Adopted Minutes
East End Food Co-op Board Meeting
Hybrid Meeting held in EEFC Conference Room and via Cisco WebEx
October 21st, 2024

In attendance:
Board Members: Nick Leise, Vice President; Tyleda Worou, Treasurer; Desmond Zheng, Secretary; Mark Bowers, Nico Demkin, Carlos Gasca Yanez, Lucia Covato
Management: Tyler Kulp, Interim General Manager, Shawn McCullough, Finance Manager
Member-Owners: Pat, Syd Blackwell, Mike Murphy, Fritz Geist, Megan Moffit, Jackson O'Connell-Barlow, Jeffrey Fisher, Heather Kenner, Ken, Simone Shapiro, Breezy, Jeremy, George
Board Clerk: Jessie Ryan
Absent Board Members: Tom Pandaleon

Introduction
Nick called the meeting to order at 7:02p.m. and Mike Murphy 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
Directors attending in person checked in to express their feelings and any needs.

Amend/Approve Agenda
Decision: The agenda was approved as written. There were no objections.

Amend/Approve Minutes
Decision: A member in attendance asked for clarification regarding a statement in the minutes. The Directors agreed to follow up with the Board Clerk to review the meeting recording before approving the minutes. Following the meeting, the Directors agreed to remove the inaccurate statement and approved the minutes as amended. There were no objections.

Member-Owners Open Session
Mike Murphy is running for the staff seat and took a moment to introduce himself, give a little information about his background and interests, and ask a few questions to the Directors.

Fritz Geist addressed the recent articles that were published in the Pittsburgh Jewish Chronicle regarding the Union's petition to divest from Israeli-sourced products at the Co-op. They found that the articles provided inaccurate information. The Union is going to continue forward with their petition campaign. The Board stated that they did not have anything to do with publishing the article and did not see it prior. Nico Demkin was interviewed for one article, but did not have a say in what was published. The Board apologized for the errors in the article and will reach out to the author of the article asking for edits to be made.

Several members in attendance voiced their opinions about the recent articles and the Union's petition.

Jeremy and George both attended the meeting to show their support for the Union and their petition.

Tyleda shared that the Co-op is a place for inclusion. We want all members and customers to feel welcome and comfortable. Discontinuing the sale of certain products could stop customers from coming into the store, which could affect our sales. We need to be mindful of the message we are sending. It would be unfair for the Board to take a stance on any political issue.

October Working Meeting Report
At this month's Working Meeting, the Directors discussed the Annual Meeting, the lease extension for Meade Street, the Strategic Plan, and GM interviews.

GM Update
This report is in addition to the monthly monitoring reports. The expectation of this update is 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 active Member-Owners:16,831
Fully Paid Member-Owners: 14,468
New Member-Owners: September – 39 (net)
Total Member-Owner Sales: September – $604,607
FYTD New Members (net) – 100

Register Round-Up Total:
Sep - Dec (Q2) Recipients:
PGH SK8 – https://pghsk8.org/
Pittsburghers for Public Transit – https://www.pittsburghforpublictransit.org/

YTD Total Raised: $1,442 (Q1)

Operations Update:
- Holiday pre-oder menu for the café went live this week! All house-made sides, vegan entrees, pies, and cheese platters to complete or complement a holiday meal.
- We also have 4 different turkey options, from two Pennsylvania farms, available to pre-order. Several size options for each, all meeting our standards of animal care and treatment.
- Our produce department visited Clarion River Organics Farm Day (Sligo, PA), their annual celebration of their farmers and vendors.
- The Marketing dept. is excited for a SOLD OUT Korean cooking class co-hoster with a local vendor Yega Kimchi on 10/30. We even added 5 extra spots due to demand and they all sold out in 2 days. The MOP survey highlighted that food and cooking education are a top interest of our members so we are going to tailor more of our events to directly involve food preparation. So far it seems to be paying off.
- I attended NCG's Fall Meeting at the end of September, in Minneapolis. Approximately 125 GMs from Co-ops all over the country gathered to learn about upcoming NCG program changes in 2025, network with peers, and resource managers too. I also took a 2 day road trip to Maryland to visit Greenbelt Food Co-op in historic Greenbelt, MD a hybrid CV-OG Co-op, and the currently underly

renovation TPSS Food Co-op operating out of a tent and tractor trailer box in their parking lot. Bothe were very informative tours and I am grateful to the GMs who made time to host me.

- YTD sales week ending 10/13/2024: $3,756,382 which is (still) 5% above PY sales.

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."

Shawn provided a summary of the B1 Report. We had net income in Q1 and Q2, and net loss in Q3 and Q4. If we compare Q2 to the same time frame as the previous year, sales were up 5.7%. The Café did better than the store average. We saw larger increases than we budgeted for in cost of goods sold (COGS), personnel expenses, and operational expenses. The COGS increased 7.6% which is due to the re-opening of the Café. Personnel expenses were $829,000 last year and $895,000 this year. The wage increase and additional staffing in the Café account for that increase. Our operating expenses increased by 35% because of expansion-related expenses. Our current ratio is 4.49. For this quarter, we had a net loss of approximately $8,600.

Updates/Questions/Comments:

- What is the total amount that was spent on expansion?
  - Shawn didn't quantify that, just included that number in operating expenses. He would guess around $30,000-$35,000.
- What are your thoughts for the next quarter?
  - The three stores that are opening around us are making Shawn a little nervous. FIM, Aldi, and Fresh Market are all scheduled to open between January and April 2025. All of the stores are much larger than ours and we do predict a sales decrease.
- Have we done a SWOT analysis?
  - We did one for FIM and Aldi. We are looking at a 6-10% decrease in sales, but we don't know if that will happen in the first month or if it will be spread out over several months.
- Have we considered how we can increase our sales per square foot, such as utilizing the salad bar space?
  - Operationally, we will be exploring all of our options.
- Are there quarters in which we typically gain/lose money?
  - We did the exact opposite of what we usually do. Historically, our sales increase incrementally quarter by quarter. Our net income usually follows the same pattern. The third and fourth quarters are always higher by an average of 10%. A lot of that has to do with seasonal produce.

Decision: Lucia motioned to accept the B1 with the acknowledgment of non-compliance. Second by Mark. There were no objections.

Committee Updates

Resilience

The meetings have consisted of only Board Members, as the Committee is not open to members at this time. They are trying to figure out the structure of the Committee without overlapping with other committees. They have some ideas that they are working on.

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Finance
The Committee met with Shawn last week to go over the B1. They are trying to improve our overall profit margins. Shawn mentioned that the average inventory turnover rate is 21 days. Produce turnover is a lot faster, around 3 days, and the center store product turnover is longer, around 35-40 days.

Board Perpetuation and Elections (BP&E)
Tom was not present at the meeting to provide an update. Heather Kenner, a candidate running for the Board, took a moment to say hello.

Member-Owner Participation (MOP)
The Committee met on October 16th and the main focus was the Annual Meeting. We have officially signed the contract with the East End Cooperative Ministries. Mana Meals will be catering the event. The agenda should be finalized soon. There will be time at the Annual Meeting to discuss voting for the Board. All leftover food is going to be delivered to a local women's shelter.

Executive
The Committee continues to discuss general real estate matters, the Café, and the HR audit directives.

Action Items
Directors 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, November 18th, 2024
Packet submissions due: Monday, November 11th, 2024

The meeting adjourned at 8:13p.m. without objection.

The Board and Interim General Manager entered Executive Session at 8:13p.m.