

Minutes

Swarthmore Co-op Board Meeting

May 22, 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; Donna Francher, Vice President; John Moots, Treasurer; Mark Rossi, Secretary; Kevin Kebea, Vibhat Nair, Ines Rodriguez, Lauren Shohet, Keith West; Kira Montagno, General Manager

Call to Order / Agenda Review

Greg called the meeting to order at 7:35 pm.

Review/Approve March 27, 2023 Meeting Minutes

The Board reviewed the minutes from the March 27 Board Meeting. Lauren made a motion to approve the minutes as written. Donna seconded the motion and the motion passed unanimously.

Member Comments

There were no members in attendance.

General Manager Monthly Update Report

Kira presented the General Manager and Team Reports for discussion. The numbers presented below are for March, since there was no Board Meeting in April for the March numbers to be presented. The April numbers are being posted on Backpack for the Board to review.

Facilities: There are no facility issues.

Personnel Changes: Vlad is now the Produce Coordinator. This is a significant change that will allow him to focus on improvements in the produce area.

Seasonal folks are coming back to work for the summer.

New Hires: Jorge, part-time in the deli, Michael, part-time in the front, and Ash, part-time in specialty.

Following is Kira's summary of Financial results for March:

March 2023 Numbers	Budget	Actual	LY 2022	Difference in \$ compared to 2022	% Change compared 2022
Sales	\$ 591,855.03	\$566,544.41	\$597,755.88	(\$31,211.47)	-6%
Total Cost of Goods	\$ 361,461.28	\$363,517.27	\$364,425.19	(\$907.92)	0%
Gross Profit	\$ 224,561.75	\$197,706.03	\$227,354.67	(\$29,648.64)	-15%
Wages	\$ 84,921.00	\$75,541.28	\$112,461.75	(\$36,920.47)	-49%
Store Supplies	\$ 10,976.00	\$8,650.65	\$10,753.21	(\$2,102.56)	-24%
Marketing	\$ 3,364.00	\$3,915.66	\$3,266.22	\$649.44	17%
Occupancy	\$ 26,629.00	\$19,960.58	\$25,852.88	(\$5,892.30)	-30%
Administrative	\$ 38,510.00	\$35,311.21	\$37,387.02	(\$2,075.81)	-6%
Profit or Loss	\$ 43,307.00	\$30,083.43	\$16,935.21	\$13,148.22	44%

Financial summary:

Kira noted that March was a difficult month. We were very short staffed, especially behind the line. We were missing 80 hours of labor, not including Vlad's gradual transition out of the deli and into the produce department. Our biggest issue was having staff to get products out and onto the floor. The cost of goods were about the same as last year, however, we fell short of getting product to the sales floor, which increased shrink in some departments. Our staffing shortage is also reflected in our wages compared to last year,

down over \$35k. By the end of month, we were able to hire some folks to help with the gaps in scheduling and were in a better spot with ordering and stocking. We ended the month in a cash position of \$ 693K.

Kira noted that the financial results for the month of April were better than March as we have stabilized and increased the staff.

Discussion:

Lauren asked if there are ways Kira can address the labor issues we faced. Can we engage volunteers for short turnaround assignments? Kira responded that the staffing issues she covered tonight are all helping to address the issues from March. Additionally we are very close to hiring a new candidate to oversee the Meat, Seafood and Deli Departments. This will be a key position along with Vlad serving as the Produce Coordinator. With respect to remaining open positions, we are noticing that more labor is now available. We are not experiencing issues with identifying and recruiting candidates as we were previously.

Keith asked how many openings we have right now. Kira responded that we have still have one FTE opening for the front end of the store. Other openings have been filled.

Keith asked what we are doing to promote move events in the store. Kira responded that we are relying on vendors to do product demonstrations. In the coming months she is planning to do more, now that our staffing has increased.

Kira noted that another focus is going to be on how we can increase basket size.

Finance Committee Report

John delivered the Finance Report to the Board.

The focus of tonight's report was on **Investment of Capital**. Now that our financial position is stronger, a key portion of our financial planning is with investment of as part of our overall financial plan that the Board approved at the March meeting . The Finance Committee met with PNC Bank to explore potential options for how to better invest our money. Currently our account is very large and we are not putting it to its best use. Of the \$600,000 total available cash, half is in the checking account and the other half is the PPP grant that sits in a money market fund. This account is yielding a 2.1 percent return. Market rates are currently higher. PNC presented the option for us to open a money market "sweep account". The sweep account works like a checking account. With this plan, there is a minimum balance threshold that they will "sweep" into a money market account. The fee is higher than what we pay today, which is a \$275 per month fee, but interest rates are higher, so we still come out ahead. There is no administrative burden with this arrangement. We are not putting our cash at risk and taking advantage of a better product in today's environment. Better use of our capital is a goal outlined in our strategic plan, so this step would support the strategic plan goal.

The Board agreed that this type of arrangement makes sense and thanked the Finance Committee for exploring this option with PNC. Greg asked the Board for John and Kira to work with PNC on this new product. Kira would do the minimum threshold.

Board Vote: Donna made a motion for John and Kira to work with PNC to set up the sweep account and Mark seconded the motion. The motion was approved unanimously by the Board.

GM Monitoring:

Kira provided the following policy statements for the Board to confirm if she is currently compliant:

A: Global Ends

Mark made a motion that Kira is compliant with A: Global Ends, Donna seconded the motion and the motion passed unanimously.

Board Monitoring:

Ines reported on the survey results of compliance with the three policies for Board Monitoring.

C2: The Board's Job

The Board agreed that generally it is in compliance with C2. However, Keith noted there is room for improvement in the area of incentives and communications to owners, and therefore we are not compliant with C2. The Board agreed that we need to do a better job of communicating to owners, and this is a focus of the strategic plan we are finalizing.

Lauren made a motion that we are in compliance with C2, with the goal to improve communications in the coming year, and Vibhat seconded the motion. The motion passed with a vote of 8 "Yes" to 1 "No".

C3: Agenda Planning

The Board agreed that we are in compliance with Agenda Planning. Donna made a motion that we are compliant with C3, Kevin seconded the motion and the motion passed unanimously.

C4: Meetings

Mark made a motion that we are compliant with C4, Keith seconded the motion and the motion passed unanimously.

Strategic Plan Ad-Hoc Committee Update

Vibhat presented the Strategic Plan that he shared via email a few days in advance of tonight's meeting. The presentation was the result of the Strategic Plan Committee's work over the past three months.

Vibhat asked for comments and reactions to the plan and its components.

Everyone on the Board agreed that the plan is very much on target for focusing on our goals for the short and long term.

Discussion: It will be important to improve our communication with owners about the plan and its components. We have many good stories to tell, and our goal should be to use this good news to engage more owners and members in supporting the success of the business. One of our goals should be build membership and further play up the advantages of membership with programs like the house accounts, senior discounts, etc. This relates back to how our staff interacts with owners, especially at check-out to increase owners' understanding of the value of being a member. Another area of focus will be to expand and do more with the relationships with the college.

The entire Board thanked Kira and the committee, and Vibhat in particular for his great work in organizing and presenting the plan.

Board Vote: Greg called for a Board vote to approve the Strategic Plan. Keith made a motion for the Board to approve the Strategic Plan, Lauren seconded the motion, and motion passed unanimously.

Old Business

Single Use Plastic Ban

The Board and Kira discussed the present status of the single use plastic plan that is being worked on by the Borough. Kira also responded to the Swarthmore Town Center survey of businesses. Everyone agrees that we need to support this type of initiative, but there are concerns about how the process should be implemented once the plan is approved..

Ines asked whether this type of Borough initiative involves just the store and the GM or the Board as well. In the future, should the Board weigh in when the GM is being asked for a response?

Everyone agreed that we will continue to monitor what is happening in the Borough as Borough Council addresses the single use plastic ban.

Patio Update

Donna reported that that a ground lease agreement has prepared by the Borough for the Co-op's lease of the patio area. Donna shared the agreement with Fintan, our counsel, who confirmed that it is fine. The agreement is modeled after what is being done with the

parklets that are on Borough property. The Borough will continue to own the patio, and we will lease it for \$1 per year to have complete responsibility for it, including the consumption of alcohol. We can now address specific improvements, e.g., new furniture and installing awning. Our provisions are slightly different than the parklets because they are seasonal, and we will manage the patio year round.

The next step is for us to contact Michelle, who is the lawyer for the liquor license. We need to be sure that the Pennsylvania Liquor Control Board finds the lease arrangement to be satisfactory and acceptable.

Action: Donna will do final check with Bill Webb, Borough Manager, and Bob Scott, Borough Solicitor.

Next Steps: The license for alcohol purchase and consumption on the patio will need to be requested. The Borough will file the paperwork. There will be an orange sign placed in the window and we should receive permission soon.

Our goal is to have exclusive use of the patio for the Nights in the Ville series this summer.

Kira will find out if we will have insurance costs increasing.

Ines asked if we can repair the Coop signage lights as part of the overall patio improvement project. (The placement of the lights were fine with the original Co-op signage. When the logo changed a number of years ago, the lights remained in their previous position, so the new sign is dark.) Kira will check into changing the lights.

Mural Project

Keith recommended that we move ahead on the mural project logistics, as outlined in detail in at the March meeting (see March meeting minutes.)

Kira will address involvement of staff members who would serve on the mural committee, including whether we will be paying them for this work.

New Business

There were no new business items raised at tonight's meeting.

Adjournment

Donna made a motion to adjourn the meeting, Keith seconded the motion and Greg adjourned the meeting at 9:47 p.m.

Next Board Meeting: Monday, June 26, 2023

May 22 Meeting Materials

May 22 Meeting Agenda
DRAFT Minutes, May 27, 2023
Strategic Plan – FINAL Draft

Ground Lease Agreement
General Manager Report, May 22, 2023
GM Monitoring: A – Global Ends
4/29/23 Balance Sheet
4/29/23 Profit and Loss
4/29/23 Side by Side, 1 and 2
4/29/23 Statement of Cash Flows
4/1/23 Statement of Cash Flows (March results)
4/1/23 Side by Side 1 and 2
Balance Sheet 4/1/23
Profit/Loss 4/1/23
Side-by-Side, p. 1 and 2, 4/1/23
Profit and Loss, 4/1/23
Balance Sheet, 4/1/23