

Draft Minutes
East End Food Co-op Board Meeting
Held Remotely via Cisco WebEx
July 18, 2022

In attendance:

Board Members: Tom Pandaleon, Vice President; Laura Valentine, Secretary; Mia Sorada, Treasurer; Brian Alderman; Debi Johnson; Megan Moffitt; Trevor Ring; Marty Seltman

Management: Maura Holliday, General Manager; Tyler Kulp, Produce; Shawn McCullough, Finance

Member-Owners: Jim Fry, Rebecca, Victoria

Absent: Ariel Barlow, President; Marty Seltman; MaCall Scott, Board Clerk

Introduction

The Board President called the meeting to order at 7:00 p.m. 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 Mia. Second from Brian.

Vote: 7.0.0

Amend/Approve June Minutes

Decision: Motion to approve the previous meeting minutes as written by Brian. Second from Mia.

Vote: 7.0.0

Marty Seltman joined the meeting at 7:17 p.m.

Member-Owners Open Session

Rebecca, Jim, and Victoria introduced themselves and expressed wanting to learn and become more involved with the Co-op.

July Working Meeting Report

July's working meeting began at 7:00 and ended at 9:00 p.m.; the Board discussed board retention, board self-monitoring, survey results, and the board budget.

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: 15,756

New member-owners: June – 51 (7 refunds)

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Total member equity: \$1,586,380

Register Round Up Total:

June recipient: PFLAG Pittsburgh - \$1,080.96

July recipient: Family House <https://familyhouse.org/>

Operations Update:

- We are working with SETpoint (<https://www.set-point.org/>), a local, woman-owned, and operated empowerment self-defense organization, to hold Active Threat and Bystander training sessions for all staff. The management team met with SETpoint and reviewed the Active Threat training they offer. With our feedback on content, we will schedule multiple sessions with all staff over the next few months to get through both pieces of training.
- NCG's Focus on Fresh conference is this week. The conference is 2.5 days long and hosted in Minneapolis, MN. This conference is focused on the fresh departments, so Tyler and Amber went as representatives from Produce and Café.
- MMS (Marketing and Member Services) will be tabling at the July 30 Open Streets event. We also have our Carbon Composting event this month on July 23. August will bring even more events!
- In August, NCG is holding its Convergence conference, which is focused on center-store departments. We will be sending three staff to that conference: Ian, Jared, and Jackson, who will represent Grocery and Wellness departments.

Updates & Clarifications:

- There are two graphs in the operations update because of the turnover from FY22 to FY23.
 - Of note is that FY22 was a 53-week year. The 53-week year happens every six years; the numbers get normalized because you can't include that extra week in any analysis or comparison; you do your best to align the holiday weeks when making the year-over-year comparison.
- The seasonality of lower sales is hitting the numbers – is there anything else of note other than the usual summer slowdown?
 - Response: Farmers' markets are back – more than last year, which could impact them. Also, people are leaving the city for vacations.
- We've discussed the difficulty recruiting and hiring staff members; is anything new or changed?
 - Response: We still have lots of positions open. We had a hiring event on July 7 that will bring in a few new people. Most of the open positions are in the Café.

Management Report

Tyler shared that Produce is not used to this level of sales dropoff in the summer. It's been a good time for employees to take some vacation time. In addition, local organic produce is peaking, and seedling deliveries are done for the season. Tyler went to the Focus on Fresh conference last week – he took away a lot of great ideas and visited six co-ops and two co-op competitors in Minneapolis while there.

The Finance update from Shawn is that he's in the process of switching accounting platforms to Sage Intacct. The go-live date should be early-mid September. We're expected to end this financial quarter and year with positive net income; we knew the numbers would start to normalize at some point – if that's the case this year, we should see sales pick up in mid-late August to September when vacations are done, and students are back.

B2 – Business Planning and Financial Budgeting

The Policy Register states, "The General Manager shall not cause or allow business planning and budgeting to deviate materially from the Board's End priorities, risk financial jeopardy, or fail to be derived from a multi-year plan." Maura reported compliance. She made some changes to the strategic plan this year, including additional metrics and formatting. She intends to adjust to the multi-year goals but includes two critical goals: expanding to a larger location and increasing starting wage to at least \$15 per hour.

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Questions & Comments:

- How did any realizations about the strategic plan affect what's shown in the budget?
 - Response: Most of the inspiration can be seen in the last column of the strategic plan, which is all of the financial and infrastructure strategies and metrics related to expansion; also impacted are product services and experiences and Café growth.
- When might we start to incur significant expenses related to expansion?
 - Response: It depends on where the equipment comes from; UNFI asks for 10% down and the remainder upon delivery. Shawn added that the deposit is not expensed until you start using the equipment; it would impact the cash flow more than profit and loss. Consulting costs (interior designers, architects, etc.) must be recognized immediately as an expense.
- How do you (Maura) envision using the strategic plan with staff in the next year?
 - Response: Maura presented the strategic plan in an All Staff meeting last year. The plan this year is to work with department managers on how to incorporate it into their areas of expertise. We have talked about investing in some capital expenditures that can improve our working conditions; as long as the equipment can come with us to a new location, it's okay to make the investments.
- Do any employees present that recall the All Staff meeting of the Strategic Plan last year have feedback on whether that was useful, helpful, or informative?
 - Response: It was helpful – we need to keep hearing about it as often as possible to build hope for what we will see in the future.
- Is this the only time of the year that the Board looks at this plan?
 - Response: these should feed into the Ends and Annual Reports.
- Maura added that the governance expense line of the board budget is a placeholder amount pending the final determination of stipend amounts.

Decision: Trevor motioned to accept the B2 report as compliant. Second from Laura.

Vote: 7.0.1

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

B3 – Asset Protection

The Policy Register states, “The General Manager shall not allow assets to be unprotected, unreasonably risked, or inadequately maintained.” Maura reported compliance.

Questions & Comments:

- In light of the pandemic, have you heard any talk about making changes to business interruption insurance in the grocery world?
 - Response: We mostly hear about (and experience) power and equipment failure. We have only filed one claim in Maura's three years as GM. The question is always, “is the loss big enough to pay the deductible expense?”

Decision: Brian motioned to accept the B3 report as compliant. Second from Mia.

Vote: 8.0.0

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

Committee Updates:

Resilience

Brian reported that the Committee is continuing on the energy project; they are meeting with folks from Pitt next week. The next Committee meeting is next Thursday; they will revisit the engineering design project and discuss the next resilience scenario on the subject of economic collapse. Brian extended an invitation to anyone interested in joining.

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Finance

Shawn circulated the budget in early July. Mia noted that it was helpful to have time to reflect on it before and during the July working meeting. The board agreed to take up a discussion on the increased director honorarium proposal. The Board has proposed that stipends increase from \$60/month to \$100/month for board members and from \$110/month to \$250/month for the Board President.

Board Perpetuation and Elections (BP&E)

The staff-seat election process is still being ironed out. Board candidacy declaration is August 1-September 25; voting is October 22-November 27; new directors will be seated at the December board meeting. At this time, there are six spots to be filled. Debi is working on a schedule for Directors to table outside the store to promote serving on the Board. Debi asked for clarification on whether candidates have to attend a board meeting by the end of September. The current rule is that it is highly recommended but not required.

Member-Owner Participation (MOP)

The next meeting is this Wednesday; the main topic will be promoting elections and committee work. The MOP Committee would like the Board's consent to continue developing a proposal to reinstate a volunteer program. Further discussion will occur in a closed session or a working meeting, as it's a big topic that will take much time.

Annual Meeting

Trevor is looking to finalize the location and date of the Annual Meeting. The next Committee meeting is this Thursday. As this is Trevor's final board meeting, he wondered if he could continue as Chair; Laura confirmed the Bylaws don't prohibit it, and there is precedent.

Policy and Governance

Laura had no updates to share.

Capital Campaign

The Committee met last Thursday night. Mia shared the Case Statement Fran put together, which will become the basis of the capital campaign marketing/informational materials. The Committee will look for stories from current Directors, members, and local farmers.

Action Items

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

Decision: Motion to acknowledge and formally appreciate Trevor and Jenise for their service on the EEFC Board of Directors by Megan. Second from Marty.

Vote: 7.0.1

Closing

Next Meeting: Monday, August 15, 2022

Packet submission due: Monday, August 8, 2022

Decision: Motion to adjourn the meeting at 9:01 p.m. by Marty. Second by Tom.

Vote: 8.0.0

Minutes respectfully submitted by MaCall Scott, Board Clerk.