

Adopted Minutes
East End Food Co-op Board Meeting
6/18/2018

In attendance:

Present Board Members: Eddy Jones, President; Patrick McHale, Vice-President; William Warnock, Treasurer; Emily DeFerrari; Sarah Trafican; O.E. Zelmanovich (Zoë).

Absent Board Members: Malcolm Ferguson, Alicia Hall, Katy Nevinsky.

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

Board Clerk: Erica Peiffer.

Member Guests: Evan Diamond, Faith Schantz, Tom Pandaleon.

Eddy called the meeting to order at 7:01 p.m. Everyone in attendance introduced themselves. William read our Ends statement aloud.

Amend/Approve Agenda

Jen suggested the DGMT would not need the full time allotted for each report. Emily noted the Member Linkage committee is now called the Member-Owner Participation committee, and she asked if there would be a report on membership from Leslie Clark. Shawn replied the DGMT was not aware of a specific request for membership data. Directors made a list of requests, and Emily committed to emailing it to Shawn. Eddy added a closed session to discuss real estate.

Decision: Sarah moved to accept the agenda as amended. Zoe seconded the motion.

Vote: 6.0.0

Amend/Approve previous meeting minutes

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

Decision: Zoe moved to accept the minutes as amended. Emily seconded the motion.

Vote: 6.0.0

Working Meeting Report

The board came together in a closed working meeting on June 4th to discuss minor adjustments to Annual Meeting calendar, effectively extending the window of time for members to declare candidacy. Directors also discussed real estate concerns and lease negotiations. Directors decided to table the discussion of bylaws revisions until after the 2018 election. Directors planned for attendance at the CBL 101 training in Buffalo in July. It was decided the GM Search Committee would be replaced by a Restructuring Committee.

DGMT Update

Jen reported that July is open enrollment for employees to sign up for health care benefits. Full time employees (working 30 or more hours per week) are eligible for health, vision and dental insurance. The Co-op pays 80% of plan premiums. Roughly 90% of eligible staff participate. Shawn reported that auditors are scheduled to come the first week of August, with the expectation to have solid financial information by the date of the Annual Meeting. Staff will conduct our annual inventory Sunday, July 2nd. Refrigeration malfunctions have disrupted store operations for the past 5 weeks, causing a few product losses, under \$2,000. Jen reported that renovations have begun on the second floor of The Factory – new carpet and paint is being installed in the hallways outside the administrative offices.

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B1 – Financial Condition and Activities

Shawn reported that co-metrics data is not updated consistently and was not yet available for this quarter. Directors expressed a preference to receive the B1 report on time as opposed to waiting for co-metrics data to become available, but also requested that future B1 reports include the latest co-metrics data available, even if not for the current quarter, as long as it is new information and has not been submitted in a previous report. Shawn noted sales are down for the quarter but up for the year. Despite the downturn, net income is still projected for the fiscal year. Directors noted compliance with sub-policy B1.2 is defined as “actual net income as a percentage of sales from the most recent quarter must be above 0.5%”, although the report did not specify our current net income as a percentage of sales. Shawn took a moment to calculate this figure at 2.66%. He noted our Co-op continues to build cash, our current ratio has improved over last year, and our total current asset position is at its best since 2012. Directors noted we are essentially debt-free and Shawn described our balance sheet as “very solid.”

Decision: William moved to accept the report with acknowledgement of non-compliance. Zoe seconded.

Vote: 6.0.0

A – Ends

Shawn reported the new co-metrics template for tracking Ends impact data was, in his opinion, more user-friendly than our metrics tables. Eddy noted co-metrics is useful for benchmarking with other NCG co-ops also. Emily questioned the meaning of specific metrics, and questioned if tracking data in this format was a valuable use of staff time. The DGMT could not quantify the time needed to prepare the report, but Erica noted many of the metrics are already tracked for internal purposes. Eddy provided background on how the metrics were developed, and explained the motivation for the board to have access to this data as a means to understand which priorities may need to be emphasized in business strategy. Zoe suggested reviewing the metrics once or twice a year instead of quarterly and to prioritize more time discussing strategy and objectives with managers. Emily inquired if our Co-op coordinates donations outside of the Register Round Up program; Erica supplied details about the general donations program and also noted our partnership with 412 Food Rescue.

Decision: Patrick moved to accept the report. William seconded.

Vote: 4.0.2

B7 – Communication to the Board

Jen introduced this report by noting that Erica assisted in preparing both B7 and B8 reports, as they relate to her work as the Board Clerk and Member Services Coordinator. Jen asked Erica to “chime in” as needed. Directors questioned if the board secretary should be responsible for maintaining the GM monitoring matrix; Erica noted she has provided data entry assistance in the absence of a secretary, although she was not comfortable being accountable for this document, as its main function is to serve as a tool to evaluate the performance of the general manager.

Regarding sub-policy B7.3, directors questioned if monthly updates need to be submitted in writing or if they can simply be verbal. Zoe motioned to remove the word “written” from the operational definition. Sarah seconded. The board voted 5.0.1 to pass the motion. Directors considered the meaning of the term “consent agenda” in sub-policy B7.6. Regarding sub-policy B7.4, Eddy encouraged upward feedback from management to the board and noted this does happen regularly on the communications platform, Fleep. Zoe asked the DGMT their opinion on

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the fact that the board is not self-monitoring compliance with D policies. Shawn replied that if directors' time is limited, he would prioritize attendance at meetings above policy monitoring.

Decision: William moved to accept the report. Patrick seconded.

Vote: 6.0.0

B8 – Board Logistical Support

Directors asked for clarification on the number of hours assigned to the board clerk position. Erica responded that a part-time position is defined as 16 hours a week, although she reported being flexible in splitting her time between board work and member services work, as board work varies week to week and seasonally. Regarding the operational definition of sub-policy B8.2, Jen asked the board to consider if it was necessary to print a hard copy of the board meeting packet and mail to each director's home. Directors agreed this was helpful. Jen also asked if receiving the packet 10 days in advance of the meeting was necessary; directors agreed seven days was sufficient. Directors discussed content and deadlines for the board section of the monthly Members Only e-newsletter. Consideration of sub-policy 8.3 led to a larger discussion around board process for providing orientation materials and support to new directors; Eddy asked the BPE committee to make a recommendation. In review of sub-policy 8.5, directors agreed archiving of board documents was excessively adequate. Zoe inquired about the potential for board clerk support during closed working meetings; Eddy tabled this discussion as the future of these meetings was in question.

Decision: Sarah moved to accept the report. Patrick seconded.

Vote: 6.0.0

B9 – Emergency GM Succession

eric introduced the report by summarizing the emergency succession plan as identifying all members of the management team as back-up to the Designated General Management Team, to align with the board's expressed interest in trialing team management. Directors asked for specifics about what would happen if a member of the management team were incapacitated. eric suggested that individual manager's responsibilities would rest on the collective strength of the full management team. Zoe inquired if the management team has plans to cross-train with other managers or with the next in line from each department, stating that on-going training in advance of an emergency is the ideal. Eddy noted that departments seem to be operating with fewer managers. Jen noted that interim managers have been appointed in the past, as well as temps. Eddy asked why the DGMT had reported "partial compliance"; they described the challenge of writing this report as "identifying the back-ups to the back-ups".

Decision: Zoe moved to accept the report. Emily seconded.

Vote: 6.0.0

Restructuring Committee Charter

As chair, Zoe presented a draft charter for a committee of board members and Co-op managers with the stated objective to develop a team management structure. The committee planned to meet once a month during regularly scheduled management team meetings. The charter proposed a long list of objectives, including setting a timeline for official transition, identifying managers to serve as the general management team, developing job descriptions, negotiating salaries, producing written policies and procedures, revising the policy register, and drafting bylaw changes for a vote in 2019. Zoe asked for feedback on which objectives need to be approved by

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the full board; Eddy said he expects the committee to submit a full proposal to be voted on by the board, although regular updates will help to ensure the committee work is on track. Directors requested the committee add “determine criteria and a specific timeline for a trial period” as an objective in the scope of work. Shawn requested to change the name of the committee, as the term “restructuring” has negative connotations in a business context; Eric suggested General Management Team Committee.

Decision: Eddy motioned to approve the charter with the feedback provided. Emily seconded.

Vote: 6.0.0

Board Perpetuation & Elections Update

Directors agreed this committee needs to schedule a meeting to flesh out the on-boarding process for new directors. Sarah asked directors to confirm their interest in attending the upcoming CBL101 training. Erica agreed to coordinate event registration, travel and accommodations.

Annual Meeting Committee Update

As chair, Emily reported there were no updates.

Member-Owner Participation Committee Update

As chair, Emily reported the committee is using the acronym “MOP”. The committee hosted a small meeting a few weeks ago, and made plans to investigate the feasibility of a volunteer program, including the legal and financial implications.

Finance Committee Update

As chair, William reported on discussing the budget with Shawn. Traditionally the benchmark for the board budget was 0.5% of sales. Shawn ratcheted this down over the last three years as financials could not support it. William advised this benchmark seemed unrealistically high. Shawn agreed to provide the board with details on expenditures from past years.

Closings

The next board meeting was scheduled for July 16th. Eddy will be out of country; Patrick will chair. Submissions to the meeting packet are due to the Board Clerk via email on Monday, July 9th by 9 a.m.

Member-owners Open Session

Faith Schantz suggested the Member-owner Participation Committee could review the Ends metrics to advise the board on what information is of interest to members. Tom Pandaleon told the board to “keep up the good work.”

Adjournment

Decision: Patrick moved to adjourn the meeting at 9:51 p.m. Sarah seconded the motion.

Vote: 6.0.0

The Board went into Executive Session at 9:57 p.m. to discuss matters pertaining to real estate and board minutes. At 10:21 p.m. Zoe moved to adjourn the session. Sarah seconded. The Board voted 6.0.0 to end the session.

Minutes respectfully submitted by Erica Peiffer, Board Clerk.