

Adopted Minutes
East End Food Co-op Board Meeting
Held Remotely via Cisco WebEx
March 20, 2023

In attendance:

Board Members: Ariel Barlow, President; Debi Johnson, Vice President; Brian Alderman, Liz Geist, Tom Pandaleon, Marty Seltman, Carlos Gasca Yanez, Caoimhe Quach, Tyleda Worou

Management: Maura Holliday, General Manager

Member-Owners: Mark Bowers, Courtney Pellegrino, Alan Fuehrer, Josh Trapp, Edward James

Board Clerk: Jessie Ryan

Absent Board Members: Laura Valentine, Secretary

Introduction

The Board President 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

The official appointment of a new board member, Tyleda Worou, was added after the February Meeting Minutes approval.

Decision: The amended agenda was approved without objection.

Amend/Approve Minutes

Decision: The February meeting minutes were approved without objection.

Appoint New Board Member

Decision: Motion to seat Tyleda Worou as the tenth board member following Mia Sorada's resignation.

Vote: 6-0-0

Carlos joined the meeting at 7:12 p.m.

Member-Owners Open Session

Courtney Pellegrino shared her thoughts regarding the Co-op's expansion plans. She stated that she would like to see the Co-op stay close to the current location and serve this community. She would also like to see the Café expand to include more offerings and outdoor seating. Courtney has expressed interest in joining the Expansion Committee.

Mark Bowers was happy to see pre-made smoothies available in the Café. He also stated that he would like to see the Co-op stay in the current community.

March Working Meeting Report

On March 6th, 2023, 8 of the 9 board members met for their monthly working meeting from 7:00-9:00 p.m. to discuss expansion strategy and updates, committee proposals, a board member resignation, and prep for the March meeting.

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GM Update

Maura provided the following update to the Directors before the meeting:

This report is in addition to monthly monitoring reports. This update expects 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: 16,117

Current fully paid member-owners: 11,671

New member-owners: 53 (4 refunds)

Total member equity: \$1,621,104

Total number of member-owners cards scanned at the register: 12,658 (does not account for repeat transactions)

Total member-owner sales: February - \$774,139

Register Round-Up Total:

January – March recipients: to date, we have raised \$1,275

POWER – <https://power-recovery.com/>

Art in the Garden – <https://omaartinthegarden.org/>

Operations Update:

- We expect the entryway doors to arrive from the manufacturer in May, making June the projected month for installation.
- April 12th marks the effective date of the City of Pittsburgh Ordinance – Prohibition of Use of Certain Bags and Checkout Bag Charge.
 - Retailers in the City of Pittsburgh are not allowed to use plastic bags at the checkout and are required to use only paper bags at the checkout and are required to charge \$0.10 per bag used at the checkout.
 - Exceptions are for items requiring packaging from the shelf to the register, so produce, bulk, and bulk herbs bags used to carry the product to the register for checkout are not required to have a charge. SNAP participants using their SNAP card are also exempt.
 - We are sending out information to member-owners leading up to this change and there will be signage at the registers.
 - April kicks off event season this year! There is going to be a 'what's happening at the Co-op' email going out soon with an overview of all of the events, some of which include bringing back Wellness Wednesday on 4/5 and the week of Earth Day (4/17-4/23) we will have a 20% off the Bulk foods section!
 - I completed Columinate's 3-part seminar – Explorations in Policy Governance. Each session had a designated theme: Policy Governance Essentials, Effective Monitoring, and Policy Governance Puzzles. I was able to connect with other board members and fortify the knowledge I have of policy governance, as well as see different ways to look at our reporting processes and that many boards/GMs struggle with the similar topics (i.e. the negative language, the look-back reporting method, etc.).

Updates & Clarifications:

- Maura added the additional numbers that were requested by board members to this month's report including number of fully paid member-owners, number of member-owners cards that were scanned at the register, and the member-owner sales for the month of February.

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- Marty expressed that this information is fairly meaningless; he is interested in knowing the number of shoppers who come in per month, and what percentage of them are members vs. non-members.
- What do we know about the number of non-paid-up members?
 - They are probably on a payment plan; Maura is not sure how often Leslie runs reports to compare the last time they shopped vs. whether they have made a payment recently but she does periodically check in with folks who haven't made a payment in a while.
- Do non-paid-up members get a reminder at the register to make a payment?
 - No, there is no reminder.
- Customers who have not fully paid their membership receive a temporary card to use. It would be nice to know how many payments they have made.
- What was the percentage of total sales from members in February?
 - Maura stated that she can provide that number to the Board through Discord this month and include it in future GM Updates.
- We are seeing sales declining and stagnant. Can you talk more about that or do you want to wait to discuss this with the B1 report next month?
 - From a total year-to-date perspective we're down about 4.2% YoY in terms of sales growth. Outside of Café sales, which make up a little less than half of the decline in sales, the remainder is coming from Produce not performing the way that we had anticipated. That was one of the things we were unsure how to anticipate this year, with the full return of the farmer's markets and how that was going to change customers' shopping patterns. Traditionally, the first half of the year is below where we have budgeted it. It does not surprise Maura and Shawn when the first half of the year isn't performing as well because our busiest and most productive sales months start and taper up from January to June; Q4 is our strongest quarter. Wellness is also down and Maura believes this is due to inflation and where folks will reduce their grocery bills. We are bringing back Wellness Wednesdays next month to hopefully give them a boost. Beginning in May, we will start pairing Wellness Wednesday with a free wellness event.
- It looks like the budget is projected at 4% annual.
 - We spread that across the entire year, we don't forecast that 4% each week, which is why it's just a stagnant line across the weeks. If we did more forecasting, you would see us being closer or further from the budget on a weekly basis.
- Do you recall what the budgeted sales growth was for the last year or two?
 - Maura stated it was around 4%. In the fiscal year 2021, per NCG's recommendation, we did a two-part budget. We submitted the first six months because things were so unpredictable from the pandemic, then submitted another one mid-year. In the fiscal year 2022, we went back to a full year. This year Shawn submitted one budget scenario which was around 4.2 or 4.7% sales growth. That prediction was made hoping that Produce would stay the same and the Café would be up and running.
- The rough split for member vs. non-member sales is 60, 40, correct?
 - Yes, member sales have gone up since the pandemic.
- Are we planning to continue to offer bag discounts after the new bag ordinance goes into effect?
 - Yes, we will continue the bag discount after the ordinance goes into effect.
- Do we know what the total amount of bag discounts are in a given month?
 - Maura does not know the total amount of bag discounts in a month but we do report on that at the next Ends Report and in the Annual Report.
- Have we considered giving out Co-op bags at the register during the first week or two of the ordinance?
 - We have talked about potentially giving away bags to shoppers but haven't figured out what that would look like.

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- Debi added that they have considered creating shopping bags to have for sale, but is not sure if they will be free.
- What was the average monthly Café income in months when it was active? To what extent would that make up the difference in weekly sales vs. last year or vs. budget?
 - Maura stated that of the current lack of sales growth, less than half is from the Café. We would maybe only be 2.3% behind YoY sales growth if the Café was functioning at least where it was last year at this point.
- What did we learn from the Columinate Co-op consultation about the Café?
 - We consulted with NCG for the Café; they have sent us the list of equipment that they were suggesting that we consider and they are helping us get some quotes on some of the larger pieces. There is another follow-up call this week to talk through some of their other recommendations.
- Has there been an increase in the number of applicants for jobs since the minimum wage at the EEFC was increased to \$15?
 - There has been an increase in activity, but it's hard to tell if it's from the wage increase or because we refreshed our job postings.

Management Report

There were no additional managers in attendance to share their reports.

Committee Updates:

Resilience

Laura was absent from the meeting, but Brian shared that they exchanged emails that day.

Finance

Tom shared that there was nothing to report in light of the postponement of the B1.

Board Perpetuation and Elections (BP&E)

Tom emailed the committee charter to the board members to review. They placed an emphasis on the committees taking on the responsibility of promoting voting. Also, the charter is more explicit with regard to making opportunities available to board members to educate themselves on board-related matters.

Member-Owner Participation (MOP)

The Committee is going to focus on the 5 working groups connected to MOP and they have identified someone to be the leader for each group. There are two active working groups to report on: the Survey Subcommittee and the Annual Meeting Subcommittee. The Survey Subcommittee just completed a final draft of the survey, it just needs Committee approval. The name of the survey was changed from Governance Survey to Member Engagement Survey. The next step is working with Elly to figure out how to get the survey out; they plan to email it to those members who provided an address and are also trying to get it on social media and in the store. There are thoughts of possibly tabling to get some more general feedback on what members are thinking about the Co-op. The Annual Meeting Subcommittee has started looking at possible sites indoors and is planning for a date in November so that we can get all the reports in. They would like to get this planned early so we can get publicity out and get more people there. Lastly, the Board approved an allowance in the budget for \$50 gift cards for committee members who are not board members or staff and who have attended half of the meetings in six months. The list of committee members who qualified in December for the first six months of the fiscal year was sent to Mia, but the cards were never distributed. Marty is following up with Shawn to sort it out. The committee charter has been created and members who have not been to a MOP meeting for the past two years were removed.

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Expansion

Carlos shared that he drafted a charter, it just needs to be reviewed and approved by the Board. He posted the charter in the meeting chat. The idea is that the Committee would be made up of members that have an interest in expansion and expertise in real estate, architecture, finance, business development, etc. Their contributions would help the Board help Maura in decision-making about locations and how to grow the business. Carlos' goal is to have support from the Board in looking at a future vision that consists of integrating food and local food entrepreneurs into a Co-op membership for food entrepreneurs. Carlos proposed a timeline for the Board to go through the business planning process to think about the future and develop some business objectives that can be approved at the Annual Meeting. He has been brainstorming locations and sharing that information with Maura. Tom added that he has been working with Maura and Elly to draft an email to send to the membership that would allow for open-ended responses instead of a survey. It will provide a summary of the expansion process over the last year. The plan is to also have two forums, one online and one in person sometime in May to allow members to give their input and voice any questions they may have. Carlos is interested in adding a question to this survey to ask members how far they travel to the Co-op. He would like to be able to identify how many people come from where to see if we can find a particular density where there are a lot of people coming to the store from at least 30 minutes away.

Ariel motioned to move all of the charter approvals and adoptions into the next working meeting or the next open session. There were no objections.

Caoimhe joined the meeting at 8:08 p.m.

Compensation and Team Relations

Liz shared that they have drafted their committee charter and posted it in the meeting chat. This Committee is going to provide policy research and proposals to the Board regarding matters relating to personnel policies and practices, compensation and benefits, labor relations and collective bargaining, as well as staffing and organizational structure. This is a brand new committee so they are excited to get started.

Executive

Ariel and Debi are working on the committee charter as well as documentation for the Board. They are also working with board members to better understand what their needs are and how the Executive Committee can support them in completing their goals and being successful this year.

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 their thanks.

Closing

Next Meeting: Monday, April 17, 2023

Packet submissions due: Monday, April 10, 2023

The meeting adjourned at 8:19 without objection.