

Adopted Minutes
East End Food Co-op Board Meeting
Held Remotely via Cisco WebEx
September 20, 2021

In attendance:

Board Members: Sam Applefield, President; Ariel Barlow, Vice President; Laura Valentine, Secretary; Charlie Orr, Treasurer; Eva Barinas; Jenise Brown; Tom Pandaleon; Trevor Ring; Marty Seltman

Management: Shawn McCullough, Finance

Member-Owners: Mia Sorada

Board Clerk: MaCall Scott

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

Introduction

Sam called the meeting to order at 7:03 p.m. Charlie read the Ends statement aloud.

Check-In

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

Amend/Approve Agenda

Add a mask policy discussion after the B1 report and formally acknowledge Charlie's resignation after approval of the minutes.

Decision: Motion to approve the agenda as amended by Laura. Second by Eva.

Vote: 9.0.0

Amend/Approve August Meeting Minutes

The minutes were reviewed for accuracy and clarity; amendments will be reflected in the adopted minutes.

Decision: Motion from Tom to accept August meeting minutes as amended. Second by Ariel.

Vote: 6.0.3

Directors acknowledged Charlie's resignation, and thanks were given for the time and effort to the Co-op's Board.

Member-Owners Open Session

Mia Sorada was happy to be in attendance and in the company of like-minded people.

GM Update

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: 15,247

New member-owners: August – 48 net (13 refunds)

Total member equity: June - \$1,538,891

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Register Round Up Total:

August recipient: Braddock & Wilkinsburg Youth Projects - \$1,304.33

September recipient: Book' Em – <http://bookempa.org/>

Operations Update:

- YTD sales growth for FY22, through 9/12/2021, is 2.6%
 - Sales are now in the black!!! A lot of this positive swing is from the 25% sales growth we saw year over year in week 9, when we had our power outage in August 2020.
- We are participating in a non-perishable food drive this month in partnership with The Food Bank. The bin is located at the front entrance.
- The hardware at the checkout lanes was upgraded this month. This was a planned equipment upgrade, as the software will be out of date this fall. All of the equipment will be able to move with us as we move further into relocation efforts.
- NCG is hosting the Operations Conference this week. It is a 2-day virtual event for store/operations managers and GMs that includes industry updates, news, and training opportunities. Tyler Kulp (Produce Manager) and I are attending this year; the last one was held in 2019.
- We hosted our first ever Hiring Event on Tuesday, 9/14! We are hiring staff in multiple departments – our traditional methods have not been successful, so we tried something different! We had eight candidates that came to the event and had three hiring managers available for on-site interviews; we were able to schedule follow-up interviews. We will likely host at least a couple more since hiring has been challenging in the past 4+ months. Hiring is a nationwide struggle, and we have only just started to feel it.
- We hosted All Staff Meetings in August; we discussed expansion updates, our recent all staff survey results, and gave an update on our newly formed Diversity & Inclusion Committee.
- On September 27, we are going live with a new payroll platform, Paylocity. This is a cloud-based HRIS system that will combine four different platforms that we currently use for HR, hiring, timesheets, and payroll. There are also lots of ways to create some more efficient processes that we currently use internally. It also paves the path to bring our accounting process in-house later in the fiscal year.

Updates/Questions/Comments:

- Maura thanked the Board for the thoughtful evaluation
- The Co-op held a hiring event last week; there were eight applicants, six of whom are in the process of getting hired.
- At the Operations Conference, were there predictions on what it looks like for co-ops as we come out of COVID?
 - Response: Co-ops should be working on Deli programs. Co-ops, in general, spend a lot of time and labor on hot bars and salad bars when 85% of customers are shopping for grab-and-go; that's an area we have always struggled with. One of the challenges with grab-and-go is the packaging – our supplier is not consistent. Once we have a larger facility where we can wash reusables, we will offer more take-out options. Also discussed was online ordering and delivery – co-ops need to figure out how not to lose money providing curbside/delivery service; it is a service that customers expect. Maura thinks our curbside program is more successful than Mercato – maybe because it's easier to use and you aren't pushed into a subscription.

GM Report: B1 – Financial Condition and Activities

For April-June 2021, sales were slightly up, and gross margin increased somewhat dramatically over last April through June. We not only had higher sales, but we got more from what we sold.

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Personnel expenses increased; within the Personnel expense category, wages and health insurance accounted for the preponderance of the increase in this category. There were minor increases/decreases in the other expense categories, which accounted for the remainder. The increase in wages was mainly due to an Appreciation Pay that the Co-op issued to all workers, aside from the GM, in June. The expectation for health insurance costs is that they will continue to climb; additionally, the Co-op had more employees added to the healthcare roster.

The most significant increases for Operating and Occupancy expenses were rent, electric usage, and security expense.

The week we're in is traditionally audit week; this year, it will be done remotely. So far, the auditors have all of their initial requirements, and we are waiting for their list of selections; we will pull around 100 invoices for various types of tests for the auditors.

Questions/Comments:

- Are there any updates on appreciation pay and the security guards?
 - The final appreciation pay was given out in June and covered ten weeks.
 - Security guards are now back to the pre-pandemic schedule.

Eva left the meeting before the completion of the B1 report.

Decision: Motion to accept the B1 as non-compliant by Charlie. Second by Marty.

Vote: 8.0.0

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

Mask Policy Discussion

This discussion began in the last working meeting. The Board is trying to wrap their minds around the challenges of wanting the Co-op to do the most it can to support the health and safety of members, shoppers, and staff while recognizing that the burden of enforcing a masking policy falls primarily on Front End staff. Directors were interested in hearing Maura's perspective; she spent time going over the history of the state and local mask mandates and input she received from staff over the past year and a half. At this time, masks are mandated for all staff, but only on the sales floor – this is possible because 92% of our staff are vaccinated; masks are recommended and highly encouraged for shoppers, and it seems like the preponderance of shoppers are masking voluntarily. Maura noted that there had been a heavy mental strain on staff having to enforce policies and interact with argumentative shoppers, and this makes her hesitant to reinstate a mask mandate.

Thoughts from Directors:

- If things ever felt hostile at the Co-op, it was when there was a mask mandate. There were often unhealthy interactions. Things feel less stressful now that staff members don't have to worry about confronting customers.
- I appreciate the importance of hearing from staff and the difficulty in dealing with customers who don't want to wear a mask. I don't appreciate that the state and county "wimped out" on doing what the CDC said was the safest thing we can do with the Delta variant being here, and that is to mask. I feel uncomfortable that our policy is less than the gold standard.
- I hate the idea that children walk into the Co-op unimmunized because they're too young, and they're more at risk than they have to be.

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- As far as customers go, there will always be people who won't shop at the Co-op unless everyone is vaccinated and masked. Conversely, some people won't shop at the Co-op unless they know they don't have to wear a mask. What would happen if we mandate masking but don't enforce it?
- Do we know of any consequences for not enforcing a masking policy?
 - Response: Now that the state of emergency and mandates have been lifted, the consequence is the risk to public health.
- Use some of the Co-op's budget to hire a virologist to get evidence regarding the safety and protection provided by masking. If there was evidence of the efficacy of masking, I could support a mandate. I have a challenge with just listening to the CDC.
 - You can find virologists, or any specialist, who will tell you things you want to hear. The CDC are certainly experts, and they have been very clear that the safest thing is to wear masks indoors. We do know that even if you are immunized, you can carry the Delta variant.
 - The efficacy of masking very much depends on what kind of mask you're using and how it fits – we can't mandate that people use a specific type of mask. Also, laboratory data is very different from real-world data.
- Customers don't have to come into the store – they can use delivery or curbside. My concern is for our staff, who have to be at work and are put in dangerous situations – we have heard about the conflicts. I'd like Maura to consider a mask mandate but not actively enforce it; you'll probably substantially increase compliance without forcing staff into confrontations.
- This is a complex problem that there isn't an easy solution to; it will continue to be evaluated and discussed with the management team and the person stepping into the Front End Specialist role. Maybe this topic could be included in the monthly GM update to keep the Board informed of the evolving discussions.

Committee Updates:

Finance

Tom and Shawn met to discuss the B1 report. Tom thanked Charlie for his time developing the Finance Committee over the past few years.

Board Perpetuation and Elections (BP&E)

The Committee met on August 19 with Elly and Leah to discuss the two planned board information sessions. The staff seat election and the general election will be held separately. Marty noted that per the bylaws, if the number of candidates does not exceed the number of open positions, candidates can be appointed rather than going through the election process. At this time, there are three candidates and one candidate for the staff seat.

Member-Owner Participation (MOP)

The Committee met on September 8; they have decided to return to having monthly meetings (preferably outside and in-person). They are excited to help with the election as they can. They are talking about possibly trying to reinstate a volunteer program. Maura suggested Marty take a look at the volunteer program at La Montanita Co-op in New Mexico.

Annual Meeting

Eva reported that they are exploring indoor and outdoor possibilities for the Annual Meeting. The JCC has ample indoor space to socially distance and outdoor space to set up a food station. The hope is to have a hybrid model so that members can attend remotely.

Bylaws

Laura noted that the Board doesn't have a lot of formal processes written down; BPE and Annual Meeting Committees probably have the most significant lift in terms of processes and organization. As long as the bylaws

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are being consulted, maybe it's okay not to have a written process manual. If anyone has thoughts on this, please let Laura know.

Maura brought up postcard mailing; if we reach out to all members, it will cost about \$6,000 to mail them. If we reach out to the most active members, it will cost about \$2,400. The Board can decide or tell operations to make the decision. This discussion will be taken up at a later meeting.

Expansion

The next meeting is on October 14.

Resilience

The Committee has been having exciting meetings; they will be doing an outdoor gathering at Karen's house with refreshments – all are welcome!

Action Items

#	Description	Who is Responsible?	Status
153	Draft timeline of board communications for website	MOP Committee	Complete
167	Plan community building session	Ariel	Ongoing
169	Create Cooperator ad for committee participation	Maura/Operations	Complete
172	Review Code of Conduct for member participation in committees	Marty	Complete
173	Review FY21-22 Governance Calendar	All	Complete

Closings

Next Meeting: Monday, October 18, 2021

Packet submission due: Monday, October 11, 2021

Decision: Motion to adjourn the meeting at 9:36 p.m. by Marty. Second by Charlie.

Vote: 8.0.0

The Board went into Executive Session to address the vacancy created by the resignation of Charlie Orr, work on election process details, and review board candidates. The Board voted to appoint Ariel Barlow to the remainder of Charlie's term, voted to approve all four of the board candidates (three for the general election and one for the staff seat), and agreed to complete election details at the October working meeting. Meeting adjourned at 10:30 p.m.

Minutes respectfully submitted by MaCall Scott, Board Clerk.