

Adopted Minutes
East End Food Co-op Board Meeting
Hybrid Meeting held in EEFC Conference Room and via Cisco WebEx
September 19th, 2023

In attendance:

Board Members: Ariel Barlow, President; Laura Valentine, Secretary; Fritz Geist, Marty Seltman, Tyleda Worou, Tom Pandaleon

Management: Maura Holliday, General Manager; Shawn McCullough, Finance Manager; Tyler Kulp, Store Operations Manager

Member-Owners: Chad, Breezy, Erin, Jason, Jim Barr, Kelsey

Board Clerk: Jessie Ryan

Fritz Geist announced their resignation from the Board effective 9/30/23.

Introduction

Fritz called the meeting to order at 7:18 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 August meeting minutes were approved without objection.

Tom joined the meeting at 7:25 pm.

Member-Owners Open Session

Breezy took a moment to say hello and introduce herself. They also thanked Fritz for their Board service, as they have been a great advocate for the Union. The Union supports all the work that they have done.

Jim Barr has been a member for about 9 or 10 years. He was interested in attending the meeting to see what the Board was about. He asked if all products are required to have an expiration date on them. Maura replied that there is usually a best by, use by, or manufactured on date but it varies by product. He also expressed how great the Café was. He questioned if there were any state regulations the Co-op would have to conform to in order to open the Café again. Maura responded, “No, we just need to have enough people to produce the food.” She also mentioned that there was a change by the Health Department regarding managing leftovers that isn’t sustainable for us to maintain, which is why we closed the salad bar.

Fritz passed along a question that is often asked in the Front End by member-owners. Have there been any updates on the Café? Maura stated there was nothing new to report and the goal is to have the Café up and running in some way by January 2024.

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September Working Meeting Report

There was no report provided.

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: 16,364

- 14,044 fully paid Member-Owners

New Member-Owners: August - 44 (4 refunds)

Total Member Equity: August - \$1,642,685

Total Member-Owner sales: August - \$574,100 (\$930,551 total sales – 61.7%)

Register Round-Up Total:

July-September Recipients: raised - \$1,137.00

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

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

Management Team Member - Shawn McCullough, Finance Manager

Operations Update:

- September events: 9/1 – Food Friends Friday with *Mana Meals*, 9/8 – Food Friends Friday with *Mandu Handu*, 9/9 – Plant pop-up with *Greenhouse Co-op*, 9/11 – Monday Morning Yoga with *All Bodies Welcome Yoga*, 9/15 – Food Friends Friday with *Mana Meals*, 9/22 – Food Friends Friday with *Catatouille*, 9/23 – Pittsburgh Urban Farm Tour, 9/29 – Food Friends Friday with *Mana Meals*, 9/29 – Collaborative Wellness Painting Session with *pAint No Stress*, 9/30 – tabling at *Swissvale Farmers Market*
- NCG's Fall Meeting for DR's is September 20-21, I will be traveling Tuesday and Friday for that meeting. The meeting is hosted in Minneapolis, MN.
- We have signed a contract with NCG to begin the process of switching to a cloud-based database system for our member-owner information. This process will streamline and update our current database and can eventually be linked to include a marketing component. The system will be built in the fall, with an intended "go live" timeframe of January 2024.
- We are in the process of transitioning our online communication platform, beeper, to Paylocity which has a very similar communication feature called Community. This will be the final step in the path we have been on since switching to Paylocity, to streamline our different applications in the store.
- YTD sales week ending 9/10/23: \$2,333,687, which is 6.1% above PY sales.

Updates and Clarifications:

- Maura updated the budgeted sales growth that we have for the fiscal year to match what it actually is. The graph on page 15 does not reflect what we actually passed as our budget but does now and will in future reports. So far this year we have been exceeding what we budgeted.

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Questions/Comments:

- There are over 2,000 members who are not paid up. Do we know how many are still continuing to pay or still continuing to shop regularly?
 - Maura doesn't know if we can track how often they are shopping because they would still be using a temporary member number. This will be fixed when we move to the new CRM software. Everyone who is on a payment plan will get a unique number. Leslie does have a list of members who are not paid, but Maura is not sure how often she is reaching out to folks to get payments.
- What is a DR?
 - That is what NCG refers to as the point person at each member co-op within NCG. It is a designated representative that can get all of the important notifications. Typically, it is the GM.
- Are there other Co-ops out there that the DR is not the GM?
 - There are a few. There is one Co-op that is a collective but they have the same point person every year.
- It's nice to see that the basket count and customer count went up at the same time.
 - It has been a good year so far.
- In regards to the re-opening of the Café, would this include the installation of the new equipment?
 - It would be great if they coincided but one is not incumbent on the other.
- What is the new equipment in the Café?
 - We are going to replace the salad bar with a new Grab and Go case and a new bakery case.

Management Report:

- Shawn shared that MaCall and Erin oversaw the switch to electronic invoicing for four of our big vendors: UNFI, KeHE, Select Wellness, and Alvis. He is hoping this eliminates some of the coding being done by the buyers.
- We are switching our primary operating account from PNC to Dollar Bank.

B1 – Financial Conditions 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 Ends policies.”

Updates/Clarifications:

- We are submitting this report as non-compliant on one sub-policy B1.1 “GM will not allow sales to decline or be stagnant.”
- Because of the function of the 52/53 week year, every six years we have a 53rd week in the fiscal year. That expresses itself as a 14-week quarter for the 4th quarter. Per week sales are actually higher.
- Overall, it was a bad year. The first quarter was the worst; we lost about \$176,000. A lot of that was due to the opening of Whole Foods at that point in time. Also, as COVID lessened, more people started traveling away from Pittsburgh, doing things that they hadn't been able to do for the previous couple years. Also, last year's inventory was high.
- Cash is relatively high compared to other Co-ops our size. Our cash on hand is approximately 46 days.
- We had about five consecutive years of net income. Right now, our cash stands at around \$1.8 million, so we have lost a couple hundred thousand in cash over the past 16 months. Cash doesn't always mirror net income.
- Sales have rebounded for the first quarter of this year.

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- We have one outstanding loan that we incurred during COVID; the EIDL Loan, which is a 30-year with a low interest rate of 3.75%.
- Some of our ratios have improved because our payables are lower.
- The B-1 could look a little different going forward with the new accounting platform. It may be more graph and ratio-based as opposed to commentary-based. It should be easier to interpret without being weighed down.

Questions:

- In regards to the EIDL Loan – did payments begin in January of 2023 as predicted?
 - Yes, they did.
- When Whole Foods opened in August of 2022, we took a hit. Was that a factor in the Café closing around the same time?
 - Yes, it was. That is usually a higher-margin department, so it was affected as well.
- At the Annual Meeting, we will have to own the financial report and be transparent to members.
- Can you give us a year long synopsis of the Café sales? Has the Grab and Go case actually improved sales?
 - Around the year-end of the fiscal year, the Grab and Go sales have rebounded to about 88% sales growth over the year. That is why we are taking our time reopening. We want to make sure that we are not overextending ourselves; we want to make sure when we open the hot bar, we can still keep the sales and products in the cooler like we have this past year. That growth was astoundingly high.
- What is the nature of the additional three-month pause to reopen the Café? What is holding us back?
 - Hiring. We just hired one of the two Hot Cooks in order to get us in the right direction. We also hired a Dishwasher prior to the Cook. There are others in the interview process.
- What does the future of the Café look like?
 - There will be no cold bar or salad bar at this current location. We have plans to offer a simplified menu for the Counter at some point. The hot bar would be simplified as well. It will depend on growing with the ability to maintain. The hours could be different.

Decision: The Board accepts the B1 as non-compliant.

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

Committee Updates:

Resilience

The Resilience and Expansion Committee have folded together, so it would be worthwhile to wait for an update from Carlos.

Finance

The Committee did not meet prior to the B1.

Board Perpetuation and Elections (BP&E)

The staff election has been a source of disappointment as the only candidate is no longer employed at the Co-op. The goal is to have the one-year staff seat filled for the remaining two months of the term, but the Committee needs to decide if that makes sense. Fritz will work on putting together the staff election survey that was executed last year. There is a committee meeting on the calendar this week and tabling to begin pushing candidacy and the Annual Meeting still needs to be scheduled. They would like to have one or two sessions for prospective candidates to learn about what Board service is like and have a few Directors attend the sessions to be available for questions.

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Member-Owner Participation (MOP)

The Committee is continuing to plan the Annual Meeting. They have a tentative menu from Mana Meals, but there are still a couple of things to figure out before the contract is signed. Last month, the Book Club and the Annual Meeting working group met to discuss the book “The Art of Gathering”. The idea was brought up to have tables set up for various committees and groups while people are gathering and eating, before the formal meeting begins. This could give people the chance to meet and engage with each other.

Labor and Team Relations

The Committee had no updates to provide.

Executive

The Committee had 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, October 16th, 2023

Packet submission due: Monday, October 9th, 2023

The meeting adjourned at 8:14 p.m. without objection.