

Draft Minutes
East End Food Co-op Board Meeting
Remote Meeting via Cisco Webex Meetings
June 15, 2020

In attendance:

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

General Manager: Maura Holliday.

Management Team: Shawn McCullough, Finance.

Member-Owners: Member-owners were able to view the live meeting and speak during the open session. Sections of the meeting when members were speaking were not recorded.

This meeting was held remotely, via Cisco Webex Meetings.

Sam called the meeting to order at 7:03 p.m. and read aloud the Ends statement. Everyone checked in to express how they were feeling coming into the meeting.

Amend/Approve Agenda

Executive Session was added to discuss expansion.

Decision: Laura moved to accept the agenda as amended. Charlie seconded the motion.

Vote: 8.0.0

Member-Owners' Open Session

- There were no comments from member-owners in attendance.
- Customers have expressed gratitude to staff via email to the Board and Co-op. Could we have a virtual staff appreciation board where customers could leave comments and share stories of appreciation? Maura commented that she hadn't seen a virtual appreciation board at other co-ops, but will follow-up with Kate. One concern would be how to filter out any negative comments.
- Zoë wondered if we could contact members who have attended past in-person meetings, and let them know that the Member-Owner Open Session is now at the beginning of the meeting.
- Zoë encouraged the board meeting reminder email to be sent out earlier than the day of the meeting. Maura will follow up with Kate.

Amend/Approve May Meeting Minutes

Decision: Charlie motioned to approve the April minutes as amended. Zoë seconded.

Vote: 8.0.0

General Manager Updates

- Maura reported that things are normalizing.
- A reset of the bulk department will happen next week; the old scoop bins will be replaced with gravity bins, and the Co-op will be getting many products back in stock.
- The Food Bucks program is going well – they are having a “spend \$2, get \$2” promotion this month.
- The Co-op's member drive is going on now through the end of June.

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- This year marks the Co-op's 40 anniversary. Initially, a community celebration was to be planned – alternatives are now being considered. Leona's has given us exclusive access to a special ice cream sandwich as part of the celebration.
- The Café is working on visioning for the future. Maura reported that there hasn't been guidance from the health department regarding handling the selling of hot food and that packing is the biggest challenge.
- The produce department is seeing more local items. Seedling sales are almost over due to a shortage of available plants.
- Maura hopes to extend the store hours to 8 a.m.-8 p.m. starting in July.
- Mercato is going well; staffing additions are being considered.
- Parking has been more limited lately due to the re-opening of the Climbing Wall and summer camp at Gymkhana.
- The new construction across the street from the Co-op is progressing.

Questions/Comments

- Laura encouraged Maura to view this time as a pilot program for the Café's grab-and-go program, and to think "futuristically." Maura commented that doing made-to-order is being considered, but equipment and space pose the most significant challenges; another consideration is customer shopping patterns related to getting hot food safely to the registers.
- Tom asked if NCG is adequately addressing the food packaging question. Maura responded in the affirmative, adding that NCG has a whole response team and is working with all of their distributors for solutions.
- Tom asked Maura if the Food Bucks program is reimbursing the Co-op for redeemed coupons. She confirmed that they are.

B1 – Financial Condition and Activities

The narrative from Shawn was that things are starting to normalize. Basket size has doubled, while customer counts have cut in half. During the 4th quarter, the Co-op saw 9.9% sales growth and 6.83% net income growth over last year. Shawn reported that Co-metrics were updated after the writing of this report. The highlights are: out of the 143 reporting co-ops, EEFC rated 32nd for cash balances, 12th for quarterly net income, 19th for rolling four quarters of net income, 47th for cash to A/P ratio, 49th for total equity (net worth), 71st for sales growth. He added that during this time, 11 of the co-ops temporarily shut their doors; some didn't do any sales, some did curbside only.

Questions/Comments

- Regarding the Payroll Protection loan, Tom noted that the Co-op has debt for the first time in a long time; how much could this be? Shawn answered that the loan would likely be written off (or forgiven), and the full amount, minus \$10,000, would come off the bottom line.
- Shawn reported that he contacted the Co-op's tax accountant regarding 501(c)(3) status; it wouldn't make sense unless we were buying a building.
- Larry noted that administrative expenses were over budget and wondered what caused the overage. Shawn answered that it was mostly management consulting related to the market study performed last fall and legal expenses.

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- Larry asked what financial information the Board should be paying attention to as they look toward expansion. Maura answered that the banks would look for three years of positive net income and positive sales growth. She added that they don't care about non-liquid funds such as prepaids, A/R, and investments in other co-ops. They will also want to see positive member growth, as it shows we are still relevant.

Decision: Laura motioned to accept the report as compliant. Charlie seconded the motion.

Vote: 8.0.0

Eva joined the meeting at 8:40 p.m.

A – Ends

Questions/Comments

- Laura praised Maura for the introduction she wrote for the report, which gave a good overview of what's currently going on.
- Zoë commented that it was great to see the senior discount extended to seven days per week and that it was nice to see that people are using it. He wondered if the discount was being given in only the first hour of the day. Maura answered that it is offered all day on Tuesdays and Thursdays, and during the first hour the rest of the week.
- Noting the 54% redemption rate of Food Bucks coupons, Tom wondered who is doing most of the program's marketing. Maura responded that we are doing most of the marketing and that it has been minimal due to COVID-19; she added that Eric and the Front End are primarily responsible for getting the word out. Tom gave kudos for their efforts in promoting the Food Bucks program.
- In support of the current movement for racial equality, Zoë pondered whether the Co-op would consider giving staff paid time off to vote.
- Laura noted that we might never get another good waste-stream diversion comparison and should think about how to re-baseline this in the future.
- Maura reported that after the A-Ends was written, she received a 412 Food Rescue report, showing that we diverted 8,705 pounds of food.
- Directors and Maura discussed the frequency of A-Ends reporting. Laura felt that once per year is adequate, adding that it must be a difficult report to write and that the Board is not going to get off-track or lose sight of the Ends if it's not reported twice per year. Zoë noted that it's the Board's only chance to talk about big picture items and that they may want to wait until the world stabilizes a bit. They resolved to report the A-Ends in April and do a big picture check-in in October.

Decision: Melanie motioned to accept the report as compliant. Charlie seconded the motion.

Vote: 8.0.0

MOP Survey Analysis Discussion

Faith reported that the Committee is determining how to distribute information from the recent survey to the membership; likely, they will ask Kate to send out a thank you email with a link to the survey results. The results would also be somewhere on the website. Melanie shared that she has decided to complete her Master's degree and do a deeper dive into this survey as part of her thesis. The Committee recommends sending out the summary now and using Melanie's data for Board use down the road. Laura cautioned against data dredging and encouraged the Board to have a clear picture of

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what it's looking for before going forth. Continuation of the survey analysis discussion will be on the agenda for the July board meeting.

Finance Committee Update

Larry reported that the Committee spoke with Shawn about the board budget for FY20-21, and they gave an update at the last working meeting. Charlie stated that a draft budget is on the Board's Google Drive.

BPE Committee Update

Karen reported that there would be a short July meeting to go over the results of the Board's self-monitoring survey. Discussion about the guidelines for board member inactivity might need to be tabled to a future meeting. She noted that not all of the newer board members have up to date bios on the Co-op's website, and encouraged directors to send a short bio and a picture to Kate. Karen reported that she wrote an article to get the word out about declaring candidacy for this year's board election, and wondered how else it would be promoted. Charlie commented that the current board may need to be more proactive in finding candidates this year, adding that it would be a good idea to start now, as a declaration can happen as soon as August 1st. It was suggested that it might be useful to follow other co-ops on social media to see what they're doing.

Member-Owner Participation Committee Update

Melanie praised Faith for her kindness and for stepping up to help run the MOP Committee while she catches up. Faith reported that the Committee made a proposal to use the Co-op's social media for board-related issues, and offered to create the content for those posts. She added that with fewer people in the store to see signs, social media is more important than ever – this would open up more channels for communication. Maura commented that the Committee's proposal to have a Board spot on the website's banner would be the hardest part. Using the tiles under the banner would be much easier; she added that the most popular way people find information on our website is using the search function. Zoë wondered if the banner was changed on a schedule, and if so, could the Board get a spot on it at that time? Maura will follow up with Kate.

Annual Meeting Committee Update

Eva had no new information to report at this time.

Bylaws Committee Update

Zoë reported that the bylaw survey closed today – 42 responses were received. A committee meeting will be called soon, perhaps June 29th, to see if any changes need to be brought to the Board. A few policy changes will need to be made in the future, to mirror the bylaws changes; this will be added to a meeting agenda in the next few months. A decision needs to be made about when changes go into effect regarding the staff seat on the Board; a discussion will be added to the July working meeting. Karen commented that staff members should know as soon as possible.

Expansion Committee Update

Discussion regarding expansion will occur in Executive Session.

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Resilience Committee Update

Charlie had no new information to report. Resilience Committee meetings will take place in July and then every other month going forward; the July meeting's date is TBD.

Action Item Follow-up & Discussion

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

Closings

The next board meeting was scheduled for Monday, July 20th. Reports, agendas, and packet submissions are due to the Board Clerk via email on Monday, July 13th, at 9:00 a.m.

Adjournment

Decision: Charlie moved to adjourn the meeting at 10:03 p.m. Tom seconded the motion.

Vote:8.0.0

Executive Session:

Maura gave a departmental sales report and showed the impacts of the pandemic. Tom updated on expansion. Discussions took place regarding options for moving forward.

Minutes respectfully submitted by MaCall Scott, Board Clerk.