SWARTHMORE COOP BOARD OF DIRECTORS

MINUTES OF MEETING

FEBRUARY 25,2013

The meeting, which was held in Swarthmore borough Hall, began at 7:00 PM.

Present were President, Bob Scott; Board members Pam Bartholomew,Don Delson, Martyn Harding, Michael Markowicz, Helen Nadel, Andy Rosen, Carol Savery, Karen Shore, and General Manager, Marc BrownGold. Board Secretary, Sharon Mester was unable to attend the meeting.

1. Approval of Minutes

The minutes of the January 28,2013 meeting were approved on a motion by Don & seconded by Michael with the following corrections:

Regarding HR, Marc will strategize with Lacher, not ACA, regarding the next wave of open enrollment.

The Education Update was given by Carol, not Helen.

1. General Manager’s Monthly Update

General Manager, Marc BrownGold, provided his monthly update to the Board. While he was disappointed with a slow start to the year’s sales, he reported that strategies are already in place to improve performance.

In response to the question of when the flower display would be replaced by the hot Grab ‘n Go Bar, he said that it should be in place in the next few months with the expectation that rotisserie chicken sales will increase significantly.

Deli sales have fallen since the transition from Boarshead to Applegate brand deli products and customer education continues in an effort to recover the lost volume.

A significant increase in cash on hand for this month compared to the same time last year was explained by a change in the bill paying process. Bill are now paid every 2 weeks instead of weekly which results in cash “surges”. Additionally, a move to electronic bill pay through our new bank, PNC, has resulted in savings (postage, envelopes, etc). There is also a 10% discount in workers compensation as a result of e-pay.

1. Finance Update

Ron outlined the progress on the mortgage refinance process. He is meeting with PNC, WSFS, and NCB and will evaluate their terms in order to make a proposal to the Board as soon as he has all of the proposals. NCB has continually stressed the importance of our “historical relationship”. Since recent customer service has been poor, Ron plans to meet with Jack Cavanaugh to discuss the value of our history with NCB. Don noted that it is advantageous to the Coop to have initiated this process well in advance of the 2015 deadline.(Compliments to Ron).

4. GM Monitoring –B1 Financial Conditions & Activities

Ron noted that the covenant calculation was incorrect. Member loans should be excluded from it. This led to a discussion about a new procedure re: loan forgiveness. Sarah will now

1.Inform the accountants

2. Correct the master file which is on Backpack

3. Send an official letter to the member documenting the forgiven

loan.

The report was accepted by the Board on a motion by Andy and a second by Don.

5. GM Monitoring –Member and Customer Requests

B5-5. GM is in compliance with B5-5, but let it be noted that there had been a breach as a result of a customer using an email copy list for personal use. Marc changed the method of email distribution and now all recipients are bcc so no one can see other email addresses.

The report was accepted by the Board on a motion by Don and a second by Michael.

6. Board Self Monitoring—C1 Governing Style

The board determined that it is compliant with this policy as follows:

Current development of the strategic plan satisfies #1, a vision toward the future. #2- Reviewing the 10 Principles of Policy Governance for the next meeting. Reviewing the policy register annually is evidence group responsibility, etc. in #3. Adhering to Policy Governance enforces the distinctions between GM and Board roles- #4. Active recruitment of members and directors outside of Swarthmore is evidence of encouraging diverse viewpoints, #5. We are respectful of all relevant laws and by laws-#6.

7. Approval of GM Employment Agreement

The GM Employment Agreement was approved with the corrected spelling of Marc’s last name, BrownGold, on a motion by Don , seconded by Martyn.

8. Education Update

Helen described a variety of recent and future sold out classes, from chocolate to dumplings! She also has a few workshops planned. Combined with Coop pop-up restaurants and classes (Pig Abattoir) the Coop is a very busy place!! Sunday Suppers have resumed. They’ll be scheduled for first Sunday of each month from March through June.

9. Long Range Plan

Martyn reports that the subcommittee has been meeting weekly with Art Sherwood. They hope to have a plan on how to engage the full Board (other subcommittees) and members in the planning process by our next meeting.

10. Annual Meeting Preparations

Bob will convene a meeting to iron out the details with Sharon & Pam.

11. Officer Nominations- Appointment of nominations Committee

As the outgoing Board member, Sharon has agreed to solicit officer nominations from current Board members. Don suggested that the president serve two years in order to maximize continuity.

12. Accounting Treatment of Forgiven Member Loans

Recent loans that have been forgiven as a result of the death of the lender have raised the issue of the legal implications of who has the right to forgive the loan (heir not executor) and how you can have equity without a shareholder. Potential tax implications also need to be understood. Marc will research the procedure used by Weavers Way in this situation.

13. FLSA Compliance

Andy researched the cost of doing a compliance audit in order to determine if the Coop has correctly identified exempt and non-exempt positions. It seems likely that there are only a very few positions that might need to be reclassified, making the cost of a full compliance audit ($2500) unnecessary. Therefore, Andy will do the initial screening and use an outside HR professional to evaluate just those identified positions.

14.Review of Action Items

* Amendments to 1/28/13 minutes
* Loan forgiveness protocol formalized by the Finance Committee
* Data Storage options researched by Pam
* Bob will finalize Marc’s employment agreement
* Governance Committee plus Pam will meet to plan for the Annual Meeting
* Finance Committee will finalize the presentation for the Annual Meeting
* Martyn will finalize the Long Range Planning process and schedule to bring to the full board
* Sharon will solicit nominations for the slate of next year’s officers
* Marc will contact Weavers Way for their procedure for Debt to Equity conversion

15. Adjournment

The meting was adjourned at 8:45 PM. An Executive Session followed to discuss personnel issues.

16. Next Meeting

The next regular meeting will be held on Monday, March 25 at 7pm in the community Room of the Swarthmore Borough Hall.

Respectfully submitted,

Pam Bartholomew

Documents for the Meeting

Co-op Board Agenda 2/25/2013

GM Report

Co-op January 2013 Balance Sheet

Co-op January 2013 P&L

GM Monitoring Reports B1 & B5

GM Employment Agreement