

Adopted Minutes
East End Food Co-op Board Meeting
Hybrid Meeting held in EEFC Conference Room and via Cisco WebEx
February 19th, 2024

In attendance:

Board Members: Tom Pandaleon, President; Carlos Gasca Yanez, Vice President; Desmond Zheng, Secretary; Tyleda Worou, Treasurer; Mark Bowers, Lucia Covato, Nico Demkin, Nick Leise

Management: Tyler Kulp, Store Operations Manager; Jeff Guerrero, MMS Manager; Jen Girty, HR Manager

Member-Owners: Josh Trapp, Fritz Geist, Call-in User_1

Board Clerk: Jessie Ryan

Introduction

Tom called the meeting to order at 7:02 p.m. and Mark 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: Tom added the Café Proposal discussion after the February Working Meeting Report. There were no objections.

Amend/Approve Minutes

Decision: Nick motioned to approve the January meeting minutes as written. Second by Nico. There were no objections.

Member-Owners Open Session

Call-in User_1 expressed concerns with the Co-op's customer service. Tyler provided his contact information and encouraged them to reach out with their concerns.

Fritz shared that contract negotiations have been going well. They have reached a few tentative agreements so far. They thanked Jen and Tyler for their hard work. They will be going into the economic phase next. The goal is to have a fair and strong contract so we can be a stronger Co-op. Tyler and Jen thanked Fritz and the Negotiating Committee for their hard work as well.

February Working Meeting Report

The Directors met with Tyler Kulp and Erin Myers on February 5th to discuss relocation, the HR Audit, contract negotiations, management structure, email correspondences from Fritz, the GM search, and the charters for the committees. The Board has signed a contract with an HR Auditor, Columbus Brooks, HR Consulting. They will be exploring options as a result of matters that have been brought to the Board by staff. The audit will commence in the next few months. In regards to the GM/Management structure, the Board is not in a rush to engage in a GM search at this time. They are confident in the IMT and will be taking things slowly. The Board has agreed to give Maura a severance package equal to one month's salary.

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Tom addressed some of the key points from the email that Fritz sent to the Board:

1. The Co-op does not currently have a policy in place for offering resources to staff during trying times, for example, the Israel-Gaza War. Management is open to individual staff members coming to them and requesting resources and relief when a tragedy such as Tree of Life happens. As far as a formal program, the Co-op has not put anything like that together but is open to the discussion.
2. In regards to closing the store for part or all of the day during particularly trying times, there is not currently a policy in place. Now that it has been brought up, Management will be discussing what that policy could look like so there will be consistency when a decision is made to close the store. They are open to suggestions from staff members.
3. In regards to Feed the Children soliciting outside of the store, The Board and Management agree that they were unaware of the organization's shortcomings regarding inequitable treatment in certain areas. Since these matters have been brought to their attention, it will factor heavily in whether they are welcomed back.
4. In regards to the sale of Israeli products at the Co-op, that gets into a broader concern of conflict. The reason the Co-op is still selling these products is because they are supplied to us, we are not requesting them. As far as making the decision to engage in a boycott of all products from a particular country, that would need to be a community decision. There is a mechanism in the by-laws regarding petitions to do so. The Board is open to discussing this, as a significant portion of the Membership has made this type of request. Fritz pointed out that other Co-ops do not purchase products from conflict areas.

Questions:

- Are there formal screening criteria for people who can solicit funds outside of the store?
 - Jeff stated that there are no specific criteria for solicitation. The space outside of the store is reserved for community partners and select entities.
 - Tyler mentioned adding this discussion to the IMT agenda. We should have a clearer process of vetting applications, similar to what we do with vendor applications.

Tyleda joined the meeting at 7:31 p.m.

Café Proposal/Directive

The Board is asking for Management to present them with a plan to reopen the Café. The proposal was sent to the IMT this afternoon. This is an opportunity for the IMT to outline how to do it and implement a plan. They offered a number of scenarios and asked for a plan to address those. The Board would like to open the Café in any way possible, to some capacity. A few ideas that were discussed were serving drinks, prepared foods, quick order items, and not necessarily opening the Cafe every day. It could be worthwhile to see how other Co-ops run their Café. The Board would like to have updates throughout the process and will discuss them at next month's Working Meeting.

GM Update

Tyler 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.'

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Membership:

Current total Member-Owners: 16,554
Fully Paid Member-Owners: 14,210
New Member-Owners: January - 70 (9 refunds)
Total Member Equity: January - \$1,660,489
Total Member-Owner sales: January - \$637,177

Register Round-Up Total:

January-March recipients: currently raised - \$638.79
Garfield Community Farm – <https://www.garfieldfarm.com/>
1Hood – <https://www.1hood.org/>

Operations Update:

- Contract Negotiations with UE 667 began on 2/6/2024, and will resume 2/14, 2/15, and 2/16.
- YTD sales week ending 1/28/2024: \$7,399,474, which is 7.2% above PY sales.

Questions/Comments/Clarifications:

- Tyler and Jeff attended the PASA Conference. Tyler did a panel presentation on Cooperative's role in the food system. Hanna from Grow Pittsburgh, one of our largest floral vendors, joined the panel.
- What is the biggest contributing factor to the sales growth this month?
 - Last year was very low, with negative sales growth. This number is more of an evening out.
- What is the current focus and practice for increasing margins or growing profit? Who is involved?
 - Grocery is a low margin business, so it's hard to increase margins without raising prices. It is more about efficiency, such as minimizing out of stock items, keeping the shelves full, and keeping customers pleased with their shopping trips. As far as increasing sales, we are just trying to get more people in the store, get our name out there, and emphasize customer service.
 - While NCG was here, they pointed out that 62% of our sales are from members, which is on the high side for Co-ops. They recommended that we look into our discount structure, as we give a lot more discounts than other Co-ops.
- If we stay at this current location, what would be the next focus for profit as far as sales and growth, excluding relocation?
 - Our space has been a challenge for a long time, but reopening the Café is something we want to work towards. We are in the process of purchasing new Produce equipment to minimize shrink on our end caps and sales displays. There is currently a ten-month lead time on the equipment, but we hope to have it in the Spring.
- Can you walk us through the basket size and customer count graph? What is it representing?
 - Customer count is the number of transactions. The higher the customer count, the smaller each transaction size is. Basket size is how much each transaction is purchasing. This graph is showing that more people are buying fewer things.

B7 – Communication to the Board

The Policy Register states, “The General Manager shall not cause or allow the Board to be uninformed or unsupported in its work.”

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Questions/Comments/Clarifications:

- We need to make sure that Board drive permissions are kept up to date during Board and committee transitions.
- Is there a way to provide access through a link with an expiration date?

Decision: Nico motioned to accept the B7 as compliant. Second by Mark. There were no objections.

B8 – Board Logistical Support

The Policy Register states, “The General Manager shall not allow the Board to have inadequate logistical support.”

Questions/Comments/Clarifications:

- Jeff pointed out that Marketing has been working to increase our social media presence by posting more frequently. It’s a great way to encourage people to attend events such as Board Meetings and they plan on carrying that into the next election to encourage members to vote.

Decision: Desmond motioned to accept the B8 as compliant. Second by Nico. There were no objections.

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

Committee Updates:

Resilience

The Committee should have the charter completed by the Working Meeting. They have a general approach of touching on all of the categories such as sustainability, energy, finance, and supply chain, and have been discussing more achievable goals. It would be worthwhile to reach out to the Membership to inform them that this Committee as well as others, are open to join. There was discussion around a “Meet the Board” opportunity/event as a way for the Membership to get to know the Board and have a chance to engage with them. It could be a good idea to have Board Members more present in the store to talk with members.

Finance

The B1 report is coming in March. They will be meeting with Shawn next month to discuss it. Tyleda spoke with Shawn about getting some figures needed for a couple of locations. Once contract negotiations are over, he can meet with the IMT to get those figures. All of the figures are related to relocation, such as how much cash on hand would we need to have, what is the breakeven point in certain scenarios, etc. It will give the Board an idea of what kind of sales forecast they need to look for in the new location. The Committee is working to educate itself about some of these broad questions on financing relocation. They want to make sure they know what sales expectations should be when looking at locations.

Board Perpetuation and Elections (BP&E)

There is a Cooperative Board Leadership Development training offered by Columinate that is held virtually if any Board Members are interested in participating.

Member-Owner Participation (MOP)

The charter is complete and needs to be approved at the next meeting. It is very similar to the charter from last year, but the Ends Statement has been added. At the next meeting on the 21st, they hope to discuss the Member Survey and the Capital Campaign. They also want to focus on community engagement in hopes of getting the community to think more about healthy food and local food systems.

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Labor and Team Relations

The Board needs to discuss the future of this committee.

Executive

Tom and Carlos met with Tyler and Erin to discuss relocation and the HR Audit.

Action Items

Directors and managers reviewed progress or lack thereof on action items from previous meetings. Tom tabled the Action Items for now, as they need to be revised.

Appreciations

Those in attendance took a moment to share their thanks.

Closing

Next Meeting: Monday, March 18th, 2024

Packet submission due: Monday, March 11th, 2024

The meeting adjourned at 8:42 p.m. without objection.

The Board and General Manager entered Executive Session at 8:42 p.m. to discuss relocation and the HR Audit.