

Adopted Minutes
East End Food Co-op Board Meeting
10/15/2018

In attendance:

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

Designated General Management Team: Jen Girty, Shawn McCullough, eric cressley.

Board Clerk: Erica Peiffer

Member Guests: Faith Schantz, Sam Applefield, Corwin Parker, Eva Barinas, Leslie Clark, Megan Moffit.

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

Amend/Approve Agenda

A working meeting report-out was added after agenda approval. A discussion on the process for approving meeting minutes was tentatively added after committee updates. Executive session was added.

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

Vote: 5.0.0

Working Meeting Report

Eddy reported the board agreed to engage The Carlisle Group for a GM hiring search. The board decided not to renew the CBLD package with CDS consulting, but will potentially hire them for a la carte services. Directors discussed elections and annual meeting planning, and updated campaigning guidelines. The next board retreat was scheduled for January 13, 2019.

DGMT Update

Jen reported the annual staff satisfaction survey was completed last week. This year all staff received an invitation to the online survey. Overall, 89% of staff participated, with several departments achieving 100%. A consultant will be on-site next week to interview randomly selected staff from each department. The board will receive a full report after results are presented to the management team. Managers reported feeling confident that staffing and preparations are adequate as we lead up to Thanksgiving, one of the busiest times of the year. Managers signed a contract with Mercato, an online order and delivery service provider. Front End and Grocery staff will manage picking orders at first; depending on the popularity of the service, it may necessitate more staffing. The Co-op will host an HBO film shoot next month. Shawn reported the annual audit is complete and follow-up tax calculations will be ready for the Annual Report. eric presented directors with an NCG (National Cooperative Grocers) engagement report, which aimed to demonstrate the benefits of participation. Our financial data was benchmarked against other member co-ops. Zoe inquired if NCG enforced “compliance” with membership requirements, considering we were non-compliant on two counts; Shawn replied the definitions were just “best practices”. eric reported that attendance at spring and fall

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NCG meetings is considered mandatory, and typically only the designated representative from each co-op attends.

Action Item Follow-up & Discussion

Directors and managers followed up on action items committed to at prior meetings. Shawn reported the potential use of patronage dividends as a strategy for reducing tax liability. Eddy noted the model is more advantageous economically for the co-op, but the biggest hurdle will be member buy-in. Other co-ops have reported a one-year transition with considerable communication and engagement efforts. Shawn suggested there are other ways to deliver savings and value, and recommended waiting to until after a new GM is in place to consider the model, and to implement only after several years of positive net income. eric reported on the potential use of signage to promote the use of reusable containers in the Café and bulk departments. He committed to put a sign by the coffee to promote the use of reusable mugs. He confirmed the Allegheny Health Department does not permit reusable containers for use with food bars, and therefore this option will not be encouraged with signage. Signs to promote and inform shoppers on the use of reusable containers in Bulk are already posted. eric also reported on a staff training on current standards in the recycling industry with the Pennsylvania Resources Council, which managers described as “depressing.” He described efforts to reduce plastic in the store, including sourcing compostable food containers. Jen reported the Member Center is a page of our website; Eddy requested statistics on its use. Zoe reported the redlined version of the B4 and B2 reports will be presented for review at the next meeting. Eddy presented outcomes from two action items regarding membership data collected for the database, which Eddy referred to as a “Member Profile”. He explained that Constant Contact is used to generate email communications, and this contact list is maintained separately from our internal business database. Handouts detailing which pieces of information are collected in our database were distributed, along with a statistical summary of various subgroups of members. Directors noted that while there are over 13,000 “active” members in good standing, Point of Sale data indicates that approximately 6,500 members shopped within the last year, which provides a more realistic number of who is actually using the physical space. Zoe suggested this information could better inform expectations around attendance at Annual Meetings, and voting in elections and bylaw changes. Directors considered if this information could inform decisions around paper versus email communications. Directors also discussed redefining status codes in the database to more clearly reflect subgroups such as paid-in-full, in good standing, and “active”. Zoe and Emily committed to work together with the Member-Owner Participation committee to draft a monthly reporting template for membership statistics. Finally, Eddy confirmed with Erica the need to include board self-monitoring reports in the board meeting packet every six months, to begin the following month. Zoe committed to provide Erica with a template by the end of the week.

Finance Committee Update

Shawn reported that our annual audit was complete, with tax entries pending.

Board Perpetuation & Elections Committee Update

Zoe reported that campaign guidelines had been updated to improve tone, and these were shared with candidates. Directors discussed plans for emptying the ballot box; it was decided that eric will be the only person to empty the box and will log when envelopes are put in the safe. eric

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reported on staff education efforts. Emily reported there will be a video tutorial on voting at the Annual Meeting.

Member-Owner Participation Committee Update

Emily reported a subcommittee is researching member surveys offered at other co-ops. Committee members are leafleting on the sidewalk to promote the Annual Meeting. Eddy presented Emily with samples of all materials presented to new members upon joining, along with an outline of the entire on-boarding process, provided by the Marketing and Member Services department upon request, for consideration by the committee. Eddy said the materials were thorough although the question remained, when is contact information updated? Erica noted that per our bylaws it is the responsibility of each member-owner to ensure their contact information is up to date, although she noted a number of staff efforts to prompt members.

Annual Meeting Committee Update

Directors reviewed a draft of the Annual Report. Shawn committed to follow up on financials. Eddy projected and walked through his President's Report for the Annual Meeting and solicited feedback. Directors decided to shorten the financial report and include more time for Q&A. Eddy committed to communicate retreat dates to board candidates. Emily requested all slides be sent to Erica the week before the meeting.

Management Transition Committee Update

Directors discussed details of The Carlisle Group contract regarding candidate screens. Jen committed to follow up on contract details, and to reserve the conference room and draft an agenda for a visit with the consultant during the first week of November. Eddy reported the consultant plans to tour the store and other physical spaces within our building, and to meet with managers. Emily offered to give the consultant a tour of the neighborhood.

Decision: William made a motion to enter into a contract with The Carlisle Group for an executive hiring search. Sarah seconded.

Vote: 5.0.0

Discussion of Approval Process for Meeting Minutes

This item was tabled until the November agenda.

Closings

The next board meeting was scheduled for November 19th. Submissions to the next meeting packet are due to the Board Clerk via email on Monday, November 12th by 8 a.m.

Member-owners Open Session

Board candidate Corwin Parker said he was "glad to see how it's done." Staff member Megan Moffit greeted the group.

Adjournment

Decision: Emily moved to adjourn the meeting at 9:46 p.m. William seconded the motion.

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The Board went into Executive Session at 9:53 p.m. to discuss matters pertaining to management transition and the lease. The board decided to begin transition to a seven person interim leadership team effective October 29, 2018. The GM stipend will be shared equally among Management Team members (excluding the new Produce Manager, while they get up to speed on their core responsibilities). This decision is contingent on the current DGMT providing the board a list of who will be attending the meetings between November and March and indicating which of them will write that month's report(s), and insuring that at least one manager who attends a meeting is in attendance at the subsequent one, for continuity. It was also agreed that whoever is attending the next scheduled meeting will be included on relevant correspondence during that period. At 10:36, p.m. Zoe moved to adjourn the session. Sarah seconded. The Board voted 5-0-0 to end the session.

Minutes respectfully submitted by Erica Peiffer