

## Minutes

### Swarthmore Co-op Board Meeting

July 24, 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; Mark Rossi, Secretary; Kevin Kebea, Lauren Shohet, Keith West; Kira Montagno, General Manager

**Absent:** John Moots, Vibhat Nair, Ines Rodriguez

#### **Call to Order / Agenda Review**

Greg called the meeting to order at 7:38 p.m.

#### **Review/Approve June 2023 meeting minutes**

The Board reviewed the minutes from the June 26, 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 present and no comments from members.

#### **General Manager Monthly Update Report**

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

#### **Operations:**

**The PNC Bank accounts** are now being updated into the new money “sweep” account (see June 2023 minutes). The authorized account signatories have been changed to Kira and John.

**Patio Insurance:** Final steps are in place; Donna and Dawn are working through this. Donna noted that we information will be submitted liquor control board. Donna will update the Board on the status of when the agreement will be signed and further details of when sales of wine and beer can begin on the patio.

**“Rot and Roll” Program:** Vlad is preparing a special program with “Rot and Roll”, which will enable members and the public to drop off compostable items at a collection bucket at the store. Details will be publicized soon. (See separate item in tonight’s minutes.)

**Green Mountain Energy Contract Termination:** Kira reported that the electric service contract with Green Mountain Energy has been terminated. This program was put in place a few years ago with the goal to keep our electric costs down. However, the Co-op was recently billed for service from back in late 2021. There are significant charges that are currently being challenged by the co-op and are being reported to the public utility commission and the attorney general. Kira will keep the Board updated on the resolution. (See agenda item below for additional information).

**Facilities:**

Several small facility issues are being dealt with as a result of the heat and heavy rain this summer. These include leaks on the roof, which will be addressed with the upcoming roof repairs, cold case temperatures, and a malfunctioning fan in one of the walk-in freezers. We are anticipating that the roof repairs will take place on August 1. We are also reviewing steps to put a maintenance contract with Remco, which will be doing the new heater installation soon.

**Personnel Changes:**

We have had three voluntary terminations and no new hires since the last Board meeting.

**Following is Kira’s summary of financial results for June 2023:**

June	Numbers	Budget	Actual	LY 2022	Difference in \$ compared to 2022	% Change compared 2022
<b>Sales</b>		\$552,488.11	\$523,493.48	\$540,551.91	\$(17,058.43)	-3%
<b>Total Cost of Goods</b>		\$350,424.13	\$336,214.45	\$347,168.47	\$(10,954.02)	-3%
<b>Gross Profit</b>		\$196,151.98	\$181,526.63	\$187,418.44	\$(5,891.81)	-3%
<b>Wages</b>		\$84,921.31	\$87,638.95	\$83,525.74	\$4,113.21	5%
<b>Store Supplies</b>		\$9,578.92	\$7,393.94	\$9,383.86	\$(1,989.92)	-27%

<b>Marketing</b>	<b>\$3,074.55</b>	\$3,029.92	\$2,984.56	\$45.36	1%
<b>Occupancy</b>	<b>\$18,792.35</b>	\$36,508.90	\$18,244.03	\$18,264.87	50%
<b>Administrative</b>	<b>\$31,544.78</b>	\$29,785.85	\$30,625.14	\$(839.29)	-3%
<b>Profit or Loss</b>	<b>\$31,384.23</b>	\$3,254.03	\$21,233.10	\$(17,979.07)	-553%

## Financial Highlights

Kira noted that we are now seeing the budget impact of having a fuller staff. By the end of June, we went from 30 staff members to 33, including the new manager. This accounts for the increase in monthly wages compared with May. It is in line with the wage budget for the rest of the year.

The management team is addressing both the cost of goods and shrink during the quiet summer months.

Unexpected expenses including repairs and the very high electric bill greatly affected our Occupancy budget in June. As the Green Mountain energy contract has been cancelled, we are now receiving charges of \$12,000 that were incurred in late 2021 and early 2022. Remaining charges of \$30,000 are being disputed with Green Mountain.

The team is continuing to focus on increasing basket size and controlling spending. We ended the month in a cash position of \$730k.

## Discussion:

The following areas were discussed following Kira's presentation:

Although produce sales are improving, there was concern expressed about the varying prices between local and outside produce suppliers. Kevin suggested that adjustments need to be made between local and outside suppliers so that costs are better aligned. It was also suggested that we need better coordination within the staff when product is ordered.

Another area of priority is to improve tracking of numbers in the Fresh Foods area. John Adams is getting familiar with tracking issues and we will be seeing improvements in this area.

Greg asked if the store will be ready for the arrival of students, which will begin in August. Kira noted that the plans are in place for this.

## **Finance Committee Report**

Due to John's absence, the Finance Committee report and discussion will take place at a future Board meeting.

### **GM Monitoring:**

#### **B8: Communications with, Counsel to, and Support of Board**

B8 was shared by Kira with the Board for compliance.

Mark made a motion that the General Manager is in compliance with B8, Keith seconded the motion and the motion passed unanimously.

**Discussion:** Donna raised the issue of staff health benefits, noting that September would be the ideal timeframe to discuss obtaining renewal rates. Greg also asked if we can get this information from insurance carriers to get an idea of what may happen financially based on claims:

**Action:** Kira will check in with Dawn on this so we can move quickly to have rates for review as soon as possible.

### **Board Monitoring:**

#### **C5: Directors' Code of Conduct**

Mark reported that he has received most of the responses for the 2023 Board Member Conflict of Interest form and will follow up with the ones remaining. The final compliance list for 2023 will be posted in Backpack.

#### **C6: Officers' Roles**

Due to Ines's absence this evening the Board will table C6 until the August meeting.

## **Old Business**

### **Patio Lease Update**

Bob Scott amended the contract to reflect the changes we agreed to and it now awaits a signature from Mary Walk, Borough Council president.

Donna is also coordinating the liquor control board application. Everything is ready to move forward!

Related to the Patio, Donna and Kira also noted to the board that we have asked solicitors to move away from the Co-op entrance. They are annoying customers and we have asked them to set up elsewhere.

## **Website Update**

Mark reported that he has received most of the Board bios to put onto the website. Mark, Donna and Lauren are also going to work together to help update the website content and navigation. They will also add new content in What's Fresh for the owners to learn more about the Board and other strategic initiatives.

## **Mural Project Update**

Kira met with the Town Center Mural Committee and plans are continuing for us to have this work commence in Spring 2024. Keith and Kira are working on the committee and Kira is looking to recruit a staff member to be involved as well.

## **New Business:**

**Store Closing, July 27:** Kira informed the Board that the store will be closed on Thursday, July 27 for a staff retreat at Park Avenue Community Center.

**Discussion:** Greg asked if there is an agenda for the meeting and if it can be shared. Greg asked if there are opportunities for any Board members to participate.

Kira will be discussing the strategic plan. Dawn has invited a food photographer to show how we can profile our products better. Dawn is also leading a team-building exercise, similar to what we did last year.

Board members expressed that there should have been move advance notice about the store closing, and Keith questioned why the store is being closed for the entire day. Kevin noted that all-day closings are common in restaurants but not in stores. Lauren suggested that it would be appropriate in the future for customers and the public to have two-week's notice of the store's closing.

Greg noted in Policy B7, the Board needs to give the General Manager prior approval for the store to close and asked that the Board be well informed of the closing plans in the future. It was also suggested that the staff opt for a half-day closing in the future (preferably in the morning hours with the store opening at noon.)

## **New Business: Rot and Roll**

As discussed earlier this evening, Kira reported that Vlad has focused on ways we can commit the coop to sustainability and has connected with the folks at "Rot and Roll". People will be able to participate by dropping off food wasted for composting. Lauren said we need to be very clear about what items can and cannot be dropped off. For examples, no egg shells or peach pits. We also do not want to attract vermin. The compost bin will be located near the hose by the ramp in front of the store. Everyone agreed that this needs to be monitored carefully and we will see how it goes.

## **Board Terms and Elections**

Greg and Mark reported that Lauren and Vibhat were accidentally left off the ballot to be formally elected to a new three-year term this past April. This was simply an oversight. When the online ballots were posted, their names were omitted. Donna was reelected but Lauren and Vibhat were not, so we are currently out of compliance.

Donna recommended that the best way to deal with this issue is to have Lauren and Vibhat appointed to two-year terms next April. We can communicate this to the owners as part of the pre-annual meeting communication in March.

Mark will also double-check the Bylaws to be sure that our further actions are in compliance with this matter.

## **Adjournment**

The meeting was adjourned at 8:43 p.m.

**Next Meeting: Monday, August 28, 2023**

NOTE: Kevin will not be at the August meeting due to vacation.

## **July 24 Meeting Materials**

July 24 Agenda

DRAFT Minutes, June 26

Statement of Cash Flows, 7/1/23

Balance Sheet, 7/1/23

Side by Side 1 and 2, 7/1/23

Profit and Loss, 7/1/23

B8, GM Monitoring, 7/25/23

GM Report, July 24, 2023

Co-op Annual Monitoring Calendar, 2023