

Minutes

Swarthmore Co-op Board Meeting

August 28, 2023

Swarthmore Borough Hall

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; Vibhat Nair, Ines Rodriguez; Lauren Shohet, Keith West; Kira Montagno, General Manager

Absent: Kevin Kebea

Call to Order / Agenda Review

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

Review/Approve June 2023 meeting minutes

The Board reviewed the minutes from the July 24, 2023 Board Meeting. Donna made a motion to approve the minutes as written, Lauren seconded the motion and the motion passed unanimously.

Member comments:

There were no members at the meeting. A member commented to the Board that two cartons of oat milk were missing their seal. Kira will check to see if the staff was aware and if the issue was resolved.

General Manager Monthly Update Report

Kira presented the General Manager and Team Reports for discussion. Following are the highlights of her presentation:

Operations:

We are coming off of the slowest time of the year.

Thanksgiving planning is now underway. We will have the “turkey trailer” again in 2023. The ordering system will need to be updated. Ethan has departed and we need a new primary contact for the turkey trailer.

The strategic plan elements for the fourth quarter are now being implemented. Our main focus will be on increasing revenue and basket size.

Facilities:

Heating Units: The new heating units have been installed. The dampers need to be balanced. This will be done when the store is closed.

Roof Repairs: The roof repairs and patching are completed.

Line Improvements in the Deli area: Steps are being taken to improve efficiency in the deli/prep area. The sushi station has been moved to improve productivity.

PECO/Green Mountain Energy Billing: We are continuing to deal with the billing discrepancies with PECO as a result of the termination of the Green Mountain Energy Account. (See minutes from July 24 meeting). We are continuing to receive monthly bills of \$3,000 from PECO and the total amount in dispute is \$32,000. Ines recommended, and the Board agreed, that this issue needs to be arbitrated by the PUC. The Board encouraged Kira to continue to work with PECO to identify someone at PECO who can help us with resolving this issue.

Personnel Update:

Our seasonal employees have left for school. This has left us with a staffing gap, particularly in the deli area.

Amanda and Ash are now full-time employees.

Strategic Planning Update:

Patio Liquor License: The extension of the liquor license for the patio area has been approved. We have a 30-day waiting period and then we are ready to go. Kira and Board thanked Donna for her efforts to reach this milestone.

PNC Bank Account: Upgrades and revamping of the accounts are in place. There is a final meeting set for tomorrow with Kira, Dawn and Karen. As part of this change, we have increased the amount of funds being transferred from the operating account to the capital account from \$2,500 to \$3,000. John will instruct PNC to make this change following the final meeting.

Following are Kira's summary of financial results for July 2023:

July	Numbers	Budget	Actual	LY 2022	Difference in \$ compared to 2022	% Change compared 2022
Sales		\$396,279.00	\$382,342.00	\$389,384.00	\$(7,042.00)	-2%
Total Cost of Goods		\$262,741.00	\$260,798.00	\$259,258.00	\$1,540.00	1%

Other income		\$516.96	\$15,000.00		
Gross Profit	\$130,438.00	\$118,471.31	\$142,671.39	\$(24,200.08)	-20%
Wages	\$84,921.00	\$68,655.00	\$65,421.96	\$3,233.04	5%
Store Supplies	\$8,955.00	\$6,104.26	\$8,782.88	\$(2,678.62)	-44%
Marketing	\$2,576.00	\$3,040.94	\$2,501.13	\$539.81	18%
Occupancy	\$30,889.00	\$18,452.33	\$29,987.87	\$(11,535.54)	-63%
Administrative	\$34,933.00	\$27,516.27	\$33,917.21	\$(6,400.94)	-23%
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Profit or Loss	\$(48,692.00)	(\$18,949.54)	(\$12,035.06)	\$(6,914.48)	36%

Financial Highlights:

Sales were slightly down compared to July of 2022, while the cost of goods was slightly higher. This can be attributed to less customers being in town during the summer vacation season. Note: In July 2022 we had a donation of \$15k which was added to our monthly income. Without this contribution to revenue the loss of July 2022 would be closer \$30k.

The good news is that we are already seeing an uptick in sales as Swarthmore students return for the fall semester. Our August profit should be better.

Our cash position will be fluctuating during August and September due to loan payments of \$20,000 and payment of \$80,000 for the heating units.

We ended the month with a cash position of \$719k.

Discussion:

Several Board members commented on items in Kira's monthly report:

In the Produce area, there seems to be a fluctuation of prices where some items appear to be too expensive. There are also price/quality issues. Lauren noted that things are sometimes "a little chaotic" with organic products where we have the same product, e.g. blueberries, from different locations, e.g. Peru and California, resulting in price fluctuating. She recommended that having one local source with reasonable pricing would be satisfactory. Vibhat commented things appear to be "hit or miss" and inconsistent in terms of what is offered and pricing. Kira noted that Vlad is working toward improving this as he

concentrates on improving the Produce area. The Board noted that the overall appearance and selection in Produce has been improving. Greg also commented that the sales increase shows the potential for continued improvement in this area.

In the Fresh Food area (deli, prep, meat, seafood) Kira noted that John Adams has been dealing with staffing/labor challenges as he takes steps to improve operations in this area. He would like to have one more staffer helping him with cooking. Also, Bell and Evans is back as our primary source of chicken. Soups will be coming back soon as another revenue source.

Greg asked Kira to update the Board on the Staff Retreat Meeting on July 27. Kira noted that we had a food photographer presenting to the entire staff on how to improve our photography. Our goal is to be more consistent in the way all staff members are incorporating photography in our marketing.

Kira also presented the strategic plan highlights to help staff understand how their roles contribute to our overall goals to increase basket size.

Other items:

Ines asked if we can improve story-telling graphics in the store in the same manner as we are now doing in Produce.

Vibhat asked how the store is handling recycling. Kira explained that we do our own recycling to the best of our ability and in compliance with Borough requirements. Unfortunately there is a lot of food waste from customers. Washing of these items is difficult.

Kira noted that the Rot and Roll receptacle is now in place. 6 or 7 people have signed up so far.

Finance Committee Report

John reported that there was no meeting in August and that Kira covered the information regarding the changes with the bank accounts.

GM Monitoring:

B3: Asset Protection

The Board reviewed B3, Asset Protection, and while the General is in compliance that there are two updates needed:

B3-9 needs to be rewritten by the Finance Committee to address the new account structure (money market sweep account) with PNC Bank.

In B3-7, the year needs to be corrected to state "2017".

B10: Conflict of Interest

The Board agreed that the General Manager is in compliance with B10.

Action: Keith made a motion that the General Manager is compliance B3 and B10 with the corrections to be made to be made too B3. Mark seconded the motion and the motion passed unanimously.

Board Monitoring:

C6: Officers' Roles

C7: Committee Principles

Ines was away during August and will prepare these policies for the Board compliance votes at a future meeting.

Old Business

Patio Lease:

Donna reported that we now have exclusive rights for the use of the patio. We were able to save \$1,500 in lawyer fees. We are now waiting for the license at a cost of \$250 and will have the license in 30 days!

Related items: The Board discussed that various solicitors are continuing to hassle customers at the patio entrance. We have asked them to move off our property. Kira will ask the police to support us with this issue as well as asking police to let us know whenever there will be road closures in the patio area that could affect business.

John asked how everyone thinks we should launch the patio. Everyone agreed that it should be simple...perhaps a wine pairing happy hour, or bringing in a local vendor. People can simply pay inside and come outside to sample. We will also look into the logistics of moving a fourth register outside. All other items sold on the patio, e.g. logs, will be removed and no longer sold in that area. New furniture and seating will be added.

Website Update

Mark noted that we have started working on the Board member page with updated photos. Mark, Lauren and Donna will work on content to add to the website and our monthly "What's Fresh" messages: e.g. strategic plan, board members, etc.

Next steps: Vibhat connected us with Angie Tseng, a local resident and member who has professional web design experience. We will collaborate with Kira and Jason to update the website navigation and content.

Mural Project Update

Keith is the lead contact with the Swarthmore Town Center on this project. He met with several staff members who would like to work on this project.

Next step: Themes are now being developed that Keith will share with the Town Center mural committee. Keith will continue to update the Board on this project.

New Business

Kira and the Board discussed that the Co-op has an opportunity to join the National Co-op Grocers (NCG) organization. NCG, along with Columninate, offers training and resources to members.

Ines and Donna noted that we have looked into this in the past but the Co-op's previous financial position, cost concerns and then COVID prevented us from moving forward in considering membership. Ines also was wondering if they will accept a "hybrid" membership since we also function as a traditional food market.

Next step: A representative from NCG will be visiting us at our October 23 meeting. We will learn more about this opportunity at that time.

Adjournment

The meeting was adjourned at 9:08 p.m.

Donna let everyone know that she will not be attending the next meeting.

Next Meeting: Monday, September 25, 2023

August 28 Meeting Materials

August 28 Agenda

July 24 Draft minutes

Board Report for August 28

Profit and Loss, July 29

Balance Sheet, July 29

Statement of Cash Flows, July 29

B3, Asset Protection, August 23

B10, Conflict of Interest, August 23