Adopted Minutes
East End Food Co-op Board Meeting
Hybrid Meeting held in EEFC Conference Room and via Cisco WebEx
April 15th, 2024

In attendance:
Board Members: Tom Pandaleon, 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, Shawn McCullough, Finance Manager
Member-Owners: Phil, Lisa, Lucy, Delia & Olivia Parks
Board Clerk: Jessie Ryan
Absent Board Members: Carlos Gasca Yanez, Vice President

Introduction
Tom called the meeting to order at 7:05 p.m. 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: Tom motioned to approve the agenda as written. There were no objections.

Amend/Approve Minutes
Decision: Tom motioned to approve the March meeting minutes as written. Second by Nick. There were no objections.

Member-Owners Open Session

Phil sent an email to Tom expressing his concerns and frustrations with the panhandlers in and out front of the store. Since this is an operations issue, Tom passed the email along to Tyler. He will reiterate to the security guards that panhandlers are not to be in or out front of the store. Our landlords are responsible for security in the parking lots, so Tyler will be meeting with them to see how to address this issue in a respectful way.

Delia and Olivia Parks also expressed their discomfort and concerns with the panhandlers around Rockwell Park. They don't feel comfortable or safe shopping at the Co-op. Tom and Tyler explained that we have hired a new security company that will be working extended hours. We are also working with the landlords to increase security in the parking lot.

Lisa inquired about the produce quality. She wanted to know if the Co-op sells products with apeel coating. She would like to see signs posted in the store that guarantee we don't sell these products. Tyler explained that we do not carry products with apeel coating. We don't want to bring attention or cause any alarm to our customers by posting a sign, but we will look into it.

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Tyleda joined the meeting at 7:22 p.m.

April Working Meeting Report
The Board met on Monday, April 1, 2024 for its monthly Working Meeting. The Board has decided to hire Tyler Kulp as Interim General Manager of the EEFC, and this meeting was given over to discuss the transition from Interim Management to Interim General Manager, as well as the undertaking of a Permanent General Manager Search. The Board voted to hire Tyler as the Interim General Manager on March 21st, 2024, via e-mail.

In addition to taking over primary responsibility for EEFC store operations, the Board has set three near-term priorities for the Interim GM. Those are as follows:

1. Successful implementation of the previously agreed-upon Cafe Reopening Plan;
2. Oversee HR Audit and work with Board to implement any changes that Board and Management deem to be necessary based on results of the audit;
3. Re-commence EEFC Expansion/Relocation.

The Board decided on a rough timeline for the undertaking of the Permanent GM Search, with the goal of having that GM in place by January of 2025.

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.'

Membership:
Current total Member-Owners: 16,616
Fully Paid Member-Owners: 14,235
New Member-Owners: March - 45 (4 refunds)
Total Member Equity: March - $1,667,903
Total Member-Owner Sales: March - $827,493 (updated)

Register Round-Up Total:
January-March recipients: currently raised - $1,607.00
Garfield Community Farm – https://www.garfieldfarm.com/
1Hood – https://www.1hood.org/

April-June (Q4) recipients:
Community Human Services – https://chscorp.org/
PFLAG Pittsburgh – https://pflagpgh.org/

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Operations Update:

- Our new produce equipment arrived on 4/5/24. It was a big undertaking for our Co-op, with guidance from NCG & Four Seasons Produce. Frank, Vince, and the produce team were a huge help in getting it installed.
- 4/1 was the first day of our new security company guard service, Kellington Protection. An unarmed guard will be stationed at the store 7 days/week from 12:45pm-8:45pm. This ensures the guard will be here through the end of closing shift for Front End Staff.
- We are holding all-staff meetings the week of 4/15, the first since Maura's departure and the new contract going into effect. We will be discussing several topics including customer service, and an update on the interim GM position.
- Tyler attended a 3 day NCG Spring Meeting in Washington, DC for all Designated Representatives. The first day was an all day training for new GMs.
- Seedlings arrived at the store in the last week of March, so it is officially spring in my book!
- The HR audit is under way as of 4/4. Jen and myself met with Columbus Brooks for a few hours. Columbus will return on 4/19 for the second visit.
- YTD sales week ending 3/10/2024: $8,971,214, which is 7.3% above PY sales.

Questions/Comments/Clarifications:

- Who decided to transition to unarmed security?
    - That came from a grievance that was filed by the Union against Co-op Management. They wanted to hire Co-op employees as security guards, but that was not feasible or safe. The previous GM agreed to switch to an unarmed guard service. It took us a long time to find a guard service that would provide this service unarmed. Kellington is trained in de-escalation techniques. There will be two guards that will rotate shifts. They are responsible for security inside and outside of the store, while Rockwell Park security is responsible for the parking lot.
- Looking at the Sales Growth vs. Budget chart, is this compared to the same week as last year?
    - Yes, it is.

Management Report

There were no additional updates from Managers in attendance.

A-Ends

The East End Food Co-op exists to enhance physical and social health in our community.
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Questions/Comments/Clarifications:

- Do you think that the wage increase will improve hiring?
    - Yes, we have seen an increase in the number and quality of applications that we are receiving in the last couple of days.

- On page 23 we see that local sales have increased since last year, and are about 17% of total store sales. Is there a goal in mind or anything you have done in particular to bump up these sales or is it just by default?
    - We still have some room to increase that number. We have strengthened our relationship with local farmers. We have been bringing in more products and expanding our offerings. We also switched to a local kombucha vendor which has led to an increase in local sales.
- What do the superstar Co-ops do in terms of percentage of local sales?
    - Tyler isn't sure of their numbers, but could contact other GMS and ask. There is not a co-metrics line for that information.
- How do we get local vendors into the store to give samples and talk to customers?
    - We used to have vendors in the store often before COVID. It's something we can talk about bringing back.
- On page 31, it shows a significant discount number each month. Can you explain that?
    - That is the 2% member discount and the 10% quarterly discount. The senior and low income discounts are higher percentage points. With higher sales, we are giving our members more of a discount. Discount structures are something that many Co-ops are discussing. We want to remain competitive but don't want to give away too much.
- Do staff get a COLA increase?
    - It is in the contract that Bargaining Unit staff get a percentage increase annually, usually 2-3%.

Decision: Tom motioned to accept the A-Ends as compliant. Second by Lucia. There were no objections.

B1 – Financial Condition 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."

Shawn gave an overview of the quarter. We made money and had decent sales growth. We achieved all ten financial metrics that we need to comply with. We received the requisite sales growth and net income. The liquidity ratios were good. Our debt to equity was very small as well. The only long term debt we have is a loan from COVID. We took out two loans when COVID hit, around four years ago. The PPP loan was forgiven, the EIDL loan was not forgiven. It was a low interest loan for around $150,000 with a 30 year term and 3.75% fixed interest rate. There was a slight increase in cash over the same time frame as last year. Our cash at the end of the quarter was about $1,800,000, which is around a $46,000 increase. Shawn has made changes to this report over the years and started making it more infographic. The report will change again as a result of our new accounting platform that we switched to in November 2022. However, we didn't get any reports from the previous accountant until February 2023. He tried to break down the report into past, present, and future. We did have a dip in sales around the time that Whole Foods opened. Our current assets are cash and inventory. Around the beginning of June, the Co-op will begin to experience its normal seasonal sales slowdown associated with the summer. The uptick in farmers' markets tend to eat into our sales. Many people are on vacation, so there are less people in the city. Three stores are opening up in the area soon, so we could see sales dips because of that.

Questions/Comments/Clarifications:

- How is the accountant search going?
    - Union Negotiations took up a lot of time and effort. Now that is over, Shawn can redirect his energy to hiring. He is in a good position to start that search soon, hopefully within the next 2-4 weeks. It will require training to get the new employee up to speed. He sees this position as taking care of the recording so that he can focus on the reporting and taking a better look at financials and metrics.

Decision: Nick motioned to accept the B1 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 charter was approved without objection. The charter outlines some of the committee's achievable goals. Nick would like to have members join the committee to share their knowledge base.

Finance

The committee met on Saturday with Shawn and Tyler to review the B1. There was a discussion about the Café, which will be talked about in closed session before talking to the membership.

Board Perpetuation and Elections (BP&E)

There was no update to provide as this committee is not active at the moment. Tom reminded Directors that online workshops are available through Columinate. Mark and Nico are both signed up to take CBLD 101.

Member-Owner Participation (MOP)

Carlos was not at the meeting to provide an update. Jeff did share that the MOP Survey results are available to Board Members on the Google Drive. He will be sending a synopsis of the results with the membership via e-mail.

Executive

Tom, Carlos, and Tyler will be meeting next week.

Action Items

The Board will discuss which Action Items should be carried forward at the next Working Meeting.

Appreciations

Those in attendance took a moment to share their thanks.

Closing

Next Meeting: Monday, May 20th, 2024
Packet submission due: Monday, May 13th, 2024

The meeting adjourned at 9:05 p.m. without objection.

The Board and Interim General Manager entered Executive Session at 9:05 p.m. to discuss updates from the IGM regarding the status of the Café roll-out and of the Expansion real estate search.