

Adopted Minutes  
East End Food Co-op Board Meeting  
Held Remotely via Cisco WebEx  
June 19, 2023

**In attendance:**

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

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

Member-Owners: John, Josh, Caoimhe, Megan, Karen B., Steve, Breezy, Julius Thomas, Erin N, Jason

Board Clerk: Jessie Ryan

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**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.

**Amend/Approve Agenda**

**Decision:** The meeting agenda was approved without objection.

**Amend/Approve Minutes**

**Decision:** The May meeting minutes were approved without objection.

**Member-Owners Open Session**

Megan Moffitt attended the meeting as a Co-op member and Union Officer. She wanted to acknowledge that the recent termination of a Board and Union member goes against the Co-op's Ends Statement of creating a happy and healthy Co-op. She would like the people who have the power in the Co-op to reconsider this action and determine if it falls under the Ends Statement as previously stated.

Caoimhe took a moment to address the Board and Management. They questioned how the Board and Management are going to prioritize health, safety, and happiness in the workplace in the future. They challenged the Board to see how they can meet The Ends they claim to value. Laura stated that the Board does not know what they are going to do moving forward at this time. She tried to explain that the Board operates on a Policy Governance model, and how the Policies and By-Laws are written, a comprehensive policy and change is the major way to affect this. These things do not happen quickly, it takes time. The Board is doing a comprehensive Code of Conduct review as part of the overall policy review. Marty acknowledged that the Board has been aware for a while that there are significant morale issues that they haven't figured out how to address but they are committed to looking at.

Breezy took a moment to thank Brian and Liz for their hard work. They just wanted to show support from a member-owner perspective.

**June Working Meeting Report**

On Monday, June 5<sup>th</sup>, the GM provided two presentations that the Board required from their May working 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: 16,237

Current total fully paid member-owners: 13,936

New member-owners: May - 38 (5 refunds)

Total member equity: May - \$1,629,918

Total member-owner sales: May - \$626,585 (\$986,962 total sales - 63%)

**Register Round-Up Total:**

April-June Recipients: raised to date - \$1369

<https://www.treepittsburgh.org>

<https://www.justsaychef.com/community>

**Management Team Update: Shawn McCullough, Finance Manager**

**SAGE Update:**

- For Sage Intacct update: we have successfully closed down the months of November, December and January; which means Q2 is in the books. The initial bank reconciliation (bank rec) which was for November, took an inordinate amount of time as this was the first month in closing the books utilizing Sage. So far, the amount of time in closing December and January's bank rec's has been about 1/100<sup>th</sup> of the time it took to close November's. We are in the process of closing February and so far that is going fairly well. All in all; the new accounting system, thus far, seems to be a decent improvement over our legacy system (FMS). We can produce reports which are canned from the platform; and we are in the process of learning report-writing so we can produce specific reports (i.e. specific to department, sales, specific operating expenses, etc.)
- All in all; this has taken longer than I thought it would take; so patience has been appreciated. B-1: Brian has scheduled a Finance Committee meeting for June 26<sup>th</sup> where the expectation is that we will cover all the financial activity up through Q3 (March 2023). If April is completed by then, we will cover that month as well.

**Accounting Dept. goings on:**

- We will begin switching over some of our ACH activity from PNC bank to Dollar bank. We opened a Dollar Bank account several weeks ago. We hope to have all of our operational banking activity switched over to Dollar Bank by the end of the Summer. We will start with some of our smaller ACH's and go from there.
- Electronic/Digital invoicing: MaCall Scott, Staff Accountant and Erin Myers, POS/IT Manager have done all of the work thus far in this area. The end game is that we will no longer have to manually input four of our vendors' invoices into accounting – the largest of which is UNFI (our largest vendor from whom we buy approximately 47-48% of our product). Implementing digital invoicing is expected to save the Accounting department time as a result of not having to manually input UNFI's invoices and is also expected to save time in our Grocery department as a result of not having to code/itemize the invoices for the Accounting department.

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- Deposited additional money into our EEFC FCU bank account; bringing the total balance of this account to ~\$100,000.
- Some items that are on our Summer radar that do not yet have a definitive timeline which will impact the Accounting department are (1) Patronage Dividend and (2) Capital Campaign related to any potential expansion.

**Upcoming Staff and Store Events:**

- Active Threat Trainings have been scheduled for staff to optionally attend 6/29 & 6/30. SET Point is donating their time to offer us these 2 training sessions, and they will also offer us a way to train staff who come on after the training and anyone who is unable to attend in person.
- Heath Care Renewal and Open Enrollment is coming up at the end of June. Change in vision benefits provider will increase benefits while keeping that cost the same. Awaiting union approval so that we can roll out to staff week of June 19.
- Sensory-Friendly Hours anticipated soft rollout on 7/9. Hope to hold sensory-friendly hours twice a week, from 8am-9am on Sunday morning and from 6pm-7pm on Wednesday evenings.
- Summer Staff Picnic: We are looking to try something different this year. We are looking into the possibility of holding our picnic and gathering at Kennywood. Still in the initial phases of consideration. We hope this can be a fun event for our staff.
- The Co-op's fiscal year will end on Sunday, July 2<sup>nd</sup>, and we will be closing early on Wednesday, July 5<sup>th</sup> to conduct our year-end inventory.

**Operations Update:**

- YTD sales week ending 6/4/23: \$11,299,458, which is -3.5% below PY sales.
- The front doors have arrived at the company, however one piece arrived damaged and they are waiting to get the replacement part of it. Once that arrives in the upcoming weeks, it looks like it will take 2 to 3 evenings to install the doors. We are contemplating closing early to reduce the install time and maybe reduce repeated interruptions to staff and customers, but more to come once we know more about the install time frame.
- June events: Pop Houseplants 6/9; Body Inclusive Yoga 6/12; Carnivorous House Plants 101 6/30

**Updates & Clarifications:**

- We have installation dates for the doors to the front entryway. It will be done over 3 evenings: July 3<sup>rd</sup>, 5<sup>th</sup> and 7<sup>th</sup>.

**Questions & Comments:**

- Tom pointed out that the total member equity was the same this month as it was last month.
  - Maura stated this was just a mistake; this month's total member equity was \$1,632,360
- Is there any update about the "Green Team"?
  - We have only put together the idea so far. There is no update on the rollout just yet. Maura is working on the Strategic Plan for next year, so she is thinking it will be a part of that process. Hopefully, the team will be created within the first quarter of the upcoming fiscal year.
- Marty asked why the Active Threat training is optional. If there is a situation, the need for everyone to know exactly what they need to do is so important. What was the rationale behind making it optional?
  - We negotiated this with the Bargaining Unit. SetPoint has offered to help us create a training tool to have on hand. We want to try to make sure this is the least traumatic experience for someone who might be triggered by these conversations. We are working with SetPoint and UE Officers to make sure the training is as inclusive as it can be but informative as well.

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- According to the Weekly Sales chart on Page 17, over those 7 weeks, we are up approximately \$13,000 over last year. Seems like sales were reasonable. Is there any more information you can provide?
  - When Maura reported this, the sales were at 3.5. As of this week, we are at 3.3, so we have steadily been crawling out of that negative sales growth. This is normal for this time of year.
- Anything unusual going on with the expense side?
  - Shawn shared that since this report was written, we have closed February and are in the process of closing March in the next few days. He is now working on creating reports with relevant data so they can be utilized by Managers. We did make a small amount of money in Q2. Most of our losses were in the first quarter.
- What can the Board expect in terms of the next B1?
  - The next B1 will include Q2 and Q3, and possibly Q4, as MaCall and Shawn seem to be closing the months more quickly. They enter the data, review it, and produce some reports to make sure that things look right. Something looks off with our current liabilities and our cash, as they appear to be a little understated. Shawn is thinking this is a function that SAGE records to the bank reconciliation. When he looks at the ratio of cash to current liabilities, it's still the same, it just looks like we have fewer payables and less cash. It's a matter of presentation as opposed to actual financials. Shawn will have a better understanding of what the B1 presentation will look like by next week. By Monday, March will be closed, so he will have information for two B1s for the July Board Meeting. We can discuss what it will look like to have a third B1 for July.
- Is it possible to get departmental figures?
  - Shawn can get departmental statements that include sales, cost of sales, and employee expenses (covers BU and Non-BU).
- Are these departmental statements available to the Board?
  - It has been discussed in the past that we will not be talking about departmental statements with the Board.
  - Maura has offered to give general overviews of departments in closed sessions.
- What is the cost of payment processing?
  - Approximately 1.3-1.4% per transaction
- Can you tell us about the status of Open Books Management and the history of it at the Co-op?
  - OBM was a meeting that Shawn held once a week, for 15-30 min. Folks from each department would show up and review the finances of the Co-op as well as the individual departments. They would review sales, cost of sales, and employee expenses, compared to last year. They would focus on Week over Week and Year over Year numbers. The meetings got moved to a different day and attendance decreased. Once we have the new accounting software down, we can talk about resuming those meetings.
- When will the Board get an update on the upcoming Board budget?
  - This will be discussed at the next Finance Committee meeting as well.

**Committee Updates:**

**Resilience**

The Committee did not have any updates to share.

**Finance**

The Committee will be meeting on Monday. They will be discussing everything Shawn shared previously in this meeting, the Board and Store budgets, and how this ties into the Strategic Plan.

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

The Committee will not be meeting until closer to the election. BP&E was supposed to get an article in The Cooperator to begin to announce the election. Tom inquired about the current schedule of publication and when the deadline is to submit an article. Debi stated that the deadline is July 15<sup>th</sup> for articles to be published in the August edition.

**Member-Owner Participation (MOP)**

The Committee will meet next week. The Annual Meeting is scheduled for November 8<sup>th</sup> from 5:30pm-8:00pm at the East End Cooperative Ministries. Marty mentioned participating in a Coat Drive in October, where we could collect coats for donations. The survey is finished, but we have previously talked about holding off on sending it out until the Expansion Member Forums wrapped up. Marty will discuss the next steps for the survey with Elly at the next meeting. The Committee has been talking about starting a book group based on the books sold at the Co-op that align with our principles and values. Six of the Committee members met at the coffee shop across the street for a pilot and it went well. They have already scheduled a second meeting. Once it gets going, we want to figure out how to involve more of the membership, making it open to everyone. The Free Fridge and Volunteer subcommittees have not met recently; they are on hold at the moment.

**Expansion**

The Committee met with Fran on June 12<sup>th</sup>. Fran's report was helpful, gave some good insights, and it feels like we are progressing in the right direction. Carlos worked with Mia to look at some expansion of service alternatives. A key concern being once we relocate, we will have more competition as there will be more square footage of grocery/retail stores on Penn Ave. Tom followed up with Elly in regards to sending a communication to the membership summarizing what was learned in those sessions. Elly has already started a list of questions that represent the main concerns of the members that attended. There were upwards of 50 online submissions in addition to those who attended the sessions. They hope to have that email sent out by next month.

Liz asked if the Board was able to see the actual feedback instead of just a summary?

- Tom doesn't see why this wouldn't be available to Board members, so he will post it on Discord.

**Compensation and Team Relations**

The Committee is now called the Labor and Team Relations Committee. They are still finalizing a charter; a draft was sent out to the Board to review. Meetings will be held on the 2<sup>nd</sup> Tuesday of the month at 7:00pm.

**Executive**

The Committee did not have any updates to share.

**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, July 17, 2023

**Packet submission due:** Monday, July 10, 2023

The meeting adjourned at 8:08 p.m. without objection.