

Draft Minutes  
East End Food Co-op Board Meeting  
Held Remotely via Cisco WebEx  
September 19, 2022

**In attendance:**

Board Members: Ariel Barlow, President; Tom Pandaleon, Vice President; Laura Valentine, Secretary; Mia Sorada, Treasurer; Brian Alderman, Marty Seltman

Management: Maura Holliday, General Manager; Shawn McCullough, Finance

Member-Owners: Megan Moffitt, Edward, Marcus, Stan

Absent: Debi Johnson

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**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 Marty. Second from Mia.

**Vote:** Formal vote not taken; there were no objections

**Amend/Approve Minutes**

**Decision:** Motion to approve the August minutes as written by Brian. Second from Tom.

**Vote:** Formal vote not taken; there were no objections

**Member-Owners Open Session**

Marcus from VeggieHouse Farm, Sarah, and Edward all checked in to say hello. Edward said thanks for all the fresh, organic produce the Co-op offers.

**September Working Meeting Report**

On September 12 from 7–8:30 p.m., the majority of the Board met in person at a local park. They worked on onboarding and knowledge transfer planning with an eye to creating an improved process for newly elected board members.

**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: 15,843

New member-owners: August – 61 (12 refunds)

Total member equity: \$1,594,339

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**Register Round Up Total:**

August recipient: Dress for Success

September recipient: The Food Trust <https://thefoodtrust.org/>

**Operations Update:**

- The CX survey is going well. We have gotten 121 responses since we launched it at the beginning of August.
  - Results are still varied at this point and steadily getting higher. I think we will have more accurate data after about 90 days to get a more accurate sentiment from members and shoppers.
  - Twenty staff celebrations have come through!
  - The score percentages are based on how many “highly satisfied” responses are selected for each question.
    - Once we have more data, we can set our own benchmarks.
    - Among all NCG co-ops, the OSAT averages 73%, and Product Availability averages 54%
    - Once the Café Counter is back online, we will see a change in scores and then set benchmarks.
    - The friendliness of staff is great at 73%
    - The likelihood of return is 80%
    - The checkout speed is 79%, two points higher than the average NCG co-op!
- September events: 9/10 – Seed to Table Workshop with Royally Fit (Community Partner); 9/17 – Pittsburgh Urban Farm Tour; we are a sponsor for GrowPgh’s Garden Get Down on 9/28
- October events: 10/8 – Forest Bathing with Cloud Gate; 10/15 – tabling at Hometown, Homegrown; 10/24-30 is our Member Drive
- NCG’s Fall DR meeting is September 20-21; the meeting is in Minneapolis, so travel days will be 9/19 (attending the board meeting that night from MN) and 8/22
- Opened Eyes, an Erie-based DEI group, is coming on 9/13 and 9/14 to host an all-staff training for bias and cross-cultural competency. They also hosted a pre-assessment survey and will have a post-assessment to help put together employee consensus and a roadmap of topics and areas of concern for future work.

**Updates & Clarifications:**

- Do you (Maura) have any takeaways, thoughts, learnings, or interesting tidbits from the conferences you’ve attended?
  - Response: At the Conference Maura is attending starting tomorrow, there is a UNFI supply chain update and a check-in on how co-ops, in general, are doing (called State of the Industry), as well as several engaging professional development workshops.
- How has hiring, retention, and training staff been going?
  - Response: We’re struggling the most in the Café as far as hiring goes – that has been an industry trend for some time. We do have a new Café Counter employee starting soon, which gets us closer to being able to reopen that part of the Café.
- Have we received the Waste Audit results?
  - Response: We haven’t received it yet. We’ve been told it’s almost ready and hope to have it by the October board meeting.

**Management Report**

Tyler shared that he is going to New England in a few weeks and will be visiting River Valley Co-op. Before that, he is touring some of the Clarion River farms in South Western Central PA and will attend a dinner with the farmers. We’re gearing up for fall in the store – we have lots of squash, mums, gourds, and pumpkins, and we’ll be decorating the vestibule soon. Right now, apples are behind – we don’t have as many as we usually do. Deliveries

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have improved overall; the local deliveries are sometimes erratic because of how much product they have, but the national deliveries are coming on time.

**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 the Ends policies.”

The narrative from Shawn and the Finance Committee was that the store margin pulled ahead of the budgeted amount in the fourth quarter to a higher percentage than expected. The cause could be several factors, including a higher ending inventory, the 53<sup>rd</sup> week of the last fiscal year causing timing differences, a higher ratio of member sales, departments being diligent about adjusting to vendor price increases, and just plain happenstance. The cash position declines slightly over the prior year; however, our Days Cash on Hand remains high. This cash is built up with the intent of re-investment into a new location. Looking forward into the first quarter, the margin will continue to be monitored concerning inflation, though with slightly less apprehension. The major development will be the new Whole Foods location opening in August 2022. We expect to see a decrease in sales, but we are unsure how long. Additional factors for consideration are the “normalization” of our summer sales, which means lower summer sales mainly due to travel/vacationing away from Pittsburgh and the university students leaving for the summer.

**Questions & Comments:**

- Can you elaborate on the increase in employee development expenses (education and travel)?
  - Response: With the pandemic easing up, many conferences became available to attend; most of these are free, and the expense is related to travel and hotel stays.
- Any commentary on the cash position? Expansion will be driven by how well we’re doing; we had a rather large bump in cash from 2019-20, and it looks like we have plateaued since then.
  - Response: When we received the PPP Loan two years ago, cash went up, and it had zero impact on the income statements because it was on the balance sheet as cash. Once it was forgiven, it was the exact opposite; there was no change in cash and a big jump on the income statement.
- Putting expansion to the side, do we have any significant improvements anticipated in the next six months to a year?
  - Response: We will revamp the e-commerce area in the front of the store to make it more efficient, expand merchandising options, and make space to meet with members to talk about the Capital Campaign. Maura has started talking with Tyler about replacing the dry tables in the Produce department.
- What’s our plan to respond to the relocation of Whole Foods in the East End?
  - Response: Nothing specifically; Maura noted that Whole Foods already did their damage back when they initially opened on Centre Avenue, and she doesn’t see them as a significant threat. Laura added that in our competitor-heavy environment, what keeps us viable is that we offer something different, interesting, unique, and vital.
- Have we considered selling beer or wine?
  - Response: We have, but we don’t have the space for it; at a minimum, we have to have 30 seats available for on-site eating, which will not happen in our current space.

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

**Vote: 6.0.0**

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

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**Committee Updates:**

**Resilience**

The Committee met in Mellon Park and via Zoom; they talked about getting organized around projects related to a bioreactor and commercial kitchen. There are no updates on the energy feasibility study. Due to scheduling conflicts, there is no meeting this month; the next meeting is on October 20.

**Finance**

The Committee met in person a few weeks ago to review the B1 report.

**Board Perpetuation and Elections (BP&E)**

Board candidate packets are due in two weeks; we have received two.

**Member-Owner Participation (MOP)**

The MOP Committee is working on three projects: bringing back a volunteer program, the governance survey, and recruiting members to join board committees.

**Annual Meeting**

The Annual Meeting will be on October 16 from 2-5 p.m. at the Frick Environmental Center Amphitheater; the actual meeting is 2-4:00, and a social hour from 4-5:00 p.m. They are working on organizing children's activities and possibly a nature or bird walk to precede the meeting.

**Policy and Governance**

Laura is working on an outline of things that should be documented in a Board Processes and Procedures Manual.

**Capital Campaign**

Fran, Maura, and Mia met a week and a half ago; in progress is the Case Statement – a document intended to explain to potential investors why they would want to participate in our capital campaign. Mia shared slides and solicited help from Directors in making separate case statements for Member-Owners and 501(c)(3) organizations.

**Action Items**

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

**Appreciations**

Those in attendance took a moment to share acknowledgments.

**Closing**

**Next Meeting:** Monday, October 17, 2022

**Packet submission due:** Monday, October 10, 2022

**Decision:** Motion to adjourn the meeting at 8:58 p.m. by Mia. Second by Brian.

**Vote: 6.0.0**

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The Board entered Executive Session at 9:01 p.m. to discuss options for moving forward with Expansion and adjourned at 9:45 p.m.

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Minutes respectfully submitted by MaCall Scott, Board Clerk.