

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

In attendance:

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

Management: Maura Holliday, General Manager; Tyler Kulp, Produce Manager

Member-Owners: Courtney, Paige I., Mark, Josh, Barbara, 2 Call-in Users

Board Clerk: Jessie Ryan

Absent Board Members: Laura Valentine

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 June meeting minutes were approved without objection.

Member-Owners Open Session

There were no comments from member-owners in attendance.

July Working Meeting Report

On July 10th, the full Board met and reviewed Expansion Committee in alignment with policy D6.5, went over the Finance Committee updates, and re-evaluated the Board's budget proposal.

Liz joined the meeting at 7:13pm.

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: 16,270

Current fully paid member-owners: 13,978

New member-owners: June – 41 (7 refunds)

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Total member equity: June - \$1,635,385

Total member-owner sales: June - \$597,817 (\$947,991 total sales – 63%)

Register Round-Up Total:

April-June Recipients: raised - \$1,780.46

<https://www.treepittsburgh.org>

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

July-September Recipients:

Western PA Diaper Bank – <https://www.wpadiaperbank.org/>

Beverly's Birthdays – <https://beverlysbirthdays.org/>

Operations Update:

- WE ARE GETTING BULK WATER BACK!!!! We have not had bulk water since 2017 and have been trying to get it back ever since. Long story short, Fran FINALLY found a vendor that we can work with. We are hoping that by the end of summer we will have it back!!
- Active Threat Trainings occurred 6/29 & 6/30. SET Point donated 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 unable to attend in person.
- Sensory-Friendly Hours – now being rebranded as “Quiet Hours” – have been tested on 2 Sunday mornings. We are still going to test a few more things out of what we can do (i.e., less noise, fewer lights, no overhead pages, etc.) and then roll it out to the public and see if other days/times are needed beyond every Sunday, 8a-10a. So far, no feedback from shoppers.
- Summer Staff Picnic: We are closing early on Wednesday, August 16th, for staff to go to Kennywood as a staff appreciation event. We are purchasing extra tickets so that folx who want to bring someone(s) can buy extra tickets at a discounted rate. We are going to arrange carpooling to get folx there and back. We will likely rent a pavilion so folx have a central hangout spot, but it really depends on how/if we can bring food in for a potluck meal.
- The new entry doors are fully installed and look great. The company has come to fix a few tweaks, and we will have bars installed on the Produce doors to protect them from the pallets that get brought through that door.
- July Events: 7/7 Chai and Chaat with Popping Mustard Seeds, 7/10 Yoga with All Bodies Welcome, 7/14 Food Truck Friday, 7/22 Co-op Crafts with Reuse, 7/24 Pickles n’ Pop with Community Cultures, 7/28 Food Truck Friday, 7/29 Co-op Crafts with Reuse, 7/31 Intro to Koji and Tempe(h) with Community Cultures.
- YTD sales week ending 7/2/23: \$12,247,449, which is -3.0% below PY sales.

Management Report

- Tyler shared that the Produce Department currently has a lot of local stone fruit such as peaches, nectarines, and plums. They received a shipment of watermelon from North Carolina and are waiting for a local delivery soon. They are also expecting local cantaloupes to be coming in. Seedlings are winding down as there are no new deliveries, and they will be putting the remaining inventory on sale this weekend. Local flower bouquets will be coming in weekly for the next month or so. Sales have been good over the past few weeks.

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Questions:

- There was talk a few weeks ago about resetting and redesigning the Produce department. Any thoughts or updates on that?
 - There are no updates as of now. There may be a six-month lead time on new equipment. We hope to have things coming in by the end of the year, such as refrigerated end caps.

B1 – Financial Conditions and Activities

The Policy Register states, “With respect to the 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 Ends policies.”

Updates/Clarifications:

- The new accounting system has been a positive change. Once the first few months were figured out, Shawn was able to pull together the rest of the report fairly quickly.
- This report includes data through March and the rest of the B1 will be presented at the end of the fiscal year. Shawn already has a lot of that data ready.
- Departmental breakdown by sales – Maura will discuss this further in closed session. Café sales were not planned when the budget was made. Since the hot bar and counter shut down, we have used that time to reimagine what the Café Grab and Go case are capable of doing. We are still moving in the direction to reopen the hot bar and counter. The bigger surprise was Produce; we saw a lot of growth during the COVID years, but now with farmers markets opening again, it has affected sales. Because of this, we will be more conservative this year. Wellness has performed well over the year, but we are seeing a larger dip YoY than the prior year. Maura is assuming this is due to inflation as people are cutting their budget. We brought back Wellness Wednesday to hopefully help sales.

Questions & Comments:

- The introduction to the report states “Plans to offset the losses in the future – expanding the capacity of the Cooperator position, which will ultimately help with potential staffing issues.” What does that refer to?
 - That refers to cross-training, which would help us when one department might be short. We would have the ability to borrow someone from another department in order to fill a gap or provide extra hands. We could offer folks more opportunities to advance in the store and different ways to engage.
- Do we happen to know how much the Café being closed has affected foot traffic/overall sales?
 - Overall sales are a little less than half of the sales loss that we have experienced this year. In terms of foot traffic, weekly transactions are down as well as total overall annual transactions.
- Does it make sense to make space for local wellness vendors to come in and display their products?
 - We have been doing HBA and Supplements vendor samplings since the Spring. Maura will talk with Candace about possibly doing more events.
- Are you confident that we will have a meaningful, complete financial report in the next 3-6 months?
 - We are current in terms of closing out our current quarters. We are in the process of closing out Q4, which can take up to 45 days. Shawn is thinking with the new accounting software, it could take less time. He is feeling confident now that things are on a better path that the reporting should get back on track.
- In terms of audited number, what time differential will that add to the October B1?
 - We should be back on track and Maura will let the Board know if there is any discrepancy.

Decision: The Board accepts the B1 as non-compliant for two sub-policies: B1.1 Allow sales to decline or be stagnant and B1.2 Allow operations to generate an inadequate net income.

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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 Ends priorities, risk financial jeopardy, or fail to be derived from a multiyear plan.”

Updates/Clarifications:

- Maura reported reasonable progress, as we didn’t achieve everything. There were other things that took precedence, such as working with the Officers in getting our wages up to a better starting point, which sets us up pretty well for contract negotiations.

Questions & Comments:

- Could you talk about the status of the Store Operations Manager?
 - We are in the interview process and should wrap that up next week. We hope to make an offer and get the person in that role by the beginning of August.
- Are there strong candidates?
 - Yes, there are two internal candidates that we are interviewing.
- Why is the Co-op looking to get a Store Operations Manager?
 - Maura had the plan for when we had a space to open a new store, we would need an Operations Manager to make sure that we are taking good care of that store. The Board thought it might be helpful to bring in that person now to assist Maura so she could spend more time on Strategic Planning initiatives. She hopes this person will help us improve our internal processes and procedures, pay closer attention to the margins and pricing, and better support the day-to-day operations.
- What is the projected cost of adding an Operations Manager?
 - It’s within the budget that we have lotted for this fiscal year.

Decision: The Board will review this report along with the Budget and Strategic Plan at the August Working Meeting, then make the final decision.

B3 – Asset Protection

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

Updates/Clarifications:

- Maura reported full compliance on this report.
- We have made efforts to move our main operating bank account from PNC Bank to Dollar Bank. We are hoping to have that finalized in the next few months. Shawn also wanted to point out that we have increased our EEFC account balance from \$36,000 to \$91,000 over the last year. We have been reassessing how we manage our bank accounts and want to make sure we are investing with more of a mission-based business model. We should have some savings in banks fees of around \$5,000-\$6,000, which will help with cash management.

Questions & Comments:

- Is customer count every transaction?
 - Yes, it is.

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- In reference to B3.9, do you have any thoughts, more forward looking, at what risks you think about related to maintaining the Co-op's public image? Examples that were provided were additional competition moving into the neighborhood and going into a union contract negotiations year.
 - We will be more open to having more stories talked about relating to Expansion and the Capital Campaign.
- What constitutes the public in your interpretation of B3.9? What other forms of evidence can we include in this report so it can be better reported in the future?
 - Maura has not revisited the interpretation of this report or changed the operational definition in the past few years. She is open to feedback from the Board if there are alternative ways to approach it.
- I think that the lack of café/hot bar is important. My draw to come to the store is slight because there is no place to eat or socialize.
- Why did we compare the customer count to 2021 instead of 2022?
 - Maura chose 2021 because that marks the end of COVID mitigation. That was our opportunity to no longer have to meter customers, reduce how many people were in the store, etc. which allows us to get back towards the pre-pandemic transaction counts.

Decision: The Board accepts the B3 with consequences; the consequence is to change the operational definition next year.

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

Committee Updates:

Resilience

The Committee did not have any updates to report.

Finance

The conversations from the last Finance Committee meeting were discussed during this meeting and reviewed through the reports. They did talk about some alternative suggestions to what was proposed with the Board Budget. The Board needs to be in agreement with the changes being proposed, then Tom will take this information to Maura.

Board Perpetuation and Elections (BP&E)

Elly and Tom have been in discussion about the Board Elections. Since the Annual Meeting has been pushed a little later, they are hoping to open the candidacy period in mid-August. The Committee will begin meeting more regularly and will focus on candidacy and the election.

Member-Owner Participation (MOP)

The Annual Meeting is scheduled for November 8th. We have a contract and a deposit ready to send in. Elly is going to prepare a Save the Date for the Annual Meeting, as well as a flyer/brochure and have that out by mid-August. Elly is going to convert the survey into a Google Form and get it out some time in early August. MOP has started a pilot for a book reading group and they have met twice so far. They are trying to figure out how to bring more member-owners into the project to get people more engaged with the Co-op. An idea came up of creating several smaller book groups focused on the Co-op's values and principles such as food justice, racial justice, environmental justice, community, etc. The idea is to invite member owners to participate and think about what they want the Co-op to be.

Expansion

The Committee had a productive meeting last time, as site plans are coming together and we are moving in the right direction. Carlos has been talking with Fran about funding sources and putting together a funding strategy.

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Labor and Team Relations

They will be sending out the final version of the Committee Charter to Directors for approval.

Executive

The Committee has been more involved this year, continuously looking at how we operate as a Board. They are taking into account things that the current Board Members have noticed and are finding ways we can improve.

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, August 21, 2023

Packet submission due: Monday, August 14, 2023

The meeting adjourned at 8:45 p.m. without objection.