

Approved Minutes
East End Food Co-op Board Meeting
Held Remotely via Cisco WebEx
April 17, 2023

In attendance:

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

Management: Maura Holliday, General Manager; Shawn McCullough, Finance; Luke Rifugiato, Café

Member-Owners: Courtney Pellegrino, Josh, Megan, Mark Bowers

Board Clerk: Jessie Ryan

Introduction

The Board President called the meeting to order at 7:01 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.

Carlos joined the meeting at 7:08 p.m.

Amend/Approve Agenda

Decision: The meeting agenda was approved without objection.

Amend/Approve Minutes

Decision: The March meeting minutes were approved as amended without objection.

Tom joined the meeting at 7:18 p.m.

Member-Owners Open Session

Courtney Pellegrino had several thoughts that she shared with the Board. She was at the store on the Saturday before Easter and there were very few shoppers and employees, which she found to be unusual. She pointed out that there is no seating available and the Grab and Go selection was very minimum. She made a suggestion to add nutrition labels to Grab and Go items, which is important for those who have allergies and special diets. She would like to see the new location have space for community events and an expanded gift and cosmetic selection that showcases local artisans. She would like to see the Co-op as more of a destination for shoppers. It would be nice to have events centered around products that are sold at the Co-op. Courtney is interested in joining the Expansion Committee to get more involved in the process.

The Board needs to let Courtney know the next steps and how they will be using this information. Carlos will be meeting with Maura to create a work plan, then opening up the opportunity for people to join the Expansion committee.

Mark Bowers said hello and expressed his concerns over the closing of the salad bar.

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April Working Meeting Report

On April 3rd, 2023 9 of 10 Board Members met for their monthly working meeting from 7:00 p.m.-9:00 p.m. to discuss expansion, the Expansion Committee, and the Board Budget Proposal for the upcoming fiscal year.

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: 16,164

Current total fully paid Member-Owners: 13,875

New Member-Owners: February - 43 (4 refunds)

Total Member equity: November - \$1,625,243

Total Member-Owner sales: April - \$628,919 (\$978,205 total sales – 64%)

Register Round-Up Total:

April-June Recipients: raised to date \$192.44

Tree Pittsburgh - <https://www.treepittsburgh.org/>

Feed the Hood PA - <https://www.justsaychef.com/community>

January-March Recipients: \$1,607.26 *MMS is rounding this up to \$2,000 from their budget so each recipient gets \$1,000.

POWER – <https://power-recovery.com/>

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

Operations Update:

- YTD sales week ending 4/9/23: \$9,325,344, which is -4.3% below PY sales.
- Seedlings have arrived!!! We have 2 seedling vendors to start this year: Verona Plant Company and Grow Pgh.
- We replaced the tile flooring in the kitchen and juice bar area and had a deep clean of the kitchen this past month. This was done in two phases. The first started with replacing half of the kitchen tiles due to needing repair. The new tiles looked so nice and made the rest look just in need of replacement, that we ended up deciding to replace the remainder of the tile flooring. We deep clean the kitchen annually, usually around the same time as getting our hood system cleaned, to get the hard-to-reach areas of the kitchen.
- April kicks off event season! Our Spring Member-owner drive is the week of April 24th! Clothing Swap (4/15); Re-potting class (4/19); Forest Bathing (4/22).
- Wellness Wednesday returned on 4/5 and Earth Week (4/17-4/23) we will have a 20% off the Bulk foods section!!
- NCG's Spring DR meeting is the week of April 24th (April 25th-28th). It is hosted in San Diego, CA.

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Updates & Clarifications:

- Maura added Year to Date sales to this report. We are behind YoY sales compared to last year by 4.2%
- Marty was struck by how many fully paid members there are this month compared to last month. There are 2,204 people who paid up, is there an explanation for that?
 - Maura might have pulled that information from a different document by mistake.
- Thank you for including the percentage of sales from Member-Owners in this report.

Management Report

Luke provided an update on the Café. The decision to close the salad bar was unfortunate, but we were composting more weight than we were selling. The Café sales never returned to what they were prior to the pandemic. Once we move into a new space, it will give us a chance to refresh the Café in a way that would make it both financially viable and more attractive to customers. We are looking to use the labor we have more efficiently. We are still hiring for the counter and hot bar; we do not currently have any hot cooks. Luke will look into a labeling program to create labels for the Grab and Go items. The Grab and Go is moving in a positive direction, as salads and juices are selling well.

Questions/Comments:

- Carlos suggested we look into starting a Ghost Kitchen. Luke stated that we have the equipment and resources, but not the labor. This is something we could possibly explore in the future when we get into the new store and have more staff.
- Ariel suggested reaching out to the community to find local folks, such as recent high school graduates, who are qualified to work in the kitchen.
 - The way we hire is fairly consistent because of the structure of the Union. We are looking for full-time staff, which is difficult to find with high school folks who might still be in school with limited availability.
 - Are there any trends with people who are applying but are not a good fit? Who is not getting called back?
 - There are not really any trends, we are just not receiving a high volume of applications. There have been more applications since the wage increase. Managers are looking at things such as scheduling and if candidates would be a good fit to work at a unique place like the Co-op. We have high standards for our staff, especially in the Café kitchen.
- Debi suggested adding job status classification (Full Time or Part Time) to the online job postings.

Shawn, Brian, and Maura had a Finance Committee meeting last week to discuss the issues that have come up with Sage. We are in the process of implementing a new accounting platform called Sage, which will allow us to perform accounting in-house. Previously, we used a platform called FMS, which is essentially an outsourced bookkeeper. We had some drawbacks with that system in terms of getting information in a timely manner and analyzing the data. We formally switched over from FMS to Sage in November. When it came time to do the bank reconciliation for November, we did not get the formal rec from FMS until late January/early February. Once it was received, Shawn began the process of reconciling the cash and ran into some issues. The software was requiring him to match up checks that were still outstanding and had not yet cleared. He will be working with a representative from Sage through Base Camp, which is a communication platform for project management, to clear the rest of the issues. Once these issues are addressed, he will start the process of closing November. After that is completed, things should start falling into place so that he can formally complete a B1 Report with accrued and reconciled balances. Shawn believes we will have a net loss for the year. This is due to our budgeted sales, which we are behind by about 8%. When we contemplated the budget last year, it did not account for the wage increase. We thought these additional costs would be potentially offset by patronage dividends. We currently have about \$1.8 million in cash balances. We

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plan to switch from PNC Bank, potentially to Dollar Bank, within the next 3-6 months. He is looking into additional ways to invest the cash we have.

Questions/Comments:

- Can you discuss the anticipated loss?
 - In the past 12 months, our cash flow position has decreased by approximately \$115,000, but a lot of that is not operational. We have acquired some fixed assets such as the deposit on the new front doors. Since the wage increase, our payroll has increased by approximately 10%. Shawn isn't concerned about the loss, but is more so thinking about what could change in the upcoming years.
- Is it possible to switch from a bank to a credit union?
 - The EEFC Credit Union might not be able to handle our account but a larger credit union possibly could. Shawn is willing to look into this if any Directors have any suggestions.

A-Ends

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
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Maura's interpretation of this report is that "We are here to grow and enrich our community through the growth of our co-op by providing local food from our local food system; by being more socially and environmentally sustainable; and by engaging with our community to help them enhance their happiness and health."

Updates:

- Maura provided the report to the Board in early April so that Directors could have more time to review it before this meeting.
- We are reporting reasonable progress in achieving our ends so far this year, therefore reporting compliance with this report.
- Despite sales growth not being where we anticipated it to be, what Shawn and Maura have learned over the past few years is that the pandemic has changed how we look at budgeting. Other Co-ops in our network and the food industry as a whole are struggling with the same things that we are.

Questions/Comments:

- A few Directors stated their appreciation for receiving the report in advance.
- In an ideal situation, if you could pick a piece of this data, what would it look like if you could do everything in that area that you wanted to do? I am not looking for an answer today, but asking if you could dream big about the Co-op using this report as a frame.
 - Becoming WIC certified would make us more accessible on many different levels. It's a well-utilized program that supports a huge part of our population. WIC is an opportunity that creates access to food. If that brings people to our store and exposes them to all of the other great products that we have, that increases our accessibility. It helps our image of being "too expensive". It should be easier to bring WIC in but it's not. Because of their inventory limits, the minimum inventory that we would have to carry isn't as accessible with our current vendors so we would have to find a conventional

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vendor. There are Co-ops that do this, such as Mariposa here in PA. Mariposa is WIC certified and has WIC products. Part of the reason they are able to do that is that there is a group of Co-ops in Philadelphia that work together to have access to conventional vendors that they can meet minimums for.

- Since this would be a fundamental change from what the Co-op is, the by-laws would need to be changed.
- Perhaps make this a working group, focused on WIC certification

Decision: The Board accepts the A-Ends report as compliant.

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

Committee Updates:

Resilience

Laura and Brian have been discussing edits to the committee charter. They are trying to schedule meetings at a time that will work for everyone.

Finance

At the last meeting, the Committee discussed the issues that have come up with the implementation of Sage. In anticipation of having a B1 Report next month, they will hold a meeting before then. The Committee still needs to draft a charter.

Board Perpetuation and Elections (BP&E)

The committee charter has been drafted and is ready for the Boards approval. There is not much going on until the election in a few months.

Member-Owner Participation (MOP)

Four of the six members of the Annual Meeting working group met last week. They are hoping to have a site and date nailed down in the next month. There has been discussion of having the Annual Meeting in the evening on a weekday so that it could be more accommodating of people's schedules. An idea was brought up to serve beer during the social hour, which could attract more people, but we need to be mindful of people in recovery or who do not drink alcohol. It could be a good idea to have an alcohol-free event. We could possibly showcase beverages from the Co-op such as kombucha, tea, and mocktails. The potential sites in consideration are Hosanna House, The Union Project, and The Eastminster Church, and the meeting will take place sometime in November. A draft of the Member Engagement Survey is saved in the MOP folder on the Drive. We are going to defer the survey until after the email goes out regarding expansion. The MOP Committee Charter was approved without objection.

Expansion

The Committee Charter has been updated to reflect the discussion at the working meeting and was shared in the chat. Carlos, Maura, and Elly are trying to develop a work plan and hope to have a site and sufficient details to share at the Annual Meeting so we can start a fundraising campaign. The Expansion Committee Charter was approved without objection.

Compensation and Team Relations

The Committee met with Maura to get to know one another. They are still working on the draft of the committee charter.

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Executive

There were no updates to provide.

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, May 15, 2023

Packet submission due: Monday, May 8, 2023

The meeting adjourned at 9:00 p.m. without objection.

The Board and General Manager entered Executive Session at 9:00 p.m. to discuss expansion and adjourned at 9:38 p.m.
