

**Chester's Community Grocery Co-op
First Owner-Member Co-op Business Meeting
February 3, 2007**

Meeting came to order 11:01 AM

Introductions

Moderator: Kate Smith

Kate Smith is Executive Director of the Keystone Development Center. She is working with the Co-op on its business plan and grant writing.

Kate introduced Alton Loper.

Alton Loper described the cards that have been made to hand-out to prospective members. The cards explain why we are opening a co-op, the benefits to Chester of a co-op, and how a person can become a member.

Explanation of voting process and procedures:

Kate reviewed "Robert's Rules of Order", authored by General Henry M. Robert originally published in 1876. It is a classic guide to smooth, orderly and fairly conducted meetings.

Committee Reports

Membership & Church Liaison Committee

Presented by Chairpersons Alton Loper & LarRaine Branch

Alton stressed that each member should be bringing a prospective member to an orientation meeting.

LarRaine discussed the committee's efforts to communicate with local churches. Gwen Smith from Crozer Hospital is very involved with the churches. She will be working with the committee to make contacts in the churches. We are requesting anyone that is member of a church to join the committee and to be out there talking to their congregation about the Co-op.

Product Committee

Presented by Chairperson Bernice Sisson

Bernice discussed the taste testing event the committee is planning. Jan Kirk is negotiating with the White Rose representative to arrange the foods. White Rose is a distributor of food products and would be a major distributor of the co-op. The plan is to

introduce this label to the members, allow them to taste a selection of food, and provide feedback.

March 3 or March 10 are the two possible dates for the tasting.

Wellness Committee

Presented by Chairperson Rob Auerbach

The Committee is working on a Wellness Fair that will be open to the public at the YWCA across from City Team. The goal is to stimulate interest in the community and grow the membership. It is being planned for the end of April.

The Committee is also working with Widener University to add its own articles to the University's newsletter on healthy lifestyle choices.

Next meeting is February 14th at 6:00 at City Team.

Tina asked Rob to explain the importance of the Wellness Program.

Rob explained that there are multiple health problems among Chester residents as a result of lifestyle and food choices. These problems include obesity, hypertension, and diabetes. The obesity rate for children in Chester is twice the average rate in the country.

Our mission is to promote healthy lifestyle choices to stem this epidemic. This is one of the major reasons for establishing the co-op.

Tina asks how the Wellness Committee will be involved in food selection for the Co-op. Rob said the Committee will be a part of that selection – providing information necessary to make wise choices in food selection.

The Committee also hopes to use Co-op space to develop Wellness activities and programs for its members.

Building Committee

Presented by Chairpersons George Brown and Tina Johnson

On January 4 the Committee met with Dominic Roselli of Glassworks, the owner of the property at 5th and Edgmont. They drafted an option agreement.

The terms of the option agreement include the following:

The Co-op is to pay \$1000 in good faith money.

The Co-op needs to demonstrate that we have sufficient funding to renovate the building.

The building must be clear of all liens and encumbrances and taxes.

The Co-op has first refusal to buy building.

The document is pending review by the lawyers.

The owners are prepared to sell us the building. If the following contingences are met, the Co-op would consider making a bid on the building:

1. Will the city give us permits to do work on the building?
2. Is the building environmentally sound?
3. How much will it cost to get the building in working order – is it feasible?
4. Does the Co-op have the necessary funding to buy the building?

The current owners purchased the building for \$330,000 one year ago. Glassworks owns 56,000 square feet at that location. The Co-op wants to purchase the entire lot – the space can be used for parking and it is difficult to try to sub-divide that particular lot.

The initial bid will be based upon the cost of the building to the owners (including capital improvements that they made on the building of \$50,000) and the current real estate market. The Co-op is considering making a bid of \$410,000.

Our architect confirmed that this is a fair offer. We currently do not want to exceed an offer price of \$500,000.

The Co-op will put in an initial bid offer next week.

Financing Options:

1. Traditional loan from the bank
2. Individual investors who will finance the purchase of the building
3. A package from the bank to buy building and do renovations
4. A 3rd party who would buy the building for the Co-op

Development Committee

Presented by Chairperson Tina Johnson

The purpose of the Development Committee is to evaluate and research how we will obtain financing and how we are generally developing the Co-op. Late March 2007 is slated for the opening of the Co-op. The plan continues to be to open in March. The Co-op will open as a farmers' market. The Committee will be working to open the farmers' market and coordinate with local farmers to purchase the food. We are looking to do business with Amish farmers that grow organic foods.

Two possible locations for the Farmers Market are Ethel Waters Park or the open parking lot behind the post office. Tina will be looking into obtaining the necessary permits from the City.

Finance Committee

Presented by Chairperson Joe Henwood

Joe presented the Treasurer's report. The Co-op has total cash available of \$7,334.25 plus \$11,700 of pledges from the Chester Children's Choir Concert.

Joe discussed the Loan Program. This is a low interest loan that the members or a non-member can make to the Co-op. It is junior to all other debt. The lender would specify the interest rate which will be based upon amount loaned and term period. The minimum amount is \$500. This Loan Program is an alternative way to raise money other than traditional bank loans. It is difficult for Co-ops to obtain traditional bank loans because no one member can sign as guarantor. No one member has significant ownership in the Co-op to use it as collateral.

This type of debt will be classified as equity, rather than debt, on the balance sheet.

Proposals:

1. Tina Johnson proposed that we do not accept credit cards, but do accept debit cards.

Clarification Questions:

1. There is no fee for debit cards, but there are fees associated with credit cards.
2. Will it be cost-effective to use a credit card service? Maybe not. In the meeting, only 3 members indicated they used a credit card to pay for groceries.
3. If we make a decision now, can we change it later? Yes.
4. Will we use credit cards for the farmers market? No, we are talking about when we open the doors to the Co-op.
5. How does the fee work? Only on the people using credit cards or is there a baseline cost? Depends. Do not know at this time.

Open Discussion:

1. Will the Co-op accept checks? Members can put money into an account at the Co-op and then have check writing privileges based on how much money is in the account.
2. Will it cost money to get a debit machine and then more money to get credit machine?
3. Accepting credit is more important if dependent on walk in business.
4. Credit cards will have fees and we want to keep prices as low as possible on the food.
5. What about the financial welfare of the community – accepting credit cards could make people in financial difficulty increase their debt.

Motion to not accept credit cards.

Motion seconded.

Amended motion to say not accept credit cards at this time.

Amended motion seconded.

All in favor.

None opposed.

2. Tina Johnson, on behalf of Ken Wright, proposed organizing Co-op home meetings.

The goal is to create a comfortable welcoming environment. Members would host home meeting. Steering committee members would come to the home and present the orientation program.

Proposal: Members will take responsibility to hold co-op home meetings in their home.

Clarification Question:

1. Does it have to be at home? Can it be at a church, for example.
Yes – wherever the member might want to have it. The goal is for the member to host.
2. Will this replace our orientation meetings? No – maybe we will hold them less frequently, but they would still be held.
3. Are the members required to have a home meeting? No, not a requirement.
4. Can we call it “Member Host Meeting?” Yes – that would be fine.
5. Members outside Chester can also host a meeting at their homes.
6. The Members Get Members Program (MGM) awards a \$5 Co-op coupon if the member brings in a new member. If the member hosts a party, the member will get \$5 Co-op coupon.

If a member is interested in hosting a meeting, please sign-up to host a meeting today. The goal is to have 40 members host meetings. A script will be provided to use when inviting people to come to the home meeting.

Motion to accept proposal for Co-op home meeting.

Motion seconded.

One dissenting vote.

3. Proposal to Form a Nominating Committee

As we move from the Steering Committee to members conducting the Co-op’s business, we need to establish the procedure for electing a Board of Directors (BOD). The BOD will be the leadership. The Nominating Committee will put together a list of potential candidates for the BOD for whom the members can vote.

Clarification Questions:

1. How many members on the Nominating Committee? This is on the agenda for the next Steering Committee meeting.
2. The purpose of the Nominating Committee is to gather information on members whom wish to run for election to serve on the BOD.
3. Can a member be on the Nominating Committee if the member wants to be on the BOD? We have not currently made a decision on that question.
4. The Chair of the Steering Committee will receive recommendations of people to serve on the Nominating Committee.

5. Membership could vote to have the Steering Committee serve as Nominating Committee.
6. There is a suggestion to have the Steering Committee suggest 3 names and membership suggest 2 names to serve on Nominating Committee.

Motion to amend the proposal. Steering Committee will be given authority to form the Nominating Committee which will consist of 3 members from the Steering Committee and 2 members from general membership. The number of members will be 5.

Motion seconded.

All in favor.

None opposed.

4. Proposal to change the Co-op building opening date to third quarter 2007 with flexibility to extend again if necessary.

Motion to accept proposal.

Motion seconded.

All in favor.

None opposed.

Motion to adjourn.

Motion seconded.

All in favor.

None opposed.

Meeting adjourned at 12:29.