

Minutes

Swarthmore Co-op Board Meeting

January 23, 2023

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; Kira Montagno, General Manager

Guests: Philip Coleman, John McKinsey, Will Agate

Heather Jorgenson...visitor/owner

Call to Order / Agenda Review

Review/Approve November 2022 (revised) minutes & December 2022 minutes

The Board reviewed the amended minutes from the November 28, 2022 meeting and the draft minutes from the December 19, 2022 meeting. John made a motion to approve the amended November minutes and the December minutes. Donna seconded the motion and the motion passed unanimously.

Member comments: Heather Jorgenson, member/owner, attended the meeting to learn about the current priorities of the business.

Community Presentation: Solar Canopy Parking with EV Charging Proposal

Philip Coleman, John McKinsey, Will Agate presented their proposal erect a solar array on top of the parking canopy along 15 spaces on Meyers Ave. near the Co-op. The proposal calls for interested parties to be able to purchase excess power to fund their electricity needs. The Co-op was identified as a nearby business that might be interested in signing on to this concept. In order to move on this idea, the Co-op would provide access to information about its current power usage to see if the concept would indeed be viable and worth pursuing in order that the presenters could present a formal proposal.

The Board thanked the presenters and indicated that it would have further discussions and respond if it is interested in moving ahead to have our current power use records reviewed.

Discussion: After the presenters left, the Board members discussed the potential advantages and disadvantages of this project. The Board members sensed that we would need more clarification of the project before we would provide access to our books.

Next Steps: The Board will continue to discuss the proposal and respond to the presenters promptly.

General Manager Monthly Update Report

Kira presented the General Manager and Team Reports for discussion:

Following are the highlights from her presentation, along with Board member comments:

Facilities Update:

Heating System Replacement: On January 20, Kira reported to the Board that one of the two heating units in the Co-op has failed and requested Board approval for \$7,500 to fund an emergency repair. The Board approved the funding request unanimously via email. Kira followed up tonight to indicate to the Board that Remco (which handles our equipment upgrades) recommended that both heating units should be completely replaced, as the operating unit is nearing the end of its useful life. The cost to replace both units will be somewhere in the range of \$65,000 to \$75,000. It will take at least 22 weeks to have the new units ready for installation.

Discussion: The Board agreed that this is an absolute priority, but Kevin suggested we should consider getting a competing estimate just to be sure that this estimate is reasonable and on track.

Next step: Kira will work on getting a second estimate to present to the Finance Committee.

Security Cameras: The new cameras, as outlined and discussed at the last Board meeting, have been installed.

Snow Removal: Bill Conwell has been secured for snow removal services.

Operations Update:

The website and content are being updated to make it more user-friendly and ensure all of the content is current.

Mark reminded the Board that we would like to update the Board bios on the website so that the community will know us better. Lauren shared a sample of her bio with Mark which will serve as a template for the rest of us.

Action: Mark will send an email to the Board members with Lauren's sample requesting each of us to complete our own bio.

Finance Report:

The following is Kira's summary of financial results for December:

Board Reporting				
December's Numbers	Actual	LY	Difference in \$	% Change compared 2021
Sales	\$596,549.05	\$651,023.67	\$54,474.62	8%
Total Cost of Goods	\$372,172.54	\$384,849.96	\$12,677.42	3%
Discounts	\$4,459.90	\$5,550.98	\$1,091.08	20%
Gross Profit	\$219,916.63	\$260,622.73	\$37,103.24	14%
Other Revenue	\$53.14	\$139.54	\$86.40	62%
	\$219,969.77	\$260,762.27	\$40,792.49	16%
Wages	\$88,073.28	\$95,381.72	\$7,308.44	8%
Store Supplies	\$9,534.11	\$9,320.68	-\$213.43	-2%
Marketing	\$3,005.73	\$2,625.00	-\$380.73	-15%
Occupancy	\$25,975.01	\$28,382.90	\$2,407.89	8%
Administrative	\$31,397.49	\$33,105.41	\$1,707.92	5%
Profit or Loss	\$ 44,407.07	\$73,397.88	\$28,990.81	39%
Sales	\$5,959,133.90	\$6,119,809.00	\$160,675.10	3%
Total Cost of Goods	\$3,826,820.41	\$3,890,876.00	\$64,055.59	2%
Discounts	\$48,415.96	\$50,792.18	\$2,376.22	5%
Gross Profit	\$2,100,927.35	\$2,183,513.00	\$82,585.65	4%
Wages	\$892,514.27	\$928,230.00	\$35,715.73	4%
Store Supplies	\$115,424.68	\$127,847.00	\$12,422.32	10%

Marketing	\$34,423.17	\$35,048.00	\$624.83	2%
Occupancy	\$264,843.44	\$322,141.00	\$57,297.56	18%
Administrative	\$382,871.80	\$348,784.00	-\$34,087.80	-10%
Total Profit or Loss	\$ 183,323.25	\$ 190,669.00	\$ 7,345.75	4%

Summary/Highlights: The total sales for the year were down 3% compared to last year. However, controlling cost of goods, store expenses and lower wages along with having a smaller staff allowed us to remain profitable with total profit of \$183k. Considering we didn't have a GM for six months; Kira commended the staff for their work and their accomplishments during 2022.

We end the year with cash position of \$691k.

Board Discussion:

The Board thanked Kira for this report and the summaries from the individual departments and discussed a few items:

Meat section: In response to customer interest, we are going back to cutting certain meats. We will cut and pre-pack our own items. Ines recommended that we improve our signage in the meat area so customers understand the whole range of options that are available. We also want customers to know that the point of origin is the same for all meat products, regardless of how they are packed.

Produce section: There is a focus on removing products that don't look good. We would rather have less product overall but with all products looking more attractive. We have a consultant, Ed Farace, who is guiding us on how to upgrade and improve the Produce section.

Time-off tracking: In response to the extensive discussion at the December Board meeting, Kira reported that we are addressing and improving the means for tracking time-off request in 2023.

Finance Committee Report

John and the entire Board thanked Stephanie for the great work she did with Kira to prepare a much better tool and means to track financial results by individual department. This will be much easier for everyone to use and will greatly assist us in having a full annual budget by March. This new system will support our strategic priorities as we continue to allocate resources to improve our operations.

Regarding the heater repairs, the emergency funding of \$7,500 was approved unanimously by the Board via email. We are awaiting a second bid for the entire heater replacement project. Once we have the second estimate the Board will vote to approve the project to move forward.

Donna noted that short-term CD rates have been going up and we may want to look at options for our investments.

Action: John will talk to our contact at PNC Bank about available opportunities, e.g. three month or six month investments.

GM Monitoring:

B: Global Executive Constraint

B12: Financial Conditions

Mark made a motion that Kira is in compliance with B, Global Executive Constraint, and B12, Financial Condition, Lauren seconded the motion and the motion passed unanimously.

Board Monitoring:

Ines reported that Board surveys indicate the Board is in compliance with the following policies:

C: Global Governance

Greg made a motion that the Board is compliant with C: Global Governance, Ines seconded the motion and the motion passed unanimously.

D: Global Board-Management Connection

Donna made a motion that the Board is compliant with D: Global Board-Management Connection, John seconded the motion and motion passed unanimously.

Old Business

Swarthmorean Article

Lauren will work with Swarthmorean to do the interview with Kira. Kira also reported that the Swarthmorean would like invite us to publicize our business each week. The package would cost us \$750 per year. We could promote a variety of topics, e.g. Board Vacancies.

Action: The Board will review and consider voting on this proposal at a future meeting.

Sunday Suppers

The Board will discuss ways to revamp this program. Our goal will be to have member/owner volunteers supporting it.

New Business

Strategy Session – January 28, 2023

The Board Strategy Planning session will take place on Saturday, January 8, 9 a.m. to noon at the Park Avenue Community Center.

Vibhat will facilitate the meeting and provide an advance agenda.

Mark will reserve an easel / markers for use at the meeting.

Adjournment

Donna made a motion to adjourn the meeting. Keith seconded the motion and the motion passed unanimously. The meeting was adjourned at 9:20 p.m.

Next Regular Board Meeting: February 27, 2023

January 23 Meeting Documents

January 23 Meeting Agendas

Amended Minutes: November 28 Meeting

DRAFT Minutes: December 19 Meeting

General Manager Report

Policy B: Global Executive Restraint, January 23

Policy B12: Financial Conditions, January 23

Solar Canopy Proposal

Strategy Planning Meeting Materials

Policy C: Global Governance

Policy D: Global Board-Management Connection

Statement of Cash Flows, December 31, 2022

Profit and Loss Statement, December 31, 2022