

Adopted Minutes
East End Food Co-op Board Meeting
8/20/2018

In attendance:

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

Absent Board Members: Patrick McHale, Vice-President.

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

Board Clerk: Erica Peiffer.

Member Guests: Laura Edwards, Annie Sutton, Susan Hoppe, Jesse Bennett, Mrea Csorba, Faith Schantz, Tom Pandaleon, Alice Leibowitz, Joni Rabinowitz, Megan Moffitt.

Eddy called the meeting to order at 7:08 p.m. Members of the Board and DGMT introduced themselves to member-owners in attendance.

Member-owners Open Session

This portion of the agenda was moved to the beginning of the meeting because several board members were running late. Laura Edwards introduced herself as a member since 2014. She expressed concern that many types of plastic containers collected via the City's single-stream system are not actually being recycled. She said the Co-op is the "poster-child of getting it right" and requested alternatives to the plastic packaging used for grab-and-go foods. Susan Hoppe echoed concern about plastic packaging and said she came today to gather more information about the Co-op's practices. Mrea Csorba said she loves the Co-op, although she is alarmed that we are using plastic food packaging. She suggested that employees receive training on the environmental and health concerns of plastics and research the advancements in sourcing alternative packaging options. She read aloud a one-page statement detailing her concerns (attached)

Sarah arrived at 7:18pm. William arrived at 7:23pm.

Jesse Bennett introduced himself as a three-year member, and said he was attending his first board meeting out of the desire to have a deeper relationship with the Co-op. Alice Leibowitz noted there used to be reusable cups and bowls for use in the Café seating area, although she hasn't see these available more recently. She suggested the board should have more oversight and input into what we sell and how we package it, and she also advocated for cashiers to communicate with members about Co-op governance matters. Joni Rabinowitz suggested a committee of members, board and staff look into alternatives to plastic packaging. She also suggested that consumers need to take their concerns to the corporate sector and influence decision-makers there. Alice asked if the board could project the draft minutes for approval so that members could read them during Members Open Session; Emily obliged. Annie Sutton introduced herself as a member since 2002, and expressed concern over current practices in agriculture, specifically GMOs, food additives, and Monsanto. She also noted she is a member of the Member-Owner Participation Committee chaired by Emily. Faith Schantz introduced herself as a member of the Member-Owner Participation Committee and the Annual Meeting Committee. Tom Pandaleon applauded members for bringing up concerns about plastic packaging and suggested board and management enlist the help and expertise of members to come up with solutions. Mrea offered to write an article for *The Co-operator*. Eddy suggested plastic use could be monitored via Ends reporting and asked the DGMT to provide a statement

Adopted Minutes
East End Food Co-op Board Meeting
8/20/2018

on the Co-op's current practices and goals. Other board members suggested this could be a good topic for a member forum.

Amend/Approve Agenda

William read aloud the Ends statement. A report on the last working meeting, an update on the CDS call, and an announcement of Malcolm's resignation were added before the DGMT update. An update on Management Transition was added to the committee updates section.

Decision: Emily moved to accept the agenda. William seconded the motion.

Vote: 5.0.0

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. Emily seconded the motion.

Vote: 4.0.1

Eddy announced that Malcolm Ferguson submitted his resignation from the board, effective today, citing a conflict with a new job that will require significant travel.

Report on Working Meeting

Eddy reported on topics of discussion at the last closed working meeting, including updating the board calendar, matters pertaining to our lease, Board Perpetuation and Elections Committee activity, management transition and the upcoming evaluation of the management team. The board also reviewed information from Produce Manager Evan Diamond about transitioning the department to stock 100% certified organic produce.

Update from CDS Call

Eddy described CDS as a national network of consultants servicing co-ops with development assistance, and he noted our contract includes a monthly call between the Executive Committee and our consultant. On this call, management structure was discussed and it was noted that team management is not a new concept in the co-op world; it was not recommended and resources were provided to analyze various considerations. Also discussed were finances, patronage dividends, real estate and leases, calendar and retreat planning, and elections promotions. Upon reviewing the updated board calendar, Zoe wanted to add bylaws review to begin in February.

DGMT Update

Jen reported that per the union contract, CBU employees have opportunity to evaluate all managers. This process began this morning and will last one week; CBU staff receive 20 minutes of paid time to complete the anonymous evaluation. Zoe requested a high level summary to be submitted as part of the next B6 report. Eric reported that a new server for our Point of Sale system was recently installed. The Customer Service desk and dry tables in Produce are in the early stages of a remodel. Shawn reported that our annual audit will begin next week. Last fiscal year was our best since 2002, with over 1% sales growth and unadjusted net income over \$200K. He reported the second profit share check of the year was processed this morning; over \$45K was paid out to employees as profit shares for the year. Eddy discussed both profit sharing and patronage dividends with our CDS consultant, and requested information from Shawn about the

Adopted Minutes

East End Food Co-op Board Meeting

8/20/2018

tax implications of both. Shawn committed to reach out to other co-ops offering patronage dividends and to report back in October, with information submitted in the monthly meeting packet.

Next, directors discussed D policy monitoring. Eddy suggested re-instating monthly surveys as a means for the board to self-evaluate compliance. Zoe suggested every six months. Emily suggested another task would be a burden on directors' time; she also noted the make-up of the board would be shifting dramatically in a few months. Directors decided to add D monitoring to the calendar for November and May and requested administrative assistance to implement.

Finance Committee Update

William reported no progress on finalizing the board budget. He also noted he has not been receiving monthly expense reports. A total budget in the range of \$20-25K was generally agreed upon. William committed to meet with Shawn to estimate the cost of individual expenses and decide which to implement.

Board Perpetuation & Elections Committee Update

Sarah reported requesting the Marketing and Member Services department develop a handout and buttons for board recruitment promotions. Erica suggested Sarah contact Kate directly with more information regarding this request. Eric committed to provide information and training to Front End staff regarding the elections process. Emily inquired if any directors could commit to tabling time in the store; none could. There was some confusion over who had the password to review the online site for members to submit their applications for candidacy, and directors asked Sarah to resolve the matter and follow up if anyone had applied for candidacy to date. Directors discussed appointing two candidates to open seats and electing three, versus electing five candidates in the upcoming election. It was decided that appointments were too time-consuming and undemocratic.

Decision: Zoe motioned to elect five candidates in the upcoming election, with the lowest vote getters appointed to the shorter terms. Emily seconded.

Vote: 5.0.0

Member-Owner Participation Committee Update

Emily reported this committee is scheduled to meet in two days. She described subcommittees working on analysis of the member survey and communications with members, researching how members participate at other co-ops. In lieu of electing a board secretary, Emily volunteered to check the board's email account, to assign board corners, and review content on the board pages of the website.

Management Transition Committee Update

Zoe reported the committee met three times with the full management team in July to discuss the role of the GM – desired skill sets, possible team structures, internal versus external hiring. The committee is on hiatus until September, to give the Management Team time to discuss independently. There has not been consensus on an organizational structure for general management. Alice Leibowitz offered consulting support on the sociocratic process.

Adopted Minutes
East End Food Co-op Board Meeting
8/20/2018

Annual Meeting Committee Update

Emily reported the committee had decided on Eastminster Presbyterian Church in East Liberty as the venue. An outline of recommendations for promotions was reviewed. A draft agenda was reviewed, and several board members recommended more unstructured social time

Closings

The next board meeting was scheduled for Sept 17th. No working meeting was scheduled.

Adjournment

Decision: Zoe moved to adjourn the meeting at 9:50 p.m. William seconded the motion.

Vote: 5.0.0

The Board went into Executive Session at 10:02 p.m. to discuss matters pertaining to management evaluation and transition. At 10:30, p.m. William moved to adjourn the session. Zoe seconded. The Board voted 4.0.0 to end the session.

Minutes respectfully submitted by Erica Peiffer, Board Clerk.

(ATTACHMENT)

Dear East End Food Co-op Board,

I have been an ardent supporter and member of the Co-op since the opening of the original store in Oakland in the early 70's. I was then, and still now committed to the values of good, natural, if not fully organic foods. Which is why I'm here to voice my alarm regarding the unrestricted use of Disposable Plastics as food-wraps and container wares of fruits and salad, value-added takeout, and even, organic pasture-raised meats. Similarly, I am dismayed by plastic cutlery offered freely at the café counter and plastic straws automatically given out at check-out whether requested or not. My objection to the ubiquitous use of Disposable and Single-Use plastics concerns two areas:

1st. That the much of the plastic, including clamshells used for the fruits and vegetable containers, value add take-outs, and lidded drink cups are NOT recyclable. The plastics in this No. 1 category constitute the lowest quality of plastics which WM does not collect to recycle. They go straight into Landfill. Given the dramatic and I might say catastrophic changes instituted by China earlier this year, unrestricted use of disposable plastics is now more than ever, unsustainable. The issue is that Plastic is a "forever chemical" effectively non-biodegradable. It breaks down into micro-plastics which infiltrate into our water, soil and air and micro-particles. It is in the ground dust we walk on, the air we breathe, the bottled water we buy, the beer we drink! It is in the Brita-filter water we serve at home! It's everywhere and piling up through ocean currents in giant plastic vortexes which are lethal to seabirds and ocean mammals, and ultimately us!

My 2nd issue with these disposable plastics is the toxic chemicals such as Phthalates and Fluorinated compounds that are essential components. These chemicals give plastics their "desirable" qualities for ubiquitous use, while at the same time, poisoning us. Phthalates which give malleability to plastics, are endocrine disruptors and toxic to humans, including babies in the womb, and animals and the natural biosphere. Fluorinated compounds are added to the Co-op's paper take-outs to make them stand up to grease, etc. They are linked to kidney and prostate cancer, among a myriad of other diseases. And offering plastic cutlery to lunch room customers at the Co-op in effect 'spoon-feeds' toxins into us, and since they are not, nor never have, been recyclable, they leech toxins into the natural environment in landfills.

I ask you to Re-Think the use of Foodware Plastics at the Co-op. It is inconsistent with the formative values of our Store, the values of your customers, and against human health.

- Mrea Csorba