

Adopted Minutes
East End Food Co-op Board Meeting
2/19/2018

In attendance:

Present Board Members: Eddy Jones, President; Patrick McHale, Vice-President; William Warnock, Treasurer; Emily DeFerrari; Sarah Trafican.

Absent Board Members: Malcolm Ferguson, Katy Nevinsky, Sarah Trist.

Designated General Management Team: Jen Girty, Shawn McCullough, Eric Cressley.

Board Clerk: Erica Peiffer

Member Guests: Daniel Webb, Zoe Mizuho, Dan Denlinger, Faith Schantz, Tom Pandaleon, Andy Mowrey, Alice Leibowitz, Ron Gaydos.

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

Amend/Approve Agenda

Discussion: A 10-15 minute presentation by Daniel Webb from the EEFC Federal Credit Union was added after approval of meeting minutes.

Decision: Emily moved to accept the agenda as amended. Patrick seconded the motion.

Vote: 5.0.0

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: Sarah moved to accept the minutes. Emily seconded the motion.

Vote: 5.0.0

Presentation by EEFC FCU

General Manager Daniel Webb provided an introduction. EEFC FCU was created in 1993 to serve EEFC members with a credible alternative to for-profit banking, and until recently was staffed solely by volunteers. The credit union has made over \$2 million in loans available to members. Daniel thanked the EEFC for their cooperation in providing a venue and customer service assistance throughout the years. In 2013, the credit union obtained a grant which enabled the organization to hire Dan as general manager, and he is currently working to expand products and services to include checking, debit and online banking, and to increase impact for the community at large by expanding the field of membership. As of last month, the credit union is now open to all who live, work or worship in our census track, regardless of EEFC membership. Dan flagged that foot traffic to the FCU office will likely increase.

DGMT Update

Regarding Store News, The Factory facility in which our store is located was recently purchased by Icon Development. Shawn has been meeting with new landlords Jason Lardo and Rich Allen to negotiate new lease terms, and expects a conclusion in 2-3 more weeks. Regarding Finances, Shawn reported roughly \$80K year to date net income, noting the majority is due to decreased wages, with increased margin and decreased expenses outside of personnel as other contributors. Based on prior year sales, and barring catastrophic circumstances, Shawn projected six figure net income for this fiscal year.

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East End Food Co-op Board Meeting

2/19/2018

Regarding HR, Jen provided updates on union contract negotiations that began two weeks prior. The parties met three times to date and had tentatively agreed on 10 articles, with three articles still on the table. Economics was on the agenda for the next meeting, to include the topics of wages, benefits, paid holidays and all policies that have an economic effect. Jen concluded by saying she thought negotiations were moving quickly and going well.

Next, Eddy had several questions regarding operations. He requested background and data on readership for *The Co-operator*, and he inquired if Front End staff could be directed to engage shoppers around member events. Managers and Erica provided brief background information, including current promotional strategies around the checkout lanes. Eddy suggested the Member Linkage Committee could review and discuss more in depth with staff when committees are up and running. Finally, Eddy solicited fellow directors for content for the upcoming Board Corner article. Patrick agreed to submit a call for appointment candidates.

Audit Update

Shawn reported the audit is finalized. Tax bill changes at the end of last year caused slight delays. Full details on financial outcomes of fiscal year 16-17 will be provided in the B1 report due next month. Regarding the timeframe, he noted that we received a full audit, which is the most thorough of the three levels of accounting review available. He also noted that our Co-op has been flagged for increased risk factors, including high board turnover, resignation of the general manager, and consecutive years with net losses, all of which increases the level of scrutiny performed by the auditors. Directors considered if a review versus a full audit would suffice, in the interest of providing timely financial information to the membership. Shawn noted pros and cons – a review would be significantly less expensive and significantly reduces demands on staff, although the feedback from an audit is more useful for financial management and would be essential to acquire any bank loans for potential expansion projects.

Annual Meeting Planning

Members of the planning committee, including Malcolm, Emily, Alice Leibowitz and Faith Schantz met to develop a draft agenda. Emily projected the document so directors and members in attendance could review. Directors agreed to shorten reports. GM search updates were condensed into the President's report, and membership outcomes were absorbed into the Operations report. Directors agreed to collect names and contact information for members interested in participating on committees.

While discussing board committees, Eddy made a motion to accept Sarah Trafican's self-nomination to chair the Board Perpetuation and Elections Committee. Patrick seconded.

Vote: 5.0.0

Next, Eddy projected a draft version of his President's report presentation and sought feedback from directors and members in attendance. The board agreed to acknowledge the current culture of healing and to ask members for input on expansion. Finally, members in attendance provided input for the Operations report, noting their desire to hear about operational improvements and staff morale.

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East End Food Co-op Board Meeting
2/19/2018

Closings

The next board meeting was scheduled for March 19th. Submissions to the next meeting packet are due to the board clerk via email by 8 a.m. on Wednesday, March 7th.

Member-owners Open Session

Dan Denlinger introduced himself as a former staff and board member. He warned directors that the uptick in meetings and committee commitments was a “recipe for burnout”. He advised the board to “say no to fear” in regards to operating without a GM and to take time and due diligence in the hiring process. He emphasized the viewpoint of the board as visionaries, responsible for strategic and organizational advancement, and suggested the board seek out a store manager, or management solution, versus delegating the responsibility of expansion planning to a general manager who may potentially leave prior to completion. Finally he suggested that directors lighten up, have fun, and think creatively about ways to make the business profitable without relying on staff attrition and cost containment as strategy. Next, Ron Gaydos introduced himself as a former board member and a co-founder of the Pittsburgh Chamber of Cooperatives. He passed around flyers and invited all to an upcoming workshop and training session on the alternative decision-making method known as sociocracy. Faith Schantz commended the board for their efforts to make board meeting more accessible to members in attendance. Alice Leibowitz agreed with Faith, saying it was nice to have documents projected and encouraged directors to expand this practice. Zoe Mizuho also agreed, then inquired about union contract negotiations, specifically if management was working with the same law firm that was employed during initial negotiations. Jen concurred. Alice inquired if negotiations were utilizing proposal-based or interest-based techniques. Jen was unable to confirm, but noted that this round of negotiations seemed to be based around more dialogue. Andy Mowrey suggested the board consider exit interviews as a means to better understand recent board turnover. Patrick said that while no formal interviews were conducted, the board understood the causes for recent turnover to be personal in nature. Zoe asked the board to consider shorter, one-year appointments. Eddy responded that the idea seemed impractical to him; in his opinion it takes six months to a year to become effectively oriented as a new director. Tom Pandaleon asked the board to consider a higher level of compensation for directors; Patrick responded that he is working on a proposal. Tom suggested the board put more effort into promoting the annual meeting; in his opinion the key is to “hit the sidewalk”. Then, he suggested meaningful financial information should be made available in advance of the meeting to allow for meaningful discussion. Finally, Emily asked for the board’s decision on the need for childcare at the meeting. Directors agreed to contract a childcare provider at the rate of \$20/hour.

Adjournment

Decision: William moved to adjourn the meeting at 9:58 p.m. Emily seconded the motion.

Vote: 5.0.0

Minutes respectfully submitted by Erica Peiffer, Board Clerk.