

Adopted Minutes
East End Food Co-op Board Meeting
Remote Meeting via Cisco WebEx Meetings
September 21, 2020

In attendance:

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

Absent Board Members: Eva Barinas.

General Manager: Maura Holliday.

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. Karen read aloud the Ends statement. Everyone checked in to express how they were feeling coming into the meeting.

Amend/Approve Agenda

Due to a technological challenge, the amending and approving of the August minutes will be moved to the October meeting.

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

Vote: 6.0.0

Member-Owners' Open Session

A member-owner in attendance expressed gratitude for all of the Co-op's efforts.

General Manager Updates

- Food Bucks is back to \$2-for-\$5, with a new coupon limit of up to \$10 per transaction. The success of the program has been higher than anticipated so the Food Trust needed to establish a cap to ensure funds for the program in the future.
- The PA FFFI grant application was submitted on August 14th for the full \$150,000; we will know the results by September 17th.
- Had virtual meeting with most of the Homewood Food Access Working Group; the goal is to establish relationships and clear expectations if EEFC considers moving to Homewood or stays nearby. It needs to be an inclusive process that the community is involved in.
- Participating in PASA's Earth Week reboot and raising donation funds through produce sales September 19th-25th.
- Purchased a new counter freezer for the Café to replace a failing one.
- Purchased a new 3-door upright refrigerator for e-commerce business to install in the former Café seating area.
- Working with NCG to possibly renovate the Café counter area to accommodate new foodservice reality due to COVID – they will look at our current space and make suggestions and basic cost ideas – if the costs are not too high will work with local contractors to do the work.
- Signed contract with Inclusant for DEI work. The work is projected to be primarily from October through February. We need to set up a call to find a time to have an initial planning call and then to set actual dates for training.
- Holiday planning is underway throughout the store. Will be renting a refrigerated truck for turkeys and holiday overflow this year. Looking into ways to make waiting in the colder months easier on customers since we will need to maintain social distancing.

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- B3 update – Shawn and I moved money around this month in order to not have so much in our operational bank account.
- Power outage product loss was approximately \$58k at retail costs; we are converting that to wholesale costs (our costs) and will be submitting that claim to insurance to be reimbursed at the wholesale cost of the inventory lost – this helps with the costs of reordering all of that inventory, which will help with margins. Business interruption insurance does not cover a power outage that is caused by an outside source (not related to something in the building itself).

Larry joined at 7:18 p.m.

Questions/Comments

- What renovations would be made to increase Café sales?
 - Maura isn't sure, as a recommendation has yet to be made. Possibly make the Café full-service instead of self-service. Foot traffic gets stronger every week, but it's nowhere near where we were last year. We will do projections and see if it's worth the expenditure.
- Does anyone have anecdotal information on takeout efforts at other local establishments?
 - Some have shrunk their menus to only include things they sell a lot of and can make efficiently.
- Maura said that she and Shawn moved \$300,000 out of the operational checking account to another account. They'll also be putting an additional \$40,000 into the EEFC FCU account. The operational account and secondary account are still over the insured limit, but Maura clarified that the accounts are protected to *at least* \$250,000 (250 is not necessarily the max insurable limit).
- Store hours will be extended to 8 a.m. to 8 p.m. starting October 5th, as part of holiday planning and appropriately social distancing when there is a 25-30% increase in foot traffic. The first hour of business will still be reserved for seniors and those with compromised immune systems.
 - Has there been any push-back from employees or the Union?
 - Maura said there have been no issues; it just makes sense at this point.
- The refrigerated truck for turkeys will be on site November 19-27; the plan this year is to allow customers to pick their turkeys up at the truck instead of having to go into the store.
- Has there been any blow-back on the limiting of Food Bucks coupons?
 - They can still use any coupons they've been issued and there's not a definitive expiration date. Current coupons are limited to \$10 per transaction.

B1 – Financial Condition and Activities

Maura reported that this is one of the few Q4s that we've reported non-compliance with negative net income. We will still have a positive net income for the full fiscal year. Ahead of this meeting, the Finance Committee had a meeting with Maura and Shawn to thoroughly go through the B1. The quarterly board expenditures and budget to actual attachments were not included due to Shawn's absence, but will be made available to the Board.

Questions/Comments

- Charlie reported that the Finance Committee went through this B1 report page by page last week and found nothing suspicious or worrisome.
- Zoë thanked Maura for giving the employees extra time off and for not being focused on only maximizing profits.
- Maura reported that security guard expenses in the second half of FY19-20 increased by about 48% over the first half of the fiscal year due to having the door guarded full-time in an effort to meter traffic in the store and reinforce mask wearing. The conversation over whether to continue with armed guard service, or switch to an unarmed guard is ongoing.

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- To clarify, there are two main loans: PPP (Payroll Protection Program) and EIDL (Economic Injury and Disaster Loan); the EIDL is interest free until June 2021 and there's no prepayment penalty. The PPP loan can be written off as soon as the funds have been exhausted for qualifying expenses (payroll and rent), which will probably happen in October.
- The report was praised for its level of detail and transparency.

Decision: Tom motioned to accept the report with acknowledgement of non-compliance. Non-compliance was due to COVID-19 and out of GM's control. Laura seconded the motion.

Vote: 6.0.0

Vote on D5.2.3 Policy Change

The existing policy states:

A Director who applies for employment with the Cooperative must first resign from the Board.

The proposed policy:

A Director who **begins** employment with the Cooperative must first resign from the Board **if there are no open seats available for staff on the Board.**

Decision: Motion to amend policy D5.2.3 by Laura. Seconded by Charlie.

Vote: 6.0.0

Finance Committee Update

Charlie reported that the Committee met last week, and that going forward they plan to meet the week before the board meeting. They have not yet discussed the policy for extraordinary expenses requiring board approval.

Board Perpetuation and Elections (BPE) Committee Update

Tom reported that a Committee meeting will happen soon. They are "basking" in having eight candidates. Tom gave kudos to Kate, saying they worked well together and that almost all of the candidates are due to social media, emails, and paper at the registers.

It was brought up that there are substantive comments on the monthly board meeting evaluations that don't get acknowledged.

Comments

- Maybe respond publicly to the comments as needed – maybe after the board minutes acceptance.
- More inclined to put them in the parking lot. Maybe in a working meeting instead of a public meeting as to not derail a meeting with an intense conversation.

Sam will add meeting evaluation follow-up to the action items. The BPE Committee will meet before voting starts to make sure everything is in order. The working meeting is October 5th; the time is TBD. Something for the Committee to consider is the counting of paper ballots – there will probably be fewer this year, but it should be done by more than one person. The Committee will have a recommendation at the next working meeting.

Member-Owner Participation (MOP) Committee Update

Tom asked the Committee to go back and look at the survey responses and use its judgement with an eye toward action items that arise from feedback of each item. This will lead to recommendation to the Board.

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Annual Meeting Committee Update

In Eva's absence, Maura reported that she was not aware of any updates. Tom wondered if the BPE Committee should think about doing a Zoom meeting to get to know the candidates ahead of the Annual Meeting. It could be helpful for the members and would cut down the Annual Meeting length. Timing and questions asked would have to be considered carefully so as not to be redundant. Sam will check in with Eva regarding planning and will mention this idea.

Bylaws Committee Update

Zoë reported that Kate and Erin have been working to get the proposed bylaws changes online. They noted there have been some logistical issues; nonetheless, progress is being made.

Expansion Committee Update

Maura reported that there is a call this Wednesday with the NCG consultant. Further discussion will continue in Executive Session.

Resilience Committee Update

Charlie reported that the Committee hopes to meet on September 29th to discuss the next board retreat, new director training, and onboarding.

Maura wondered if the Board was interested in CBLD (Cooperative Board Leadership Development) training with Columinate. Charlie said they will consider this for the future. Zoë added that the Board did this training annually for many years and found that it wasn't particularly helpful.

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, October 19th. Reports, agendas, and packet submissions are due to the Board Clerk via email on Monday, October 12th at 9:00 a.m.

Adjournment

Decision: Charlie moved to adjourn the meeting at 9:10 p.m. Larry seconded the motion.

Vote: 7.0.0

Executive Session:

The Board went into Executive Session to discuss expansion details and to review board candidates. We voted unanimously to approve all 8 of the candidates. Later, online, we also approved a 9th candidate whose application had come to the board's email account before the deadline.

Minutes respectfully submitted by MaCall Scott, Board Clerk.