

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

In attendance:

Present Board Members: Sam Applefield, President; Charlie Orr, Vice President; Laura Valentine, Secretary; Larry Meadows, Treasurer; Ariel Barlow; Karen Bernard; Jenise Brown; Tom Pandaleon; Trevor Ring; Marty Seltman; O.E. Zelmanovich (Zoë).

Absent Board Members: Eva Barinas.

General Manager: Maura Holliday.

Management Team: Shawn McCullough, Finance.

Member-Owners: Andy Mowrey.

Board Clerk: MaCall Scott.

This meeting was held remotely, via Cisco WebEx Meetings.

Sam called the meeting to order at 7:05 p.m. Zoë 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.

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

Vote: 7.0.0

Amend/Approve November Meeting Minutes

Directors reviewed the draft minutes from the November board meeting and made corrections for grammar and clarity as reflected in the adopted minutes.

Decision: Motion to accept the November minutes as amended by Tom. Seconded by Charlie.

Vote: 7.0.0

Certification of Election Results

Directors met on Monday, November 30, to count paper ballots and certify the 2020 board elections results. There were a total of 199 votes cast; 173 were cast electronically, and 26 were cast on paper.

Based on the tallies listed below, Trevor Ring, Marty Seltman, and Jenise Brown are seated to three-year terms, ending in 2023. Ariel Barlow is seated to a one-year term, ending in 2021.

| Candidate | Online Votes | Paper Votes | Total | Rank | Term |
|-------------------|--------------|-------------|-------|------|---------|
| Trevor Ring | 106 | 20 | 126 | 1 | 3 years |
| Dr. Marty Seltman | 105 | 20 | 125 | 2 | 3 years |
| Jenise Brown | 95 | 12 | 107 | 3 | 3 years |
| Ariel Barlow | 87 | 14 | 101 | 4 | 1 year |
| Blair Schoenborn | 64 | 9 | 73 | 5 | |
| Hannah Pileggi | 57 | 8 | 65 | 6 | |
| Frank Noll | 40 | 4 | 44 | 7 | |
| Aileen Miller | 34 | 5 | 39 | 8 | |
| | | | | | |
| Total Voters | 173 | 26 | 199 | | |

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

Directors acknowledged Karen Bernard's resignation from the Board and thanked her for her service.

Decision: Larry motioned to certify the election results as listed above. Zoë seconded.

Vote: 7.0.0

Member-Owners' Open Session

There were no comments.

General Manager Updates

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

- Beekeeper has been rolled out to mostly the entire staff at this point. Most folks have logged in at least once, and departments are finding their groove with how they are looking to utilize the tool. I think that most of the feedback from staff has been positive. We will likely be setting internal goals to help increase participation and usage as we get more familiar with it.
- We submitted the receipts of expenses for the Fresh Food Financing grant this week. We are not sure exactly when to expect the actual funds but will likely soon hear an ETA.
- Thanksgiving was successful. The week itself saw sales growth of 1.9% from the same week the previous year. We offered curbside pick-up for folks who pre-ordered turkeys and café holiday items. We also offered those that chose to participate in the curbside an option to add on a grocery order so that they didn't have to come into the store. Although it ended up being more challenging to put together than we originally thought, customers seemed very grateful to have the options.
- The DEI survey was completed by staff and the Board. A follow-up call to discuss results is currently in the process of getting scheduled. Will need to figure out when to survey new board members – there is no rush for this to happen.
- Expansion update – we are working with NCG on an initial store concept to help define sales mix better, which will then allow the finishing touches to the financial pro forma to be completed.
- Begun work on the budget for the remaining six months of fiscal year 2020-2021 – this was a recommendation from NCG since the pandemic has been so unpredictable. This will be presented to the Board for approval at the January board meeting.

Updates from Maura

- Food Bucks Rx is live; it will be slow-going in the same way that Food Bucks was in the beginning. To clarify, Food Bucks Rx is for Medicaid and Medicare recipients; their doctor can prescribe them in \$10 increments. Food Bucks are coupons given at the register for SNAP recipients – they receive a \$2 coupon for every \$5 spent on produce.
- The Co-op gave all employees an end of the year gift of an embroidered REI rain jacket and a \$75 EEFC gift card.
- Maura is completing the final class of the Abolitionists Challenge, presented by LaDonna Sanders Redmond, and is going to continue her journey with a second session.

Questions, Comments

- Can you explain what Beekeeper is?

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

- o It's a digital platform used to increase staff communication and engagement. It's designed for frontline workers who don't sit at a computer. So far, about 75% of staff members have activated their account.
- Maura, how did you come to participate in the Abolitionists Challenge?
 - o Maura took the initiative to participate on her own and discovered it through a co-op called Columinate.
- Laura shared that a member emailed the Board to express how vital EEFC's curbside service has been to them during this pandemic and to thank our staff.
- Marty reported that he called the Food Trust to determine how medical providers will know about the Food Bucks Rx program. He learned that they are doing a small roll-out of the program at this point – some providers affiliated with Children's Hospital and the Allegheny Health Network food pantry have these coupons. People find out about the Food Bucks program via word of mouth and a brochure, which Marty will try to use to spread the word to local clinics.
- Can you give more context on the Fresh Foods Grant?
 - o It's a grant from the state that was made available to small businesses over the summer. It will reimburse pandemic related expenses up to \$80,000.
- Is there an update regarding upcoming diversity, equity, and inclusion (DEI) training?
 - o Maura reported that Leigh is off for the rest of the year – we will know more after January 5.
- What is NCG?
 - o NCG is like our "Mother Co-op" – they are a purchasing co-op, and we are members. They negotiate better pricing, buying contracts, provide marketing and GM support; they also have a development cooperative to help co-ops that are expanding navigate that process. We have a contract with them, and they are providing consulting services around expansion.

B1 – Financial Condition and Activities

The narrative from Maura was that we were compliant in nine out of ten areas for the first quarter of FY 2020-2021; we were non-compliant in one sub-policy because we had negative net income for that quarter. Maura noted that this report would be changing slightly because NCG's CoMetrics tool, which we use to benchmark our financials against other co-ops, has anonymized the data we can see due to antitrust concerns. Maura added some data-points to Shawn's charts in the report and is looking for feedback from the Board on whether they are helpful.

Shawn's narrative was that three main events impacted net income for the first quarter: hazard pay to employees, equipment failure in August because of power failure, and the timing of income and expenses related to the Food Bucks program. Regarding hazard pay, Maura knew it could put us in a loss situation, but she felt it was more important that employees receive financial support. On a Friday in August, we were closed for a day due to power failure, which resulted in a loss of sales and incurred the cost of paying employees for the day (like we would on a closed holiday). With the Food Bucks program, aside from the initial investments in hardware and software, it is designed to be more or less revenue-neutral. The Food Trust's redemption timing has been staccato in methodology (both via ACH and live checks) and timing. Pandemic aside, it was a relatively normal quarter; July was good, August saw some loss from a planned closed day and equipment failure, and September was alright.

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

Updates, Questions, Comments

- Tom asked for clarification on the "PNC source document" needed to forgive the PPP Loan. What is it, and when do we expect to get it?
 - Shawn said that a "source document" is a third-party document – this one will probably be a letter from PNC that officially states this loan has been forgiven. Guidance on the forgiveness has changed over time; Shawn now expects to get the document in February or March of 2021.
- Charlie asked Maura to talk about what the Co-op has been doing regarding hazard pay.
 - She explained that since March 2020, the Co-op has been paying employees \$2.22 per hour worked. It has been done retroactively so the financial health of the business can be assessed. In total, we've given out around \$150,000 in hazard pay.
- Laura commented that they were glad to see that our cash position continues to improve, especially as we move toward expansion.
 - Maura added that she believes we are in the top quartile for cash on hand compared to other NCG co-ops.
- What is the difference between the PPP Loan and EIDL?
 - Shawn explained that both come from the Small Business Association (SBA); however, the PPP is administered via a third-party (PNC in our case), where the EIDL is distributed via the SBA. Further, the PPP Loan will be forgiven, where the EIDL will not – payments will begin in June 2021.
- With expansion on the horizon, it makes sense to have cash in reserve; Tom asked if there is a point where you don't want to have that much cash on hand.
 - Shawn said that it sounds contradictory, but there is a point where you can have too much cash and should be investing it back into the business, property, investments, etc. Maura added that NCG advises having at least 30 days' worth of cash on hand; otherwise, it looks like you are not reinvesting in the business.

Decision: Motion to accept with acknowledgment of non-compliance by Laura. Seconded by Charlie.

Vote: 8.0.0

Finance Committee Update

There were no updates from Charlie.

Board Perpetuation and Elections (BPE) Committee Update

Tom reported that the Committee is working on scheduling the Board retreat in January and would like to have a meeting to discuss the successes and opportunities from this year's election process.

Zoë commented that only two directors filled out the meeting evaluation last month – if it's valuable, it should be completed; if it's not, we can stop doing it. Tom explained the meeting evaluation to the new board members.

Member-Owner Participation (MOP) Committee Update

Sam got an email from Faith saying that the Committee hasn't met in the past few months; she has stood in as Chair but is looking forward to a board member taking over as Chair.

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

Annual Meeting Committee Update

Sam did some follow-up with Kate after the Annual Meeting. The recording of the meeting was made available, and the team that won the trivia game was notified.

Bylaws Committee Update

Zoë has been trying to communicate with Kate about the timeline of the next steps. Three things need to happen before the Committee can be done:

- Updating all of the materials that go out to members (online and paper) to make sure they incorporate the new changes. Zoë isn't sure if Kate will be responsible for this or if the Committee will do the update.
- A postcard needs to go out to members to let them know we will not be doing paper mailings anymore. Kate thought this may happen in February.
- Meet with staff to layout policies and procedures for how staff elections will work. Zoë hopes that Karen or Trevor will help to lead with that.

Zoë wondered when and how they should sign a confidentiality agreement as a lay-member. Does the agreement need to be adapted in some way? A board member should take the lead on that so that outgoing board members can continue to participate on committees.

Expansion Committee Update

Tom looks forward to being able to speak more freely about expansion in the upcoming months.

Resilience Committee Update

There were no updates from Charlie. He thanked Karen for sharing in the journey of starting this Committee this year.

Action Item Follow-up & Discussion

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

Scheduling Update:

The January board meeting was moved from January 18 to January 25 in honor of Martin Luther King Jr. Day. The February board meeting was moved from February 15 to February 22 due to Presidents' Day.

Closings

The next board meeting was scheduled for Monday, January 25. Reports, agendas, and packet submissions are due to the Board Clerk via email on Monday, January 18 at 9:00 a.m.

Adjournment

Decision: Tom moved to adjourn the meeting at 9:00 p.m. Ariel seconded the motion.

Vote: 8.0.0

Minutes submitted by MaCall Scott, Board Clerk