

Adopted Minutes
East End Food Co-op Board Meeting
Held Remotely via Cisco WebEx
June 20, 2022

In attendance:

Board Members: Ariel Barlow, President; Tom Pandaleon, Vice President; Mia Sorada, Treasurer; Laura Valentine, Secretary; Brian Alderman; Megan Moffitt; Trevor Ring

Management: Tyler Kulp, Produce; Shawn McCullough, Finance

Member-Owners: Courtney Pellegrino, Chris Peplin, Marcus

Board Clerk: MaCall Scott

Absent Board Members: Jenise Brown, Debi Johnson, Marty Seltman

Introduction

Ariel called the meeting to order at 7:00 pm and read the Ends Statement aloud.

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

Check-In

Those in attendance checked in to express their feelings and any needs.

Amend/Approve Agenda

Decision: Motion to approve the agenda as written by Tom. Second from Laura.

Vote: 7.0.0

Amend/Approve May Meeting Minutes

Decision: Motion to approve the March meeting minutes as written by Laura. Second from Trevor.

Vote: 7.0.0

Member-Owners Open Session

Courtney asked about expansion updates. Maura shared that we are still in stage one of negotiating with landlords. Marcus introduced themselves as a new member and local hydroponic farmer (owner of VeggieHouse Farm).

June Working Meeting Report

The June working meeting was centered around expansion and board stipends. It started at 9:10 pm and adjourned at 10:25 pm on June 6th, 2022.

GM Update

Maura provided the following update to the 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: 15,712

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New member-owners: May – 44 (8 refunds)
Total member equity: \$1,582,116

Register Round Up Total:

May recipient: [https:// bloomfieldpgh.org/](https://bloomfieldpgh.org/) - \$781.98

June recipient: PFLAG Pittsburgh <https://www.pflagpgh.org/>

Operations Update:

- Summer is here!!! And so are slower weekly sales for the first time since the pandemic arrived. Prior to the pandemic, summer sales typically slowed down, but since this hasn't happened in 2 years, it feels weird!
- We are scheduling community events again! Floral Class on August 6th, hosted by our own Candace from Produce; Penn Forest Class on August 13th; Tabling at VegFest and Run Around the Square on August 27th. We will announce a Summer/Fall Event Series in the coming weeks!
- Member Drive in October!
- We certified our Safety Committee Members, supervisors, can managers in CPR in May
- We now have Narcan in the store in case of an overdose on the premise. Jen was able to source free Narcan doses from Prevention Point. We have trained our Safety Committee, Supervisors, and Managers on administering Narcan in an overdose situation.
- The seedling season is winding down and will likely be nearing its close by the end of the month or soon after.
- Our cheese island is hopefully getting a final and lasting repair for the everlasting leak that has plagued it since its installation.
- We have had The New Pennsylvania Project tabling outside of the store to encourage folx to register to vote.
- We are working with Opened Eyes, an Erie, PA-based DEI consultant, to set up a training at the end of summer for a Cross-Cultural Competency course for all staff. We discussed this at our June D&I committee meeting, who agreed that a broader training would allow us to touch on many aspects of DEI and, from the pre-training staff survey and the post-training survey, help us put together a roadmap for future directions of training. These surveys will serve as our Staff Survey this year for data contributions to the B-6 Staff Treatment & Compensation report. Our goal is to approach DEI training with a mix of internal and external resources. In July, we are hosting our next All Staff Meetings, which will include the topic of pronouns and how we not only continue to respect them but interrupt when they are misused. This may ultimately lead to further discussion and processes interrupting many, if not all, forms of subtle acts of exclusion.

Updates & Clarifications:

- We have seen an uptick in member refunds; we don't track why members leave, but we know some have left because of our mask mandate.
- There is an NCG co-op trend of declination in the areas of sales and transaction counts.
- Our HR Manager, Jennifer Girty, attended the NCG HR Conference. There was a big focus on hiring; Jen got a one-on-one with NCG's new DEI Officer named Gabby, which she reported being useful.
- A local organization, SetPoint, will be coming in next week to run through their Active Threat training with the management team, with hopes of rolling the training out to staff shortly after that.
- The cheese island saga continues; it was repaired but is now worse!

Management Report

Tyler reported that seedling season is winding down; we are still selling soil and flower bouquets. Local produce deliveries are ramping up and will continue through July and August. They are hiring for a Produce Clerk position. The summer slowdown is upon us; people don't come into shop when it's pleasant or hot out.

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B1 – Financial Condition and Activities

The Policy Register states, “With respect to actual, ongoing financial conditions and activities, the General Manager shall not cause or allow the development of fiscal jeopardy or material deviation of actual expenditures from Board priorities established in Ends policies.”

Shawn presented the B1 report and financial statements. The GM and Finance Managers report compliance with all provisions of the policy. Shawn and Maura provided the following clarification to questions asked:

- Do we need to repay the SBA EIDL?
 - Yes, that’s a 30-year term with a fixed 3.75% interest rate; it’s almost like a mortgage.
- There was an increase in the inventory line; what was the cause?
 - We started doing official quarterly inventory counts over one year ago. They didn’t change our inventory in time to be expressed in the financial statements, so there may be a spike next time.
- What is the administrative lift going to be with changing accounting platforms?
 - Staffing is a consideration; the first year of the new system may be taxing, but once it’s in place, the expectation is it will be much smoother.
- Payroll liabilities jumped – is that related to the PPP payout?
 - Indirectly, yes – we paid a profit sharing on the quarter, and I wanted it to be matched up in that quarter; the profit sharing is in that payroll liability amount.
- How did the taxes plunge so significantly?
 - The PPP loan was a non-taxable event.
- Do we have any long-term goals with Mercato, and how much time and labor go into it?
 - No retailer, except Amazon, has figured out how to make money on grocery delivery. It’s only about ½% of our sales. Services like this are loss leaders, but we still need to offer them to stay relevant.

Brian noted that despite this being a good quarter from the B1 perspective, we are still seeing a slight operation net loss over four quarters; a lot of that relates to the work we’re doing on expansion. The softness in our business is directly related to hitting the limits of the current physical store. He also highlighted that the PPP loan and its forgiveness got us through the pandemic; it basically erased all our losses since March 2020. It’s pretty impressive that Maura and the team got us through this hurricane unscathed, but now that we’re out of it, it’s critically important to move forward and invest in our Co-op’s future.

Decision: Mia motioned to accept the B1 report as compliant. Second from Laura.

Vote: 7.0.0

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

B5 – Customer Service and Value

The Policy Register states, “The General Manager shall not be unresponsive to customer needs.”

Maura presented the B5, reported compliance with all parts of the Policy, and answered the following questions:

- What are our customers doing that causes other customers to complain about them?
 - It was mostly masking and being hostile.
- How are COVID infections among staff going?
 - We had two staff members test positive over the weekend. We haven’t gone thirty days without infection since May.

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Decision: Megan motioned to accept the B1 report as compliant. Second from Laura.

Vote: 7.0.0

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

Board Budget Discussion

Maura and Shawn asked clarifying questions regarding the Board's proposed budget for the Fiscal Year 2022-23. It was agreed to look at the Co-op budget (with and without expansion costs) and the Board budget side-by-side ahead of the next meeting and then take a final vote at the July public meeting.

Committee Updates:

Resilience

The Committee submitted a Future Energy Vision document in the board packet that Brian requests Directors look at and send feedback asynchronously. The second update is that they have started a conversation and are moving forward with Dr. Bob Kerestes from the Pitt Engineering Department to work on an engineering feasibility design project related to hypothetical future expansion. This will involve looking at the high-level energy demands of a future Co-op space. In the next few months, they'll be doing energy curve assembly with the goal of having some solution conversations in early fall. This work costs us nothing, and they're excited to get the research. The next Committee meeting is this Thursday at 6 pm.

Finance

Mia has been focusing on the board budget and reviewing the B1 ahead of this meeting. Upcoming, the Co-op budget, B2, and B3 reports will be circulated and voted on in the July 18th meeting.

Board Perpetuation and Elections (BP&E)

In Debi's absence, there was no update given.

Member-Owner Participation (MOP)

In Marty's absence, there was no update given.

Annual Meeting

The Annual Meeting is planned for early October; it will be an outdoor, COVID-friendly event. Because the Annual Report will not be ready by early October, the numbers presented will be a draft.

Policy and Governance

The Committee has been discussing board compensation and whether to introduce a limit to how much the board can increase its compensation into the bylaws. Perhaps documenting the procedure is enough, as a new bylaw will require a member vote.

Capital Campaign

Mia asked that board members present vote to engage the services of a fiscal agent so that the Co-op can raise donations through the Cooperative Development Fund (CDF). Mia led a presentation regarding charitable contributions to co-ops.

Decision: Motion to nominate the services of CDF to be our 501(c)(3) fiscal agent, allowing the Co-op to pass through charitable donations for the capital campaign by Ariel. Second from Laura.

Vote: 6.0.0

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Action Items

#	Description	Person Responsible
181	Discuss what it looks like to have in-person or hybrid board meetings	All
182	Explore how to support the Board staff seat election process	All
184	Brainstorm what it looks like to put a call out to members to join committees	Marty
185	Make an effort to attend Capital Campaign meetings on the 2nd Thursday of every month	Capital Campaign Committee members
188	Create minutes or a summary from committee meetings and share them out	Committee Chairs
190	Look at what the GM evaluation and compensation procedure looks like for this year	Ariel and Tom
191	Find a space to continue the discussion around delegating leg-work at the committee level	Ariel and Tom
192	Explore what it looks like to do a possible retreat at Three Otters	Ariel and Tom
194	Send out the newsletter, which has a questionnaire about the Board's anti-racism training and a questionnaire regarding Board stipends	Ariel
195	Respond to Debi's email by June 1 st	All
196	Send the number of members currently participating in your Committee as well as the max number you can see participating by Thursday, May 19th at 5 pm	Committee Chairs
197	Committee volunteer compensation proposal with the updated yearly amount to Mia by 5/23	Marty
198	Debi, Mia, and Trevor will meet to come up with a proposal regarding a capital campaign/engagement festival and Annual Meeting by 5/23	Debi, Mia, Trevor
199	199 Review the draft governance calendar for FY 2022-23 by 7/11	Committee Chairs

Closing

Next Meeting: Monday, July 18th, 2022

Packet submission due: Monday, July 11th, 2022

Decision: Motion to adjourn the meeting at 9:32 pm by Tom. Second by Laura.

Vote: 6.0.0

The Board entered Executive Session to discuss expansion updates with the General Manager.

Minutes respectfully submitted by MaCall Scott, Board Clerk.