

Minutes

Swarthmore Co-op Board Meeting

September 26, 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, Kevin Kebea, Vibhat Nair, Ines Rodriguez, Lauren Shohet, Keith West

Guests: Sharon Mester, John Kennedy

Call to Order / Agenda Review

Greg called the meeting to order at 7:32 p.m.

Review/Approve August 2022 Minutes

Prior to tonight's meeting, Ines reported a typo, which Mark has corrected to state that Greg will contact Marty regarding the idea of discounted parking for Co-op employees. Donna made a motion to revise and approve the minutes as amended, Lauren seconded the motion 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.

Guest presentation: Sharon Mester and John Kennedy

Swarthmore residents Sharon Mester and John Kennedy attended regarding two projects/initiatives in the Borough:

Swarthmore Town Center Mural Project:

Sharon, president of the Swarthmore Town Center Board, and John presented an initiative for local artists to paint outdoor murals throughout the Town Center, beginning with one at 5 Park Avenue (Ship Bottom). Local artists are being invited to submit proposals and, if selected, they will create the new murals. This project provides a tremendous opportunity for artists to receive exposure, while the Town Center benefits from this beautification program. Swarthmore Town Center is managing this project from conception through selection of the artist and the selected artist's production of the mural.

Sharon and John have invited the Co-op Board to be involved in the mural initiative by approving a mural to be painted on the exterior side of the Co-op building at the top of Lincoln Way near Myers Ave. Ideally, this mural could have some type of a food theme, but this will up to the artist and the Co-op will have input. Swarthmore Town Center will manage this project and pay for it. The Co-op mural would begin in Summer 2023. The same process used for the mural artist selection at 5 Park Ave. would be applied for the next mural to be painted on the Co-op.

Next steps: The Board will discuss this proposal and confirm with Swarthmore Town Center if we officially approve for the project to move forward.

“Party on Park” October 8:

As a member of the Park Avenue Community Center’s “Party on Park” fund-raiser on October 8, Sharon asked the Board for sponsorship support for a ring-toss game in which bottles of wine will be awarded to the winners. They are asking for a \$500 sponsorship, and to have a person there to manage the game. The Party on Park is a community event to raise money for the construction of a new kitchen facility and the Park Avenue Community Center/Swarthmore United Methodist Church.

Action: John made motion for the Co-op to donate \$500 to the event. The Board approved this motion unanimously. The Board will support the ring toss event and Donna and Stephanie will attend and man the game.

General Manager Monthly Update Report

The Department Summary Report was provided to the Board by Shaina Ragamat, however, Shaina and the other co-managers were not present to lead a discussion of the highlights of the report.

Next steps: The Board members will review the report carefully and reference it during discussions at the next Board meeting and in conversations with the new General Manager, who we hope to have on board soon.

Finance Committee Report

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

Summary:

- Loss of \$20K is \$1K better than budget and \$9K better than prior year
- Sales of \$388K are \$17K below budget and \$17K below prior year
- Total Expenses of \$150K are \$8K below budget and \$11K below prior year
- Customer count of 15.9K is up 0.1K over prior year

- Basket size of \$24.39 is down \$1.23 over prior year
- Year to date profit of \$77K is in-line with budget and \$37K above prior year

Drivers:

- Overall sales down ~4% year over year despite ~8% increase in inflation
- Total grocery sales of \$155K flat to last year (down ~8% when factoring inflation)
- Deli and Prepared Foods doing well, sales of \$64K up 10% year over year
- Beer & wine sales of \$37K are flat to last year (9.5% of total store sales)
- Meat & seafood sales of \$35K are down 25% year over year
- Produce sales of \$44K are down 16% year over year
- Overall profitability in-line with budget and better than last year due to lower expenses (\$150K vs. \$161K), primarily due to Office Wages (GM) which is down \$7K year over year
- Total store labor hours of 1.9K are down 25% year over year but sales per labor hour up 18%

Financial Position:

- Cash position of \$581K reflects \$21K decrease in Aug but up \$81K year over year
- Current Ratio (Current Assets / Current Liabilities) set at 1.25

$$\frac{\$745K}{\$159K} = 4.7$$
- Quick Ratio (Current Assets - Inventory) / Current Liabilities set at 0.70

$$\frac{(\$745K - \$193K)}{\$159K} = 3.5$$

Discussion:

John noted to the Board that the overall financial picture is solid. However, we need to continue to watch our expenditures carefully. We are continuing to pay off our loans. The Board also noted that the areas of greatest focus need to be in declining sales in meat, seafood and produce. Produce needs to be an area of careful attention, and we will ask the new GM to concentrate on improving results in this area.

John also noted that we will owe state tax to Pennsylvania. This will show up in September.

Board Monitoring:

C8: Governance Investment

Ines was not able to send out the survey to the Board for this policy due to email issues.

Action: Ines will send the survey to the Board in the next week and we will defer on voting with compliance to C8 until our next Board meeting on October 24.

GM Monitoring:

B7: Co-op Premises

B7 states: With regard to store premises, the General Manager shall not cause or allow conditions that are unlawful, unsafe, unkempt, unwelcoming, or in violation of any agreement or other requirement of Swarthmore Borough or other entity.

The Board agreed that the General Manager (three co-managers) is compliant with B7. Donna made a motion to accept that the managers are compliant with B7, Mark seconded the motion, and the motion passed unanimously.

Discussion: While there is general agreement that we are in compliance, there was discussion on a few points that were included in this policy. First, what do we mean when we say “unkempt”? We will ask the new GM to focus on this issue relative to overall cleanliness in the store. While things are acceptable today, we agreed that more can be done in this area.

Another topic that arose was around B7-7, regarding authorization from the Board for the store to be closed in cases other than emergencies. It was noted that the optics of the store being unexpectedly closed are not good under any circumstances. The GM must request the Board to approve closing the store for any reason. How is the decision made to close the store, and how is the Board notified to approve a closure?

Action: This will be a discussion topic for the new GM to address with the Board. Donna suggested that the GM develop a calendar for the year, with any proposed closure dates presented to the Board for approval.

Old Business

PNC Bank Branch Closure

Greg will discuss the logistics with Shaina for how our processes/activity will continue once the Swarthmore branch closes at the end of September.

First Place Swarthmore Support

Donna reported that the Swarthmore Presbyterian Church/First Place Swarthmore group would like a \$500 gift card from the Co-op to aid in supporting refugees who are residing here temporarily.

Keith suggested that we publicize this and the church should also publicize our contribution along with the support they are receiving from various local organizations and businesses.

Action: Lauren made a motion for the Board to approve presentation of a \$500 gift card from the Co-op to First Place Swarthmore, Vibhat seconded the motion and the motion passed unanimously.

Co-op Patio Usage

The Board continued its ongoing discussions of how we can make better usage of the patio that is adjacent to the store. As a reminder, the Co-op does not own this space; it is the property of Swarthmore Borough. Right now what we can use the patio for is stipulated by the Borough and changes of improvements to the patio and its usage would need approval of the Borough.

Action: Keith will reach out to Borough Solicitor Bob Scott about how this might work, including whether there is possibility that the Borough could “give” the Co-op the patio.

Keith is suggesting the new GM should be deeply involved in this project. What is the GM’s vision for the patio? What do we want there? Can we put a proposal together?

Ines also asked whether there is a longer term view for what we could do with the roof.

Next Steps: The Board will continue discussing this topic at its next meeting.

Parking for Co-op Staff

As discussed at last month’s Board meeting, staff members at the store asked if they could receive parking discounts. Greg discussed this matter with the Swarthmore Police Chief. He suggested that we buy merchant parking passes and have the staff park at the four-hour parking meters. The staff members would hang the passes in their car (rear view mirror). We would buy the passes for \$25 a month. There would be about 12 staff members making use of them, so the expenditure would be about \$250 per month.

Action: John made a motion that we fund the merchant parking passes, Stephanie seconded the motion and the Board approved motion unanimously.

Greg will find out exactly how many passes we need.

New Business

Centennial Foundation – Furniture Grant

Donna reported to the Board that she was contacted by the Swarthmore Centennial Foundation to see if we would be interested in receiving a grant for new furniture for the patio adjacent to the store. The Board appreciates this gesture but agreed that we first need to figure out what we are permitted to do with the patio before we would choose furniture. **Next Step:** Donna will ask Sharon Mester, who serves on the Centennial Foundation, to send the furniture grant form so we can first review. The Board will discuss this with the new GM.

Adjournment

Greg made a motion to adjourn the meeting at 9:32 and the Board approved the motion.

Next meeting: October 24, 2022

September 26, 2022 Meeting Documents

September 26, 2022 Agenda
September 2022 Department Reports
August 2022 Finance Report
August 22, 2022 DRAFT Meeting Minutes
GM Monitoring, B7 – Co-op Premises
Balance Sheet – August 27, 2022
Statement of Cash Flows, August 27, 2022
Side by Side One, August 27, 2022
Side by Side Two, August 27, 2022
Profit and Loss, August 27, 2022