

Adopted Minutes
East End Food Co-op Board Meeting
Remote Meeting via Cisco WebEx Meetings
October 19, 2020

In attendance:

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

General Manager: Maura Holliday.

Management Team: eric cressley, Front End.

Member-Owners: Andy Mowrey, Frank Noll, Victoria Walker.

This meeting was held remotely, via Cisco WebEx Meetings.

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

Amend/Approve Agenda

No changes were made to the agenda. There will be a brief Executive Session.

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

Vote: 6.0.0

Member-Owners' Open Session

A member-owner commented that they wished more board candidates had shown up to this meeting to show that they care.

Amend/Approve August Meeting Minutes

Directors reviewed the draft minutes from the August 17th meeting and made corrections for grammar and clarity as reflected in the adopted minutes.

Decision: Motion to accept the August minutes as amended by Tom. Seconded by Karen.

Vote: 5.0.2

Eva joined the meeting at 7:20 p.m. and checked in.

Amend/Approve September Meeting Minutes

Directors reviewed the draft minutes from the September 21st meeting and made corrections for grammar and clarity as reflected in the adopted minutes.

Zoë wondered why the names of member-owners in attendance have not been listed in the minutes since board meetings went remote. After some discussion, it was decided that names will be documented going forward. The board meeting invitation that is emailed to members will note that meetings are recorded. In addition, we should mention in the beginning of the meeting that it is being recorded and we may need to take a moment to verify the names of member-owners in attendance.

Decision: Motion to accept the September minutes as amended by Charlie. Seconded by Laura.

Vote: 7.0.0

Larry joined the meeting at 7:38 p.m. and checked in.

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General Manager Updates

The following update from Maura was provided to Directors prior to the meeting:

- The Co-op participated in PASA's Earth Week reboot and raised donation funds through produce sales the week of September 19th-25th; we doubled our donations this year for a total of \$685.
- We are working with NCG (National Cooperative Grocers) to possibly renovate the café counter area; we have sent pictures and drawings to get their input. We are also looking at different menu and program options to help delineate what work would need to be done so that we can calculate costs and estimate sales potential.
- A contract has been signed with Inclusant for DEI (Diversity, Equity, Inclusion) work; they will conduct an anonymous survey of Staff and the Board to gauge their level of exposure to diversity, equity, and/or inclusion training, and gain insight from Staff on where they think we can improve. The goal will be to create a road map for the work and then design a format for learning (virtual and/or in person).
- Store hours have been expanded to 8:00 a.m. – 8:00 p.m.
- We are bringing back reusable containers for Bulk!
- PPP (Payroll Protection Program) loan forgiveness guidelines have been updated; we now have to wait until both the bank and the SBA (Small Business Association) approve the forgiveness before writing off the funds from liabilities.
- All Staff meetings were last week.
- We have signed up for a staff communication platform called Beekeeper; it will be rolling out this month.
- We will have a quarterly finance update – these are initial calculations, as October has not been closed out yet.
- Expansion update: financial pro forma work is underway.
- We were awarded the FFFI (Fresh Food Financing Initiative) grant – we are working on the registration process, so we have not received the funds yet.
- The cheese island has been repaired.
- We donated \$800 in gift certificates at the Homewood Farmers' Market.

Updates, Questions, Comments

- Would the Inclusant survey be given to the outgoing or incoming board members? Or both?
 - Directors discussed the benefits of having both groups participate: outgoing board members have a wealth of experience with the organization to draw upon, and it would highlight for new directors how important this issue is to the Co-op. Maura added that there is no additional cost to expanding the survey group.
- Maura talked a bit more about the update to the PPP loan forgiveness guidelines; she doesn't foresee it happening until later in the fiscal year, as the SBA hasn't begun processing applications yet.
- Quarterly finance update: about 5.1% sales growth for the 1st quarter. We are expecting a net loss for the first half of the year, mainly because of the product loss from the power outage. Hopefully bringing back reusable bulk containers will help.
- The bulk kombucha will need to be switched to another brand; the previous brand is no longer available. We do own the equipment, so it is a matter of rebranding.
- Could you talk a little more about the All Staff Meetings?
 - We had 80% turnout (64 out of 79 staff members)

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- Agenda items were DEI training with Inclusant and the new Beekeeper App for staff communication.
- Did multiple shorter meetings – it seemed to be the right amount of time. The multiple meetings allowed for fewer people together in the same room.
- There was a suggestion to have an internal committee to help drive the DEI work.
- Staff were seemingly excited about the Beekeeper app.
- The cheese island is leaking – seemingly because of faulty installation. It is still under warranty.
- Maura reported that EEFC was audited by the Wage and Hour Division of the U.S. Department of Labor. It seemed to have been a random audit and the results showed that we are in compliance.

Updated B3 Language

The operational definition of policy B3 (*The General Manager shall not allow assets to be unprotected, unreasonably risked, or inadequately maintained.*) is being revised for reasonability. Due to the operational needs of the business, the \$250,000 FDIC insured limit is not a suitable threshold; therefore, this policy has historically been non-compliant. In an effort to make compliance a possibility, the following has been proposed:

Existing operational definition:

Deposits: The Co-op's funds should be fully insured with limited exceptions. Compliance will be achieved by evidence that all cash holdings and investments are

- Less than \$250,000 in an FDIC or NCUA Insured Institution; or
- More than \$250,000 in a single primary checking account in an Institution that has the highest rating from a national rating service; or
- Investments in other cooperatives made to further our Ends accomplishment.

Maura's proposed change to the operational definition:

Deposits: The Co-op's funds should be fully insured with limited exceptions. Compliance will be achieved by evidence that all cash holdings and investments are

- Less than \$250,000 in an FDIC or NCUA Insured Institution; or
- More than \$250,000 in a single primary checking account in an Institution that has **4 or more stars** from a national rating service (**such as Bauer Financial**); or
- Investments in other cooperatives made to further our Ends accomplishment.

It was generally agreed that Maura's proposal is on the right track, and that the operational definition should be left up to the GM, while the Board ensures that the definition is reasonable. A few suggestions were to consider getting ratings from at least two national rating services rather than one, and to only use financial institutions that have five stars, rather than four or more.

Before moving on to Committee Updates, Sam took a moment to confirm that the Ends report (formerly reported on bi-annually) will now be scheduled annually in April, with a visioning and goals discussion to occur in place of a second Ends report in November. Zoë noted that making Board visioning and goals as they relate to the Ends the focus would make the discussion more specific and actionable. Maura added that the Annual Report, published in November, is an accurate depiction of the fiscal year's achievement of the Ends, and allows time for redirecting things at an operational level if needed. Sam will give consideration to how to structure this conversation and add it to the November board meeting agenda.

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Finance Committee Update

There were no updates from Larry. Charlie reported that there will be a Committee meeting the week before the December board meeting to review the B1 – Financial Condition and Activities. An additional meeting should be scheduled between now and then to discuss extraordinary expenses requiring board approval.

Board Perpetuation and Elections (BPE) Committee Update

Tom communicated with candidates about making a 2-3 minute video to be shared at the Annual Meeting. He will email a reminder tomorrow. The Committee has not had a formal meeting, but will in the next few weeks. In November they will meet to discuss doing the election tally. Zoë noted that one candidate did drop out – there are now 8 candidates.

The bi-annual board self- monitoring survey is due in November; MaCall will send the survey out on October 20th. Tom will lead the reporting of the survey results, highlighting the biggest changes.

Member-Owner Participation (MOP) Committee Update

Faith reported (via Tom) that the Committee has not met; some work had been done on the governance survey, but there are no other updates.

Annual Meeting Committee Update

Karen, Zoë, and Sam met with Kate to go over technical aspects and planning for the online version of the Annual Meeting. Sam reported that he thinks they're in good shape. Kate and Elly are coming up with questions for Co-op Games to be held during the meeting. Sam and Maura are coordinating reports. The Committee will meet again soon to finalize details. Zoë gave board members a heads up that they should be prepared to lead a breakout session during the Co-op Games. Laura agreed to be the tech person during the meeting.

Bylaws Committee Update

Zoë reported that they are working with Kate to get the bylaws voting page up and running.

Expansion Committee Update

Tom reported that the NCG Development Co-op has been hired to do expansion related work. Maura added that the financial pro forma draft should be ready in the next week; the final pro forma should be ready in time for the next board meeting.

Resilience Committee Update

Charlie reported that he and Karen discussed director onboarding and turnover, as well as scheduling the Board retreat. Also, on the Committee's radar is the importance of board visioning and a semantics question regarding the difference between "expansion" and "relocation."

Karen commented that the MOP Committee has been taking notes at their meetings and encouraged other committees to follow suit to help keep track of their work.

The packet for new board members needs to be reviewed and updated; this is done in BPE but could be assisted by the Resilience Committee. Zoë noted that there are only about six weeks left to get the onboarding materials together. Laura commented that as a new board member, the packet, along with the

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extra December onboarding session that Emily organized last year with Maura and Shawn was really helpful and made a good first impression. The retreat will be scheduled after the new directors are seated.

Action Item Follow-up & Discussion

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

Laura explained that during the October working meeting the Board discussed the RFP draft and decided it needed to be split into a general supplier diversity policy and an RFP policy that includes supplier diversity components. Laura committed to finishing a new draft of the RFP policy this week.

It was acknowledged that Maura did not have the opportunity to see the supplier diversity policy ahead of the meeting, and that she should be part of the discussion regarding the operational burden of implementing this new policy. Maura expressed concern over the operational feasibility of contacting the thousands of vendors that are represented in the store. She praised Laura's work on the RFP policy, saying it has given her the clarity of the Board's expectations that she needed. After some discussion, the Board elucidated that to begin with, compliance can be achieved by contacting the major distributors, like UNFI, and asking what their diversity plans are; the goal being to get on their radar and make it clear that equity, diversity, and inclusion are important to EEFC. Down the road, when there is more data, diversity targets for the supply chain can be established.

In an effort to adhere to the Board's goal of passing this policy by year's end, it was generally agreed that the supplier diversity policy language can be finalized by the next working meeting, voted on at the November board meeting, and that the operational definition can be ironed out later since the B2 will next be reported on in July 2021.

Closings

The next working meeting will be Monday, November 2nd. The next board meeting was scheduled for Monday, November 16th. Reports, agendas, and packet submissions are due to the Board Clerk via email on Monday, November 9th at 9:00 a.m.

Adjournment

Decision: Tom moved to adjourn the meeting at 9:22 p.m. Larry seconded the motion.

Vote: 8.0.0

Executive Session:

The Board had a brief Executive Session to discuss the status of the work from NCG's Development Cooperative.

Minutes respectfully submitted by MaCall Scott, Board Clerk.