sales of \$100K up 8% year over year
- Beer & wine sales of \$53K are down 5% to last year (9.0% of total store sales)
- Meat & seafood sales of \$50K are down 25% year over year
- Produce sales of \$61K are down 20% year over year

- Overall profitability in-line with budget last year due to lower expenses (\$162K vs. \$190K), from lower Office Wages (no GM salary) and Occupancy Expense
- Total store labor hours of 2.3K are down 17% year over year but sales per labor hour up 14%

**Financial Position:**

- Cash position of \$623K reflects \$41K increase in Sep and up \$135K year over year
- Current Ratio (Current Assets / Current Liabilities) set at 1.25  
 $\$797K / \$171K = 4.7$
- Quick Ratio (Current Assets - Inventory) / Current Liabilities set at 0.70  
 $(\$797K - \$184K) / \$171K = 3.6$

John noted that we are winding down for 2022 and it's time to focus on 2023.

**Board Monitoring:**

**D1: Unity of Control**

**Global D: Board-Management Relationship.**

Ines submitted the survey results for two policies:

Policy D1, Unit of Control, which states that *“Only officially passed motions of the Board are binding on the General Manager.”*

Global D: *“The Board’s official connection to the operations of the cooperative will be through the General Manager.”*

Stephanie made a motion that the Board is compliant with D1 and Global D. Mark seconded the motion and the motion passed unanimously.

**C8 Governance Investing**

Ines surveyed the Board for compliance with the Board Process policy C8: Governance Investing.

The Board agreed that we are compliant with this policy. However, the language in C8, Item #3 needs to be revised to reflect that the Board’s Budget work should be completed no later than March of the budget year, rather than October of the previous year. The reason for this change is that the Board has formally adjusted the

Budget cycle so only budget estimates are produced in October and they are now finalized the following March.

**Action:** John made a motion that the Board is compliant with C8, with the understanding that the language will reflect the new budget cycle. Donna seconded the motion and the motion passed unanimously.

**Next Step:** The Governance committee will make this adjustment to the policy language to reflect the new budget cycle.

## **GM Monitoring:**

### **B2: Business Planning & Financial Budgeting**

John we are not exactly doing what we say in B2-2 relative to separation of capital and operational items, so we are not compliant specifically with B2-2.

While we don't do this today, we can address it for the future.

The Board agreed that we can still approve General Manager compliance with B2 in general, but the Governance Committee should focus on editing the language in B2-2 relative to capital planning.

**Action:** Mark made a motion that we are compliant with B2 with the understanding that the Governance Committee will address B2-2. Donna seconded the motion and the motion passed unanimously.

**Next Steps:** The Governance Committee with review and edit and language. We will ask for John's input.

## **Old Business**

### **First Place Swarthmore Support**

Keith discussed the Co-op's interest in supporting First Place Swarthmore with Carol and Joyce from Swarthmore Presbyterian Church. The Board previously approved a \$500 contribution to First Place Swarthmore.

**Action:** Greg will request Karen Hamilton for a check to present to First Place Swarthmore. Keith will let Joyce and Carol know that we can arrange for a photo presenting the check that can be published in the Swarthmorean, and will coordinate these logistics with Kira.

**Additional Publicity Opportunity:** During this discussion regarding publicity, Lauren proposed a story about Kira that can be pitched to the Swarthmorean. The Board agreed with this idea.

**Next Step:** Lauren will draft the story and contact the Swarthmorean.

## **Co-op Patio Usage**

**Discussion:** Keith reported that he met with Bob Scott, Swarthmore Borough Solicitor, about how we can make better use of the patio space. As we know, the Co-op does not own the patio; it is owned by the borough. The idea of “selling” the patio to the Co-op was discussed, but Bob said it would be difficult for them to sell it to us because we would need a public auction. We do have a lease currently for the space, and the lease agreement should continue.

**Next Step:** The Board and Kira agreed that before making specific plans for how we will use the space, we should look at the language of the lease, and then Kira can create a vision for what can be done with the space in the future.

## **Parking for Staff**

Greg shared with the Board and Kira that the Board has approved the parking discount benefit for those employees who drive to work. (See minutes from September 2022 meeting).

**Next Step:** Kira will manage the logistics going forward.

## **Centennial Foundation**

The Mural Project work will continue at the first location at Ship Bottom. We will continue to monitor this project and plan for involvement with the proposed Co-op mural, expected to begin in Summer 2023.

## **New Business**

### **Supporting other Co-ops**

Greg reported that the West Chester Co-op may be visiting us to learn about the Swarthmore Co-op.

Stephanie asked if we can do something to support the Kensington Co-op. They are liquidating but have a have a plan in place to start over, and have reached their initial fundraising target. However, they will likely need help going forward.

**Action:** We will continue to monitor Kensington Co-op and determine if there may be an opportunity to help in the future.

## **Adjournment**

John made a motion to adjourn. The motion was seconded by Donna and the approved unanimously. The meeting was adjourned at 9:08 p.m.

**Next meeting: November 28, 2022**

## **October 24, 2022 Meeting Documents**

October 24, 2022 Agenda

October 24, 2022 GM Team Reports

September 2022 Finance Report

September 26, 2022 DRAFT Meeting Minutes

Policy D1, Internal Board Monitoring, October 2022 Report

Global D, Internal Board Monitoring, October 2022 Report

Policy C8, Internal Board Monitoring, October 2022 Report

Policy B2 – Business Planning and Financial Budgeting, 10/24/22

Finance Report, September 2022

Revised Profit and Loss, 10/1/22

Balance Sheet, 10/1/22

Statement of Cash Flows, 10/1/22

Side by Side One, 10/1/22

Side by Side Two, 10/1/22