

Adopted Minutes
East End Food Co-op Board Meeting
EEFC Conference Room
December 16, 2019

In attendance:

Present Board Members: Eddy Jones, President; Sam Applefield, Vice President; Larry Meadows, Treasurer; Karen Bernard, Emily DeFerrari; Melanie Frank, Charlie Orr; Tom Pandaleon; Laura Valentine; O.E. Zelmanovich (Zoë).

Absent Board Member: Eva Barinas; Jona Reyes.

General Manager: Maura Holliday.

Management Team: Tyler Kulp, Produce; Shawn McCullough, Finance; Erin Myers, IT.

Board Clerk: MaCall Scott.

Member Guests: Elly Helgen, Faith Schantz.

Sam called the meeting to order at 7:04 p.m. and welcomed member-guests in attendance. Directors and staff introduced themselves and shared how they were feeling coming into the meeting. Eddy read aloud the Ends statement.

Amend/Approve Agenda

A discussion regarding scheduling was added after Action Item Follow-up. Executive Session was removed.

Decision: Zoë moved to accept the agenda as amended. Sam seconded the motion.

Vote: 4.1.1

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: Sam moved to accept the minutes as amended. Larry seconded the motion.

Vote: 6.0.0

December Working Meeting Update & Certification of Election Results

Eddy reported that the Board met on Monday, December 2nd to count ballots and certify the results of the 2019 board elections. There was a total of 205 ballots cast, of which 58 were cast on paper and 147 were cast electronically. He reported the tallies as follows:

Melanie Frank – 164	Laura Valentine – 114
Tom Pandaleon – 146	Elise Nolan – 110
Charlie Orr – 136	Al Bowers – 69

Based on these tallies, Melanie Frank, Tom Pandaleon, and Charlie Orr were identified as the top three candidates and are to be seated to three-year terms, ending in 2022. Laura Valentine will be seated to a vacancy for a one-year term, ending in 2020.

Decision: Zoë motioned to certify the results on December 2, 2019 at 6:45 p.m. Larry seconded.

Vote: 6.0.0

Vote to Seat New Board Members

Decision: Karen motioned to seat new directors according to the terms listed above. Larry seconded.

Vote: 6.0.0

Adopted Minutes
East End Food Co-op Board Meeting
EEFC Conference Room
December 16, 2019

After being thanked for their service, outgoing directors, Emily DeFerrari and Eddy Jones, excused themselves from the meeting.

Interim Board President

Sam agreed to act as the interim Board President, in his capacity as Vice President, until the Board orientation/retreat when all officer and committee roles will be determined.

General Manager Updates

- Sales were up 7% over Thanksgiving week last year. Maura reported customers being happy.
- The new, custom-made “cheese island” will be ready at the end of January; preliminary electrical work has been completed.
- A new attendance policy for staff has been successfully negotiated and went live on December 16th.
- The all-staff winter party will take place on January 28th – the Co-op usually holds two staff parties per year.
- The Food Bucks program is ready to go and staff trainings are complete; Maura will work with Kate on the roll-out.

Questions/Comments:

- What is the attendance policy?
 - Maura explained that the previous policy was pretty strict – it tracked only lateness, and at 4 ½ points one could lose their job – that has been removed. The grace period for lateness has been extended to a 10-90-minute window, and early departure and absence will now be tracked. Definitions for excessive absence and lateness have been determined, and are based on hours worked. Occurrences will roll off in 120 days instead of 180 days in the previous policy. Managers will have check-in meetings with staff members that are struggling with attendance, to see how they can help. Maura has worked with staff since late summer to draft this new policy; it will be tested for several months to make sure it is working for everyone. She noted that any changes to the handbook must be approved by the Union.
- Can you put your finger on the 7% sales increase?
 - Maura listed some possible contributors: a better selection of vegetarian options, additional perishable items, the store was better staffed. She notes that last year we did not have a produce manager and had less staff overall.
- Has Winterfest gone by the wayside?
 - Maura agreed that it has been a number of years since the last Winterfest, but reported that on June 20, 2020, the Co-op will hold a 40-year summer celebration at Westinghouse Park.
- What is the ballpark cost of the new cheese island?
 - Shawn reported a quote of \$45-47,000 for the custom equipment. A down payment of \$13,000 has been made.

Adopted Minutes
East End Food Co-op Board Meeting
EEFC Conference Room
December 16, 2019

- The Board and Maura discussed the process for making large purchases and the possibility of board oversight for large expansion-related fixed asset and services related expenses.
- Directors each received a letter from the Co-op's former retirement broker. Maura was asked for insight.
 - Maura reported that the Co-op has been dissatisfied with its retirement broker and has found a new one to better serve the needs of the staff and organization, adding that the content of the letter isn't fully accurate. She will work with Jen on a response.

B1 – Financial Condition and Activities

Shawn reported the first quarter of fiscal year 2019-20 was pretty banal. Net income was down over last year by about \$2,700. Bigger expenses, such as the studies that were done (feasibility for Gemini acquisition and a market study that looked at other sights) totaling \$15,300 are reflected in this quarter. Sales growth was at 1.8% and is primarily happening on weekdays; this in contrast to the higher weekend sales growth the Co-op saw prior year. In the next B1, Maura and Shawn hope to include a report on natural foods market trends.

Shawn reported the following statistics from Co-op Metrics: of 137 co-ops that submitted info, we ranked 37th for total cash, 41st for quarterly net income, 22nd for rolling four quarters net income, 43rd for cash vs. accounts payable, 51st for total equity/net worth, and 75th for 1st quarter sales growth.

Questions/Comments:

- It was expressed that directors are struggling with not getting departmental numbers. If there are departments that are consistently underperforming, the Board can't make sure changes are happening and that GM monitoring is being done effectively without data; adding that the Board does have the right to ask for financials.
 - Shawn countered that it is the job of the GM to monitor at the departmental level and discouraged giving the board departmental data, adding that in the past this practice was unhealthy.
 - Maura contributed that this sharing of information could be done in Executive Session, in the interest of not shaming department managers publicly.
 - Sam thought that perhaps the information could be shared via a different process, outside of the B1.
 - Tom noted that providing the information doesn't give the Board the license to get involved in operations, but if a department is down for five or six quarters, there needs to be a conversation.
 - Faith added that not sharing the information publicly loses sight that members are owners. "Why shouldn't they know how departments are doing?"
- Regarding B1.1 (*The GM will not: Allow sales to decline or be stagnant.*), Laura noted that this policy was non-compliant last time as well, and asked why it is worded that way if it is not in the power of the GM. Zoë stated that the wording can be changed – a director could

Adopted Minutes
East End Food Co-op Board Meeting
EEFC Conference Room
December 16, 2019

bring a proposed change to a board meeting to be voted on. Changing the metric to be annual rather than quarterly was discussed.

Directors gave feedback on the report's strengths and opportunities to be recorded in the GM Monitoring Matrix.

Decision: Zoë motioned to accept the report with acknowledgement of non-compliance. Larry seconded the motion.

Vote: 8.0.0

A – Ends

The East End Food Co-op exists to enhance physical and social health in our community. To these ends, we will create:

1. *A sustainable member-owned business open to everyone*
2. *An ethical and resilient food infrastructure*
3. *A vibrant, dynamic community of happy, healthy people*
4. *A creative vision to transform the future*

Maura introduced the Ends report by saying that she looked to the minutes and reports of other co-ops as a guide while she figures out what this report should or could look like, adding that a lot of co-ops look at Ends annually, rather than biannually.

Questions/Comments:

- Zoë commented, “What does ‘our community’ mean”? Adding that he struggles with what that means to us, and would like to dig in more, as a Board, on that question.
- What are starting wages at the Co-op?
 - Maura responded that the lowest starting wage is \$11/hour. Jen did most of the research on living wage. Research will continue as preparations are made for union negotiations in 2020-21.
- Maura asked directors what type of local vendor data they would like to see in A.2 (*An ethical and resilient food infrastructure*), for example: number of local vendors, sales, purchases, dollars going to local producers, what the community is spending on local products, etc.
 - The response was that if it's easy to do, that information would be great.
- Zoë stated that he'd like to see something about engaged members.
- Charlie asked if future antiracist training would be made available for members.
 - Maura responded that it would be primarily for staff and the Board, as it's pretty expensive, but added that it could potentially be a community outreach event.
- Karen commented that in A.3 (*A vibrant, dynamic community of happy, healthy people*), she'd like to see something to measure governance. Adding that member growth seems consistently down, election participation is down, and the member drive was not as robust as hoped.
 - Tom commented that there's a lot more the Board can do regarding election participation.

Adopted Minutes
East End Food Co-op Board Meeting
EEFC Conference Room
December 16, 2019

Directors gave feedback on the report's strengths and opportunities to be recorded in the GM Monitoring Matrix.

Decision: Zoë motioned to accept the report as compliant. Larry seconded.

Vote: 8.0.0

Finance Committee Update

Larry reported no new updates. Financial training will continue at some point in the future.

Board Perpetuation & Elections Committee Update

Sam reported that Committee has been busy with election related work, and is glad to be on the other side and working now on orientation of new directors. The Board discussed the drafting of recommended guidelines for inactive board members. Larry committed to contacting the two board candidates that were not seated to see if they are interested in being involved on a committee.

Member-Owner Participation Committee Update

In the absence of a Committee Chair, lay-member, Faith Schantz reported that the committee has been working on a governance survey over the past year; they have received input from the Board and have approached the Chatham Food Studies program to review it – they are interested in doing it as a class project, but that wouldn't take place until February. Faith expressed concern over sending the survey out as late as March; Zoë commented that as long as there is more than six months between surveys it should be okay. Faith added that the Committee needs a new Chair; Sam responded that new Chairs will be elected in January. The Committee is also working on new member onboarding materials and will meet with Kate in the new year, after a Chair has been elected.

Annual Meeting Committee Update

Karen and other committee members plans to meet with Maura, Kate, and Elly in January. Elly explained her role as the Community Engagement Coordinator for the Co-op; she does all of the community outreach, the donations programs, sustainability initiatives, makes packets for new members, and does the new member orientations. She added that in many ways she is Kate's assistant and the position continues to evolve. It was clarified that Karen should continue to communicate directly with Kate.

Bylaws Committee Update

Zoë reported that the most recent draft of the proposed bylaws changes has been sent to directors. The Board will be talking about bylaws at the upcoming retreat in January, and at the working meeting in February.

Expansion Committee Update

Sam had no new updates to share, and will catch the new directors up on expansion.

Adopted Minutes
East End Food Co-op Board Meeting
EEFC Conference Room
December 16, 2019

Action Item Follow-up & Discussion

Board and managers reviewed progress or lack thereof on action items from previous meetings.

Scheduling:

Directors discussed the scheduling of a store tour for new board members and the annual board retreat in January 2020.

Closings

The next board meeting was scheduled for Monday, January 13th. Submissions to the next meeting packet are due to the Board Clerk via email on Monday, January 6th at 9:00 a.m.

Member-owners' Open Session

Elly identified a potential scheduling conflict regarding the use of the EEFC Conference Room on January 6th; it was determined that the Board will not need the space on that day.

Adjournment

Decision: Larry moved to adjourn the meeting at 9:54 p.m. Charlie seconded the motion.

Vote: 8.0.0

Minutes respectfully submitted by MaCall Scott, Board Clerk.