

**Chester's Community Grocery Co-op  
Minutes  
8/1/06**

PRESENT: Tina Johnson, Rob Auerbach, Michael Froehlich (minutes), Joan Broadfield, Joe Henwood, Nessie Johnson (facilitator), LarRaine Branch, Tim Sam, Gerwayne McElaney

GUEST: Ed Ch. (White Rose Distributor)

EXCUSED: Tare Jones-Stephens

**1. Discussion with Ed**

Ed Ch. was invited to come to our meeting to give us advice on getting the Co-op rolling.

Rob asked him whether there might be a perception of a conflict of interest because White Rose Distributor might be bidding for our business. Ed acknowledged this perception and said that he had three motivations for being involved with the project: 1) to have an opportunity to bid on our business; 2) he "thoroughly enjoyed doing this"; and 3) he felt personally called to do this work as he wants to retire soon and is looking for a ministry to become involved in.

MFr asked Ed what he thought the biggest risks of the co-op might be. Ed said that he was unfamiliar with the co-op model so he could not speak to that. However, he also said that we should be careful about 1) incorrectly merchandising; 2) undercapitalization; and 3) security.

Ed later confirmed that there was going to be a grocery store built at Highland Ave and I-95.

**2. Articles of Incorporation**

MFr presented revised Articles of Incorporation. There were two major changes made to the Articles from the previous version:

First, we are now authorizing 20,000 shares. Previously, we had authorized 500,000, with the idea that as someone started paying their membership fee, they would begin to get a share, but that they would not be full members until they had paid their full fee. Now, members will get one share only when they become members.

Second, we had previously required that all members either live, work, study, volunteer, or worship in Chester. According to the market/feasibility study, we will need to expand this definition to permit others to become members, as well. Accordingly, the common bond of membership is now: "All members must pay certain dues and perform certain work requirements as may be required by the Cooperative."

All incorporators, except TJ-S, signed the Articles.

**3. By-Laws**

We discussed how the by-laws will have to be amended to reflect some of the findings of the market/feasibility study. MFr will draft a document to be discussed at our next meeting that sets forth the proposed amendments based on the market/feasibility study.

#### **4. Market/Feasibility Study**

Joe presented the M/F study. It is based on 150 new members/month for the first six months and then 200 new members/month for the next six months. This is reduced from the first draft, but still projects \$2.9 million sales over the first year. MFr objected that this seemed to be highly optimistic. TJ said that we need these numbers in order to be profitable at this level. RA was concerned about the first 400 members and that possible grants that we might receive are not reflected in the document. JH said that the grants were considered.

#### **5. Membership**

The Membership Subcommittee (Rob, LarRaine, and Joan) discussed the membership meeting on Thurs, 8/3, 7:30pm. We reviewed the outline for the membership meeting and discussing emphasizing the benefits of joining the co-op over the plodding details of how far we have come.

TJ mentioned that the room is very hot. We developed four options: A) Gerwayne will ask her friend to borrow a portable AC; B) TJ will look into purchasing one with Joan; C) Tim will ask at Swarthmore to see if we can borrow something; D) we will move to City Team's cafeteria.

TJ said that we are expecting 60 people. TJ will purchase party trays; we will not have it catered.

LarRaine will call Ms. Freeman at the Gallery to make sure the chairs are set up correctly.

TJ will draft a membership form and send it to Rob by 8/3

RA will purchase a receipt book.

RA will bring copies of the membership manuals. He requested that if anyone has any further suggestions, they should send them to him as soon as possible.

#### **6. Ministerial Pledge**

TJ spoke with someone from the Ministerium who recommitted the Ministerium to its \$2000 pledge.

#### **7. Site Visit with White Rose Engineer**

Mike L, Director of Store Engineering with White Rose, came to evaluate the possible building. TJ asked that Steering Committee members send her, by Fri, 8/4, their availabilities to tour the building during the week of 8/17 to 8/11.

## **8. Membership Fees**

We had an extensive conversation about membership fees. Some wanted the fees high to require to give members a real investment in the co-op while raising money. Others wanted to keep the fees low to reduce the barriers to joining as members. In the end, the Steering Committee voted (with MFr dissenting) to the following membership fee schedule:

Members will pay \$250 to join. \$200 is refundable. \$50 is a non-refundable application fee. Payment plans can be set up to pay this amount over the first year, but members must pay a minimum of \$50 to start. There will be no annual fee. If members join prior to the Co-op opening with an additional \$25 (minimum), i.e., at least \$275, they will be recognized as Founding Members. (Still, only \$200 will be refundable.)

## **9. Grants**

TJ said that a grant from Co-op 500 is due on September 1, and asked whether anyone would be able to help her write it. Other pre-construction grants are available. TJ also said that we should consider hiring an accountant or bringing one on our board.