

Minutes

Swarthmore Co-op Board Meeting

November 27, 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; Kevin Kebea, Vibhat Nair, Lauren Shohet, Keith West; Kira Montagno, General Manager

Absent: Ines Rodriguez

Call to Order / Agenda Review

Greg called the meeting to order at 7:32 PM

Review/Approve October 2023 meeting minutes

The Board reviewed the minutes from the October 23, 2023 Board Meeting. Vibhat made a motion to approve the minutes as written, Kevin seconded the motion and the motion passed unanimously.

Member comments: NONE

General Manager Monthly Update Report

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

Operations Update:

- Preparations for Thanksgiving highlighted our November operations. We used the online ordering system this year with no issues. Our only issue was the substantial portion of turkeys and breasts in the order that were very large. A few customers were upset.
- We had 301 online orders....50 less than last year.
- Lauren asked if we can we look at a different supplier next year. Kira noted that we may need to limit orders to 12 – 14 lb size to avoid the volume of large turkeys being received. 22lb turkeys are too large.

Facilities Update:

- The new heating system is fully operational and balanced.

Personnel Update:

- Rich is our new hire in the deli. He is giving John Adams back-up so that John can concentrate more on meat and seafood.
- Reese, a part-timer in the deli, voluntarily terminated.

Strategic Planning Update:

- Completed Goals
 - Patio and Liquor License completed
 - PNC bank account is “sweeping”
 - We have increased the amount of funds being transferred from our operating account to the capital account.

Financial Summary:

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

October Numbers	Budget	Actual	LY 2022	Difference in \$ compared to 2022	% Change compared 2022
Sales	\$474,474.00	\$479,107.47	\$458,274.65	\$20,832.82	4%
Total Cost of Goods	303,661	\$320,760.45	\$296,662.29	\$24,098.16	8%
Other income		\$946.91	\$(965.39)	\$1,912.30	202%
Gross Profit	\$166,844.00	\$154,278.46	\$158,608.82	\$(4,330.36)	-3%
Wages	\$84,921.00	\$73,004.66	\$66,215.22	\$6,789.44	9%
Store Supplies	\$8,875.00	\$8,188.04	\$8,721.57	\$(533.53)	-7%

Marketing	\$3,435.00	\$4,294.70	\$3,334.34	\$960.36	22%
Occupancy	\$16,457.00	\$23,584.31	\$15,977.23	\$7,607.08	32%
Administrative	\$43,634.00	\$42,880.50	\$42,362.24	\$518.26	1%
Profit or Loss	\$(7,334.00)	\$4,812.34	\$7,247.42	\$(2,435.08)	-51%

Summary: Sales were up about \$20k compared to this time last year. However, the cost of goods was higher as well. As we entered the holiday season, we started to receive a lot of allocated items, which hurt our cost of goods. We also saw a little bit more inflation on certain products. Kira will be working with department heads on controlling spending and checking on margins. Our state taxes also came through this month, which affected our bottom line.

We ended the period in a cash position of \$688k.

Discussion:

The Board discussed several items in response to Kira's report:

Margins and Allocation of Items: John asked about the issue of allocations and how we manage our margins. Kira noted that we order specialty of items ahead of time, so they show up as an expense when ordered. However we cannot gauge what happens when the months arrive how much of these products are sold.

Kira noted that we are increasing our tracking of the costs of goods; this is an area of focus. The idea is to order ahead and have product available at the right time.

Meat and Seafood: There was significant discussion about the different options to attempt to improve our operations in meat and seafood. Kira noted that our sales continue to decline, while the deli and prepared foods areas are doing well. We did away with a butcher a few years ago. We now have everything packaged, but we experience problems with shrink. We're trying to figure out the right answer in terms of which types of products to offer. Lauren asked if we've thought about having everything in the freezer. It was also suggested that we survey our customers to see what they want. Donna noted that people may not be aware of the frozen seafood products that are currently available.

Vibhat noted that if we join NCG (see October minutes) that we may be able to ask them for suggestions for running the meat and seafood business. Donna suggested that maybe we think about having frozen seafood only, and Greg suggested offering only prepared seafood.

John asked if we want to expand our focus more heavily toward the deli and prepared foods and cut back on fresh cuts of meat. Kira will continue to work with her team to come up with some options that will help us improve our sales in these areas of the store.

Profit Sharing: Kevin asked what decisions are being made regarding profit sharing for the staff in 2023 and asked if we have we met our threshold.

John and Vibhat noted that this was a strategic plan goal. If we are over the threshold we should determine what the bonus will be. John also noted that we would need to determine when and how to communicate this information to the staff.

Next Step: The Finance committee will revisit this item and Vibhat will place the Strategic Plan in Backpack.

Electric Service Billing:

The Board asked if there was any resolution with the electric billing issues. Kira responded that we are waiting for a response from the PUC.

Finance Committee Report

The Finance Committee did not meet, but will review and update the Board on the following two items at our next meeting on December 18:

- 1. Tax Reporting/Financial Reporting Processes**
- 2. Revision to C8 (Governance Investment)**- Language will be updated to be aligned to reflect the Board Budget allocation.

Board Monitoring:

At our December meeting the Board will review and vote for Board compliance on the following:

D2: GM Accountability

D1: Unity of Control

Board Administration:

Action: Mark will revise and update the monthly Annual Monitoring Calendar for 2024. This will reflect our schedule to do budget planning in February to align with our Strategic Plan, with budget approval in March. We will discuss moving our budget cycle to a fiscal year.

Old Business

- 1. National Co-op Grocers (NCG)**

The Board briefly discussed NCG's presentation at the October meeting. There are potential benefits here. The items to focus on are: how membership could help us with managing suppliers (as noted by Kevin) and our marketing activity and future renovations inside the store, as noted by Keith.

Next Steps: Kira suggested that we table the NCG discussion during the busy holiday season. We can discuss in early in January and aim to propose membership beginning in January or June 2024.

2. Website Update

Mark noted that the update to Board of Directors page is completed and will be posted by Jason along with some other updates he is making to the website. For other content changes, Mark, Donna, Lauren will plan to meet in January. Mark will contact Angela Tseng, volunteer and Co-op member, to join us.

3. Backpack Alternative

The Board discussed options and agreed that Sharepoint would be a good solution.

Next Steps: Donna and Mark will clean up the current Backpack content so it is better organized. We will also identify items that are missing that should be in our next system.

Kira will check with Jason to see how easily a Sharepoint Board file can be created to run alongside the Co-op's operational Sharepoint system. We will discuss at the next Board meeting.

New Business

1. Board Vacancies

Greg led this discussion around ways to inform the owners that we will have open positions on the Board beginning April 2024 and are seeking new members.

Action: Greg has prepared an email to owners that will be sent out this week. Greg will coordinate the work of a committee to interview applicants. Those Board members who are not returning when their terms expire in April 2024 should notify Greg as soon as possible.

2. Strategic Plan Session

John proposed that we have a Strategic Plan session in early 2024 for those Board members who wish to participate. During this meeting, the Board Strategy Committee would look at the existing plan developed in February 2023 and modify/update it as needed in January and February of 2024.

Next step: Kira will take the lead in preparing a document for the Strategy Committee in early January and then present it later to the full Board. We can have the full Board presentation at the January Board meeting or in a separate session. We will discuss this further at the December Board meeting.

Adjournment

The meeting was adjourned at 8:58 p.m.

Next Meeting: Monday, December 18, 2023

Meeting Materials:

November Agenda
October 23, 2023 Minutes
General Manager Report
Balance Sheet, 10/28/23
Cash Flow, 10/28/23
Profit and Loss, 10/28/23
Side by Side, 1&2, 10/28/23
Board Terms, as of 10/27/23
Co-op Annual Monitoring Calendar, 2023