

## Swarthmore Co-op Board Meeting Agenda

**Sept 23, 2024 - 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 between member-owners, customers, and workers in a welcoming environment.*

### Call to Order / Agenda Review

**7:05 Start**

**Attendance: Donna, Kevin, Vibhat, John, Lori, Anita, Dana and Matt and Kira (GM)**

**Review/Approve meeting minutes (Matt approves - Lori 2nd)**

**Member comments:** No member comments.

### General Manager Monthly Update Report

August Numbers	Budget	Actual	LY 2023	Difference in \$ compared to 2023	% Change compared 2023
<b>Sales</b>	407,463	<b>\$389,081.33</b>	\$385,165.12	\$3,916.21	1%
<b>Total Cost of Goods</b>	257,701	<b>\$261,138.30</b>	\$257,101.83	\$4,036.47	2%
<b>Other income</b>	1,200	<b>\$977.01</b>	\$761.71	\$215.30	22%
<b>Gross Profit</b>	<b>147,864</b>	<b>\$124,274.43</b>	\$124,471.97	\$(197.54)	0%
<b>Wages</b>	85,121	<b>\$75,680.53</b>	\$67,437.16	\$8,243.37	11%
<b>Store Supplies</b>	8,109	<b>\$4,918.81</b>	\$5,966.96	\$(1,048.15)	-21%
<b>Marketing</b>	2,697	<b>\$2,984.55</b>	2670.3	\$314.25	11%
<b>Occupancy</b>	23,929	<b>\$40,196.07</b>	\$23,643.85	\$16,552.22	41%
<b>Administrative</b>	29,019	<b>\$25,429.68</b>	\$25,071.16	\$358.52	1%

<b>Profit or Loss</b>	<b>-14,021</b>	<b>(\$38,679.37)</b>	<b>(\$13,078.00)</b>	<b>\$(25,601.37)</b>	<b>66%</b>
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August has only been the slowest month of the year for the Co-op. We were flat with last year's figures for both sales and cost of goods. Our wages are up about 10% for the year, which we knew was going to be the case as we started to hire folks over the last year.

The biggest expense we had this month was electric—as I mentioned last month, we were not billed for May or July. July, we were finally billed for the missing months, however, we were having an issue with our PNC automated portal, so the bill payment was delayed until it finally cleared in early August. We also had a fairly large electric bill for August. The total for our electric expenses was little over \$20k during a month where we have the lowest sales which hit our bottom line pretty hard.

As we move into the fourth quarter our expenses will become more predicable and we will have the sales to cover our expenses.

Cash position of \$624k

### **Finance Committee Report**

Will move money paid for repairs from op expenses to capital account

### **Board Monitoring:**

**C8: Governance Investment** - (Kevin Approved / donna 2nd)

### **GM Monitoring:**

**B7: Co-op Premises** (Matt Approved / Donna 2nd)

### **Old Business**

#### **1. Mural Project update**

Board is collectively leaning towards option 1 - Will bring them in for conversation. Want to discuss incorporating the patio redesign

#### **2. POS - vibhat/anita**

Kira, Dana and Vibhat met with Sean @ STCR. SOW doc uploaded to google drive. need to confirm the charges to verify if hardware is included, but agreed that if it does then we would proceed with STCR for upgrade to bring the store into PCI compliance

### **Strategy Review**

**Action Item review**

**Adjourn 8:10**

**Next Meeting: October 28, 7:30pm**

## Policies for review (July and August)

### **GM Monitoring**

Policy Type: Executive Limitations

**Policy Title: B8** – Communications with, Counsel to, and Support of the Board

Last Revised: September 25, 2017

The General Manager shall not permit the Board to be unsupported in its work or uninformed of events or conditions that are significant or material to the Boards fiduciary obligations and/or its responsibilities of leadership and oversight.

The General Manager shall not:

1. Submit monitoring reports that are untimely or inaccurate, or that lack operational definitions and verifiable data directly related to each section of the policy.
2. Fail to report any actual or anticipated noncompliance with any Board policy, along with a plan for reaching compliance, in an untimely manner.
3. Present information in an untimely manner or in unnecessarily complex form, especially when that information is needed for Board decision making.
4. Fail to marshal for the Board as many staff and external points of view, issues, and options as needed for fully informed Board choices.
5. Let the Board be unaware of relevant trends, public events of the Co-op, anticipated adverse media coverage, or material internal and external changes, particularly changes in the assumptions on which any Board policy has previously been established.
6. Withhold his or her opinion if he or she believes the Board is not in compliance with its own policies on governance process and Board-management delegation, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the General Manager.
7. Deal with the Board in a way that favors or privileges certain Board members over others, except when responding to officers or committees duly charged by the Board.

8. Fail to supply for the Board's consideration and vote all decisions delegated to the General Manager yet required by law, regulation, or contract to be Board - approved.

9. Fail to provide reasonable resources, including personnel, to support the Board in fulfilling its duties in governing the Co-op, and to ensure a workable mechanism for official Board, officer, or committee communications.

10. Fail to inform the Board promptly of any significant grievance brought by an employee; any threatened or filed lawsuit or claim of unlawful or wrongful behavior, or other claim for injury or damages against the Co-op or any of its employees or agents; any major accident or harm to a customer on the premises requiring medical attention; any law enforcement or regulatory action taken against the Co-op or any law enforcement or regulatory action taken against any of its employees or agents that occurred in the context or that is relevant to their employment; or any other situation representing potential jeopardy to the organization.

**Policy Type: Executive Limitations**

**Policy Title: B3 – Asset Protection**

**Last revised: February 4, 2015**

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The General Manager shall not allow assets to be unprotected, unreasonably risked, subjected to improper wear and tear, or inadequately maintained.

The General Manager shall not allow:

1. Equipment and facilities to be inadequately insured, or otherwise unable to be replaced if damaged or destroyed, including coverage for any losses incurred due to business interruption.

2. Unnecessary exposure to liability or lack of insurance protection from claims of liability, including any claims made against the Board of Directors and/or its members.

3. Inadequate security of premises and property.
4. Data, intellectual property, or files to be unprotected from loss, theft or significant damage.
5. Purchasing that is uncontrolled or subject to conflicts of interest.
6. Lack of due diligence in contracts.
7. Damage to the Co-op goodwill, public image, or credibility.
8. Receipt, processing, or disbursement of funds under controls insufficient to meet the Board-appointed accountant's or auditor's standards.
9. An absence of, or less than strict compliance with, written procedures established by the General Manager with respect to the handling of cash.
10. Investment or holding of operating capital in insecure instruments, including uninsured checking accounts or in non-interest-bearing accounts except where necessary to facilitate ease in operation transactions.
11. Change of the Co-op names(s), logo(s), and & or brand-related statement or image.
12. Use of the Co-op name(s), logo(s), tag line(s), or brand-related statement or image to start or to assist or participate in starting any other organization or group (other than a duly constituted committee of the Co-op), or to assist or participate in such a group.
13. Creation of any charitable program in the name of the Co-op.
14. Make any equity investment in any entity.

**Policy Type: Executive Limitations**

**Policy Title: B10 – Conflict of Interest**

**Last Revised: July 28, 2014**

The General Manager shall not fail to respect the responsibility of the organization to operate ethically and always with due regard that the resources of the Co-op are owned by its members. The General Manager shall not permit behavior of any employee of the Co-op, including the General Manager, that constitutes a conflict of interest, constitutes the use of the Co-op resources for personal, non-Co-op purposes, or that compromises

the employee ability to perform his or her duties.

The GM shall not cause or allow:

1. Without the express written consent of the Board, any business paid for by the Co-op to be awarded to any member of the Board of Directors or to any company in which a Board member or a member of his or her immediate family or household has a financial interest or a compensation arrangement.
2. Any employee of the Co-op to use the Co-op facilities and resources for personal benefit or non-Co-op purposes.
3. Any individual to be hired by the Co-op who is an immediate family member of a director during the director's term of office. The GM may never hire any family member for short term work or as an independent contractor.

### **Board Monitoring**

**Policy Type: Board Process**

**Policy Title: C5 – Directors' Code of Conduct**

**Last Revised: February 22, 2021**

**We each commit ourselves to ethical, businesslike and lawful conduct.**

1. Every director is responsible at all times for acting in good faith, in a manner which she/he reasonably believes to be in the best interests of the Co-op, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.
2. A director is responsible for being aware of and following the Co-op's bylaws, mission, and policies.
3. Directors must demonstrate unconflicted loyalty to the interests of the Co-op's owners. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups, membership on other Boards or staffs, and the personal interest of any director acting as an individual consumer or member.
  - a. There will be no self-dealing or any conduct of private business or personal services between any director and the Co-op except as procedurally controlled to assure openness, competitive opportunity and

equal access to “inside” information.

b. When the Board is to decide on an issue about which a director has an unavoidable conflict of interest, that director shall abstain from the conversation and the vote.

c. A director who applies for employment with the Co-op must first resign from the Board.

d. Immediate family members of directors are eligible to be hired as employees of the Co-op provided such relationship is disclosed, that directors do not exercise any actual or perceived influence with the General Manager with matters regarding their immediate family member, and directors operate in accordance the Director’s Code of Conduct.

4. Directors may not attempt to exercise individual authority over the organization.

a. Bring complete honesty and personal integrity to the Board. A director must disclose to the Board any conflict of interest he or she may have regarding a particular matter before the Board considers or votes on the matter.

b. When interacting with the GM or employees, directors must carefully and openly recognize their lack of authority.

c. When interacting with the public, the press, or other entities, directors must recognize the same limitation and the inability of any director to speak for the Board except to repeat explicitly stated Board decisions.

5. Directors will respect the confidentiality appropriate to issues of a sensitive nature and must continue to honor confidentiality after leaving Board service.

6. Directors will prepare for and attempt to attend all Board meetings and trainings and shall inform the Board president in the event the director cannot attend a meeting or training.

7. Directors will support the legitimacy and authority of the Board’s decision on any matter, irrespective of the director’s personal position on the issue.

8. Any director who does not follow the code of conduct policy shall resign from the Board if requested to do so by a 2/3 majority vote of the remaining Board.



**9. Directors shall recognize that they are viewed as representatives of the Co-op and accordingly should conduct themselves in a manner that fosters confidence and reflects positively upon the organization.**

**10. Directors shall fill out a conflict-of-interest for administered annually by the Board president.**

**Policy Type: Board Process**

**Policy Title: C6 – Officers’ Roles**

**Last Revised: July 23, 2012**

**We will elect officers in order to help us accomplish our job.**

- 1. No officer has any authority to supervise or direct the GM.**
- 2. Officers may delegate their authority but remain accountable for its use.**
- 3. The president ensures the Board acts consistently with Board policies and any applicable laws.**
  - a. The president is authorized to use any reasonable interpretation of the provisions in the Board Process and Board-Management Relationship policies.**
  - b. The president respects that the position does not grant its holder authority greater than that of any other Board member, except as provided in the bylaws or by vote of the Board.**
  - c. The president will develop the agenda for Board meetings.**
  - d. The president will chair Board meetings, and ensure that deliberations are fair, open, and thorough, but also timely, orderly, and to the point.**
  - e. The president ensures that committees are formed and operate as necessary to carry out the Board’s business; be an ex-officio member of all committees.**
  - f. The president is the formal point of contact between the Board and the General Manager.**
  - g. The president ensures that the General Manager is regularly and fairly evaluated.**

- h. The president ensures that a compensation plan for the General Manager is developed and presented to the Board for review and approval.**
- i. The president ensures that annual meetings of the membership are held as required by the bylaws and shall develop an orderly process for the conduct of the meetings.**
- j. The president reports to the membership at the Annual Meeting and any other meetings of the membership.**
- k. The president is authorized to sign all contractual notes, bonds, other evidence of indebtedness, and other official instruments or documents of the Co-op as provided in the bylaws or by vote of the Board.**
- l. The president plans for leadership (officer) perpetuation.**
- m. The president may represent the Board to outside parties within the limits imposed by any applicable laws, bylaws, and decisions of the Board.**
- 4. The vice-president will perform the duties of the president in her/his absence.**
- 5. The treasurer will lead the Board's process for creating and monitoring the Board's (not the Co-op's) budget**
  - a. In addition, the treasurer will facilitate the Board's understanding of the financial condition of the Co-op and oversee the maintenance of accounting records, the preparation of financial statements, and the filing of required reports and returns.**
  - b. The treasurer will serve as chair of the Finance Committee.**
- 6. The secretary will make sure the Board's documents, including the Policy Register and the Board Calendar, are accurate, up to date, and appropriately maintained.**
  - a. In addition, the secretary will be responsible for the recording and keeping of adequate minutes of all meetings of the Board and of owners, issuing notices required under these bylaws, and authenticating records of the Cooperative.**
  - b. The secretary will serve as a member of the Governance Committee.**

**Policy Type: Board Process**

**Policy Title: C7 – Board Committee Principles**

**Last Revised: July 25, 2011**

**We will use Board committees only to help us accomplish our responsibilities.**

- 1. Committees will reinforce and support the wholeness of the Board.**
  - a. In particular, committees help the whole Board move forward when they research alternatives and bring back options and information.**
- 2. Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes.**
- 3. The Board will establish, regularly review and control committee responsibilities in written committee charters.**
  - a. We will carefully state committee expectations and authority to make sure they do not conflict with authority delegated to the GM.**