

Adopted Minutes

East End Food Co-operative Board Meeting
9/18/2017

In attendance:

Present Board Members: Eddy Jones, President; Dirk Kalp, Vice President; Amit Shah, Treasurer; Arianna Garofalo; Malcolm Ferguson; William Warnock; Brynn Yochim.

Absent Board Members: Patrick McHale; Andrew Ritchie, Secretary.

General Manager: Justin Pizzella

Member Guests: Nate Morley, Shawn P. McCullough, Joni Rabinowitz, Eric Cressley, Sarah Trist, Alice Leibowitz, Sarah Aerni, Emily DeFerrari, Kate Luxemburg, Gaggan Boparai, Tom Pandaleon, Zoe Mizuho, Heather Hackett, Ron Gaydos.

Non-Member Guests: Carlos GacaYanez.

Eddy called the meeting to order at 7:03 p.m. Members in attendance introduced themselves, and William read our Ends statement aloud.

Amend/Approve Agenda

Discussion: Closed session was added after Closings, and a brief update on CSI expenses was added after the approval of meeting minutes.

Decision: Amit moved to accept the agenda as amended. William seconded the motion.

Vote: 6.0.0

Amend/Approve previous meeting minutes

Discussion: Directors reviewed draft minutes of the previous meeting and made corrections for grammar and clarity as reflected in the published minutes.

Decision: Amit moved to accept the minutes as amended. Brynn seconded the motion.

Vote: 4.0.2

Update from September working meeting

Eddy reported on outcomes from the board's closed working meeting on September 7. A lot of time was spent talking about GM transition, specifically planning for business continuity, defining the ideal candidate, and discussing search efforts. NCG was cited as a resource. The election process and Ends reporting was also discussed. Malcolm and Arianna were present.

CSI Costs

Eddy read aloud the dates and total costs listed on invoices related to last year's election investigation conducted by CSI, which were as follows:

11/23/16	\$5,000
12/26/16	\$4,217.64
1/11/17	\$5,975.20
Total	\$15,192.84

GM Update

Justin reported that sales were strong this quarter. We saw 1-2% sales growth, which we haven't seen for over two years. The hard work put in over the last year to tighten expenses is showing fruit and we saw positive net income for the first time documented in our accounting records,

Adopted Minutes

East End Food Co-operative Board Meeting

9/18/2017

which is remarkable. Most of his efforts this month were supporting transition and continuity. We purchased a new ballot box to accommodate the full-size ballot.

Eddy reported on the CBLD training session that the board hosted within the last month. All board members and two non-board members participated. Eddy passed a copy of the training documents around to the members in attendance.

Ends Monitoring Report

Justin handed out copies of the data tracking document to all directors and members in attendance. He noted that the metrics on this document represent data that was already being tracked, with changes being the format and frequency of this report. He suggested that reporting monthly is too frequent and recommended quarterly instead. Next, directors reviewed each metric. Regarding total expenditures that are local, Justin asked the board for clarification around the definition of “local” in terms of service providers. He used the example of UNFI, a national distributor that supplies non-local items primarily through warehouse and trucking stationed in York, PA, thereby providing jobs in our local region. Directors suggested to establish a criteria and keep it simple, suggesting that trends are more important than figures. Upon further consideration, several metrics were deemed not very useful or too difficult to track and were dropped from the tracking list, including the number of local vendors, the percentage of staff eligible for health care benefits, the combined total number of followers on social media, and the click-through rate for e-newsletters. Regarding metrics addressing senior and low-income discounts, it was noted that senior status is considered 62 years of age or old and is self-presented. Low-income discounts are available to anyone presenting a SNAP card. It was noted that senior status does not necessarily relate to low-income. Directors asked Justin to investigate the possibility of tracking these discounts separately. Regarding the metric tracking the number of bag discounts, it was suggested to communicate this to members to encourage more reusable bag use. Regarding the metric tracking the click-through rate for the email version of our newsletter The Co-operator, it was noted that this figure does not represent the number of readers that view the publication on our website or via hard copy distributed in the foyer of the store. Eddy requested that Justin bring the document back next month with changes, before switching to quarterly reports.

B1. Financial Condition & Activities

Justin noted this report represents outcomes from April, May, and June of 2017, and that net income is best we’ve had in at least seven years. Justin noted that the new fiscal year’s budget forecasts 2% sales growth and he suggested redefining criteria for policy compliance to match the budget, to set goals within reality. It was noted that net income is severely depressed because of depreciation on capital investments, and in December 2019 the depreciation line should decrease severely. Responding to a director’s inquiry, Justin explained that there were literally no capital investments for a period of about four years prior to his tenure as general manager. The renovations he oversaw in 2012 put a significant hit to the depreciation line, which he described as “a snake passing an egg”. He recommended that re-investments to the business should be planned regularly to avoid repeating this scenario. Next he described the regular

Adopted Minutes
East End Food Co-operative Board Meeting
9/18/2017

preventative maintenance that is overseen by our in-house Facilities team, and he said that the criteria for all equipment investments has been a) transportable, and b) expected payoff is 18 months or less. He noted that we will need new compressors within three years, as they are already beyond their life expectancy.

Decision: Amit made the motion to accept the report with acknowledgement of non-compliance. Malcolm seconded.

Vote: 6.0.0

Dirk arrived at 8:43pm.

B4 – Membership Rights and Responsibilities

Justin introduced this report by saying that the extensive collection of data speaks for itself and asked if directors had questions. Several directors admitted they were not familiar with the attachments on Google Drive. Arianna inquired about the frequency and methods that board election announcements are made. Amit inquired about the process for responding to comment cards and the response rates.

Decision: Dirk moved to accept the report. Amit seconded.

Vote: 7.0.0

Closings

The next board meeting was scheduled for October 16. A closed working meeting was scheduled for October 2. Submissions to the next meeting packet are due to the board clerk on October 4.

Member-owners Open Session

Tom Pandaleon thanked the board for reporting on CSI contract costs, and then requested to know the legal costs. He asked the board to confirm that no decisions are made at closed working meetings, to which Eddy replied in the affirmative. Tom then commended the board for its responsiveness to questions around campaigning, and for providing more information that supports meaningful discussion. Finally, Tom inquired about practices surrounding email communications to members and suggested that the Marketing and Member Services department make an exception to current practices for election announcements. Member Services Coordinator Erica Peiffer explained current practices for collecting member emails, and defended the need to respect member privacy preferences. She reviewed the various ways that members can “opt in” to receive email communications and assured Tom and the board that invitations to “opt in” have and do occur regularly. She also noted that our use of Constant Contact is limited by federal compliance guidelines [CAN-SPAM Act]. Alice Leibowitz commented that “some members don’t want to be sold to” with emails. She also commended the new format of Ends monitoring and asked the board to prioritize balance in hiring a new general manager. Ron Gaydos introduced himself as a representative from the Pittsburgh Chamber of Cooperatives. Ron offered to coordinate a candidate forum for the current board election, and said he had tentatively booked a room at a local library. Directors and members in attendance then problem-solved logistics of the event and confirmed the date and time for the following week. Arianna agreed to send event details to the Marketing and Member Services Manager for

Adopted Minutes

East End Food Co-operative Board Meeting

9/18/2017

communication to members. Emily DeFerrari requested clarification around the discretionary zones on the map for campaigning on the sidewalk, after she recounted an instance in which she was asked to move by a Manager on Duty from the discretionary zone near the seedling display rack to the “green zone” further up the sidewalk. Eddy noted her concerns and agreed to send this feedback to Patrick, the chair of the Board Perpetuations and Elections Committee. Emily also inquired as to when election results will be communicated, and Eddy said he could not speak on behalf of Patrick. Joni Rabinowitz addressed the guideline of no campaigning inside the store and asked what she is supposed to do if a friend casually asks her opinion on the candidates. Eddy responded that casual conversation is not considered “campaigning” and she should use her discretion. Alice said she heard the board was planning to discuss the GM search in closed session and she urged directors to discuss parts of this process transparently. She suggested the meetings did not have to be confidential until there are specific candidates to evaluate. Amit asked her to clarify from whom she heard about topics to be discussed during closed session, to which she replied, “a board member told me.” Eddy invited Carlos Gaca Yanez, a non-member, to discuss his work providing technical support to a distribution company that delivers organic foods directly to consumers across several Canadian provinces.

Adjournment

Decision: William moved to adjourn the meeting at 9:40 p.m. Amit seconded the motion.

Vote: 7.0.0

The Board went into Executive Session at 9:46 p.m. to discuss non-public matters. At 10:27 p.m. Amit moved to adjourn the session. Brynn seconded the motion. The Board voted 7.0.0 to end the session.

Minutes respectfully submitted by Erica Peiffer, Board Clerk.