

Adopted Minutes
East End Food Co-op Board Meeting
Remote Meeting via Cisco WebEx Meetings
March 15, 2021

In attendance:

Present Board Members: Sam Applefield, President; Charlie Orr, Treasurer; Eva Barinas; Jenise Brown; Tom Pandaleon; Trevor Ring; Marty Seltman

Absent Board Members: Ariel Barlow, Vice President; Laura Valentine, Secretary

General Manager: Maura Holliday

Management Team: Shawn McCullough, Finance

Member-Owners: Bethany Garrison, Andy Mowrey, Faith Schantz, J. Schmidlapp

Board Clerk: MaCall Scott

Sam called the meeting to order at 7:05 p.m. Marty read aloud the Ends statement:

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

Those in attendance checked in to express how they were feeling and any needs they had.

Amend/Approve Agenda

Executive Session was removed. A discussion about the committee application for lay members was added before the Committee Updates.

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

Vote: 7.0.0

Amend/Approve December Meeting Minutes

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

Decision: Motion to accept the February minutes as amended by Charlie; seconded by Marty.

Vote: 7.0.0

Member-Owners' Open Session

There were no comments from member-owners in attendance.

General Manager Updates

Maura provided the following update to Directors before the meeting:

This report is in addition to monthly monitoring reports. The expectation of this update is to give additional information to the Board of Directors that may not be included in the month's monitoring report. This report aligns with parts of sub-policy B7: Communication to the Board...' The General Manager shall not cause or allow the Board to be uninformed or unsupported in its work.'

Membership:

Current total member-owners: 14,974

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Register Round Up Total:

February recipient – The Legacy Arts Project = \$1,546.06

March recipient – Pittsburgh Center for Creative Reuse - <https://pccr.org/>

Operations Update:

- YTD sales growth, through 3/7/2021 = 1.2%
- Customer count and basket size are changing a little bit, but I think it was mainly due to the spike from shoppers before the last snowstorm that didn't happen.
- DEI – we got the survey results this past weekend – still need to review them and then look at dates for training with the Board and Managers for some time in late March or early April.
- Contract negotiations are ongoing and will be wrapping up this week.
- BUGS invited me to be on their co-op committee to help as they get closer to their cooperative grocery store gets closer to fruition. We will be meeting sometime in early April.
- Due to being sick, MMS manager interviews went on hold. We did complete all internal interviews and have 2 externals that we will need to set up soon.
- With our 2 recent COVID positive staff members we had a lot of staff choose to get tested out an abundance of caution. We also closed the store early for three days in a row to help handle the staff getting tested. We had our cleaning crew come in perform a deep cleaning of the store of all surfaces throughout the store. This is something that in the beginning of the pandemic we said we might do if needed.
- Café is working on new recipes. The hot soups on the hot bar are going very well. We found a sustainable source for real tuna salad and have added Tuna salad and Tuna salad sandwiches to the grab n'go mix. The café is also working on some Protein grain bowl recipes as well as 4 green salads and a new potato salad recipe. The baking team has been busy upgrading some of our cookie recipes.

B1 – Financial Condition and Activities

During the Finance Committee meeting we had on Friday, we went through this report page by page; the three main focus areas are sales, net income, and cash. We are non-compliant in sales growth and net income; however, our cash is light-years ahead of where it has historically been. Net income loss was primarily due to wages, including hazard pay and security guard expenses. Our cash position is up over last year; that is mainly due to the PPP loan, which will be forgiven and written off the books, and the EIDL. We're talking about expansion, so we are mindful of the fixed assets purchases that we have and can't take with us; if we can repair something instead of buying something new, that's what we'll do.

Updates, Questions, Comments

- Is there concern over the "scattershot" sales?
 - No, we're not concerned or surprised at it at this point. Some co-ops are looking with their Boards at reconsidering definitions in the B1 so that they're not constantly non-compliant. That's something that we could consider.
- Is there any sense of how the current quarter is going so far?
 - We still have some elevated pandemic-related expenses. Compared to last year, sales look sluggish because right now we are comparing against the best month of sales in our Co-op's history. Sales in 2020 were all over the place, so it makes more sense to compare against 2019 instead. If we were behind 2019's sales for this quarter, that might raise an eyebrow, but we are ahead of 2019.
- Can you speak to the future of security guard expenses and Hazard Pay for employees?
 - We talked about security expenses during contract negotiations and the idea of having that be an internal position rather than outsourcing. Maura looked at some other external companies, but none of them aligned

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with our values. There is one more budgeted Hazard Pay for the remainder of the fiscal year; maybe when more folks are vaccinated, we can talk about discontinuing it.

- The next B1 is going to look radically different regarding the Co-Metric data. We're trending in the middle when compared to other co-ops. We can start incorporating graphs in future B1 reports that show how we compare to other co-ops that are our size. This is an opportunity for us to look at data a little differently, and as we get used to it, we'll be able to speak in a more educated way.

Decision: Motion to accept the B1 as non-compliant by Charlie; seconded by Jenise.

Vote: 7.0.0

The Board completed the GM Monitoring Matrix for the above report, highlighting strengths and opportunities.

Discussion Regarding the Committee Application for Lay-Members

A draft of the committee application for lay members was sent to board members for review. Directors took a few minutes to make any necessary updates to their committee's description, meeting times, etc. Marty wondered if compensation could be offered to members volunteering for committee service; other directors agreed this is worth further discussion and will take it up at a working meeting. This form will be sent in an email to members. Maura will coordinate sending it out in the next few weeks.

Finance Committee Update

The committee met last Friday to go over the B1 report. Charlie is working on updating the charter. He will meet with Shawn in April for their monthly check-in.

Board Perpetuation and Elections (BPE) Committee Update

Tom completed the BP&E charter. He reported that the committee needs to schedule a meeting and recruit another director to join. As the election is still a good way off, there are no pressing matters at this time.

Decision: Motion to accept the 2021 BPE Committee Charter by Marty; seconded by Eva.

Vote: 7.0.0

Member-Owner Participation (MOP) Committee Update

Marty reported that the committee met on March 3 and that he was the only new member of a knowledgeable and energetic committee. Some of the topics discussed:

- How expansion information will be relayed to members; the bottom line was they want the information to be as clear and enthusiastic as possible to generate excitement. All of this is motivated by wanting to get members as knowledgeable and engaged as possible.
- The possibility of posting committee meeting minutes so that members can know what the committees have been thinking and talking about
- The importance of the relationship between the MOP Committee and the Marketing Manager
- Committee members would like to see more local articles in The Cooperator
- Looking at the website to see about enhancing the information visitors see about our Co-op
- Going over the governance survey from last year to figure out what to do with that information

Decision: Motion to accept the 2021 MOP Committee Charter by Tom; seconded by Eva.

Vote: 7.0.0

Annual Meeting Committee Update

Eva has some thoughts in mind for the next meeting but doesn't plan to start official planning until May. She hopes to recruit more directors and lay members. Directors reviewed and voted on the 2021 charter.

Decision: Motion to accept the 2021 Annual Meeting Committee Charter by Tom; seconded by Charlie.

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Bylaws Committee Update

Due to Laura's absence, there were no updates.

Expansion Committee Update

The committee met on March 11 and spent most of the time talking about clear and enthusiastic communication. They also discussed the possibility of info sessions, a page on the website, newsletters, expansion-specific mailers. They will continue to look at what other co-ops have done to communicate with members effectively during expansion projects. The Board voted on the updated charter.

Decision: Motion to accept the 2021 Expansion Committee charter by Trevor; seconded by Tom.

Vote: 7.0.0

Resilience Committee Update

Trevor said that the committee would have their first meeting next week. He plans to develop a charter following the meeting.

Action Item Follow-up & Discussion

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

Tom acknowledged Ray Schinhofen, who passed away on February 15 at 86 years old. Ray was an architect, a long-time member of EEFC, helped start the EEFC Credit Union and served as President of the EEFC Board of Directors.

Closings

The next board meeting was scheduled for Monday, April 19, 2021. Reports, agendas, and packet submissions are due to the Board Clerk via email on Monday, April 12, 2021, at 9:00 a.m.

Adjournment

Decision: Charlie moved to adjourn the meeting at 8:39 p.m.; Eva seconded the motion.

Vote: 7.0.0

Minutes respectfully submitted by MaCall Scott, Board Clerk.