Adopted Minutes
East End Food Co-op Board Meeting
Hybrid Meeting held in EEFC Conference Room and via Microsoft Teams
September 22nd, 2025

In attendance:
Board Members: Tom Pandaleon, President; Nick Leise, Vice President; Tyleda Worou, Treasurer; Mark Bowers, Mike Murphy, Heather Kenner, Frank Noll, Dominika Blach
Management: Tyler Kulp, General Manager; Shawn McCullough, Finance Manager
Member-Owners: Taylor, Iris, Fritz, Breezy, Maggie, Jennifer, Josh, Jeffrey, Syd, Tim, Christine, Bird
Board Clerk: Jessie Ryan
Absent Board Members: Desmond Zheng, Secretary; Nico Demkin

Introduction
Tom called the meeting to order at 7:05p.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
Directors in attendance checked in to express their feelings and any needs.

Amend/Approve Agenda
Decision: Nick motioned to approve the agenda as written. Second by Tom. There were no objections.

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

Member-Owners Open Session
Iris stated that Tyler has lost the respect of the Union. They believe that the way Tyler has chosen to approach an interface with the Union has been adversarial, uncooperative, and bought with bad faith practice that has left members feeling that this relationship in its current form is untenable.

Jeffrey spoke about his personal grievance and how it was handled. He believes that grievances are being denied for procedural reasons and that it is unfair.

Last month, Fritz submitted the Growing Co-op Careers Report, which outlines the Union's career development grievance. The report argues for the need for better career development at the Co-op. They addressed the recent termination of an employee and feel like it was unjust and racially motivated. Fritz shared that Tyler posted a notice in the hallway, threatening termination if staff respond to this firing, and they consider this to be fascist behavior. They stated that members of UE Local 667 are committed to transforming the Co-op into a community of happy, healthy people.

Breezy stated that the Union has been doing its best to follow the procedures that were agreed upon in the contract, and they do not believe Management is doing the same. The Union is feeling frustrated and is asking for help and guidance from the Board.

Josh also referred to the notice that was posted in the hallway, threatening to sue staff in federal court for taking action on the recent termination. They expressed frustration that the Board allows this to happen with no consequences.

Heather joined the meeting at 7:14p.m.
Tyleda joined the meeting at 7:19p.m.

September Working Meeting Report
The Board of Directors met on 9/8/25 for its monthly Working Meeting and discussed the following:

1. Plans for the Annual Meeting, including the Agenda, Candidates forum, food, location, Board roles
2. Proposed Bylaws Amendment logistics, including reminders and tabling
3. Capital Campaign status and anticipated Board roles
4. Election/Candidate Recruitment
5. One-year Board staff seat
6. Status of Game Night program

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: 17,381
New Member-Owners: August - (net) 39
Total Member-Owner Sales: August $605,714 (58.5%)
FYTD New Members: (net) - 80

Register Round-Up Total:
July-Sept 2025 (Q4) Recipients:

Bird Lab - is a Pittsburgh-based nonprofit that conducts research, public outreach and community education about birds and our human impact on resident and migrant birds of Western Pennsylvania.

Pediatric Palliative Care Coalition (PPCC) is dedicated to enhancing the quality of life for children with life-threatening illnesses and their families. They provide comprehensive support and resources to ensure that every child and family facing life-limiting conditions receives compassionate care.

YTD Total Raise: TBD

Operations Update:

- We are beginning the feasibility phase of the Gemini and Front End renovation, but we are waiting on the CAD drawing of our store so that the designers can start their work. We should be getting that from the landlord soon.
- There are two signs on the front of the store that currently don't have working lights. We received quotes from two companies to repair the electrical connection and replace the bulbs with LED lights.

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Finance Update:

- YTD sales week ending 09/14/2025 (week 11): $2,880,120 6.0% growth over prior year.
- Customer count decreased over prior year, a very rare occurrence over the last 12 months or more.

Updates/Questions/Comments:

- The new member count was only 39. Is that typical for August?
  - July and August are typically the quietest for sales and new member count.
- Are the landlords causing any roadblocks with internal expansion projects?
  - No, they have been mostly cooperative.

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/Questions/Comments:

- Shawn reported non-compliance on B1.2, "The GM will not allow operations to generate an inadequate net income." The NCG benchmark for jeopardy is set at 0.5%. Actual net income as a % of sales from the most recent quarter must be above .5%. For the quarter, net income as a % of sales was .45% with a reported, pre-tax net income of $16,735.
- Beginning with the next B1 report, we are going to include rolling quarters. We will have a year-over-year comparion and also a budget to actual. We do a straight-line budget and don't cater to the seasonality of the business.
- Shawn talked through the Comparative Year Over Year Income Statement in detail.
- Personnel expenses include wages, health insurance, IRA, staff discounts, workers' compensation insurance, short term disability, etc.
- Occupancy expenses had a big increase due to security and extermination. We upgraded the technology that goes into pest control, called Integrated Pest Management. During a recent Health Inspection, the inspector noted the positive impact of the changes made to pest control.
- Shawn clarified that this report covers financials from April-June 2025.
- What factored into the increase in the Operating expenses?
  - Some of it was due to the uptick in business. Maintenance, credit card fees, store supplies, and deli packaging supplies accounted for the majority of it. There were a lot of refrigeration repairs this quarter. Credit card fees don't get charged consistently every month. Last year during this time, the Café was just starting to reopen. Now that it is kicking into gear, we have spent more on deli supplies and packaging.
- Are the baskets and carts considered Operational expenses?
  - Those would fall under small equipment purchases. In years past, we might have capitalized them, but we seem to be needing to purchase them more frequently.
- The increase in Admin expenses was linked to legal, expansion, consulting, computer, and accounting expenses.
- Other income consists of patronage dividends, the interest that we get from banks where our cash is deposited, and Food Bucks. We receive the dividends from Frontier Co-op and NCG.

- Why does NCG set these benchmarks, such as 3% for sales growth?
    - NCG doesn't adjust their benchmarks year to year. There are a lot of co-ops that are experiencing higher growth than industry standards. The benchmarks are very basic, which might be easier for them to comprehend. Shawn, Tyler, and the Directors discussed the pros and cons of using these benchmarks for comparisons.
- If we had patronage dividends, our sales growth number would have been much higher.
- Is there ever a full financial year report?
    - The Annual Report will be presented at the Annual Meeting.
- How far behind are Food Bucks with reimbursements? Is this program losing funding? At what point is it worth cutting ties with them?
    - They were about six months behind, but now only about two. Right now, the outstanding balance is around $18,000. As far as we know, they are not losing funding, but it could be in jeopardy. They had funds that were released early to get caught up on payments. If we decided to stop issuing Food Bucks until payments were caught up, that would jeopardize our contract with them. Food Bucks has brought in a large increase in produce sales. There are other ways to fund the Food Bucks program without the Food Trust, we would just have to get creative.
- Our total current assets are cash and inventory. This also includes our prepaid insurance.
- The rent increase is higher at the beginning of the lease, then there is a four year period where rent will not change.
- The grievance committees are paid for their time spent in grievance meetings, which is considered a labor expense. There were a lot of grievance meetings this quarter with larger committees than in the past. Arbitration costs would be an administrative expense.
- The Directors will be discussing the Board budget in closed session.
- Are any expenses related to the Capital Campaign going to fall under the Board budget?
    - Capital Campaign expenses have fallen under legal and consulting. If we end up with high expenses associated with it, we might create a separate Capital Campaign expense category, or at least asterisk those expenses.

Decision: Tom motioned to accept the B1 as non-compliant. Second by Mike. There were no objections.

Committee Updates:

Finance

The Committee met last week to review and discuss the B1 report.

Board Perpetuation and Elections (BP&E)

The Committee is moving forward with the Board Elections. So far, one candidate has submitted their application. The Board will continue its recruitment efforts. The Committee also discussed the idea of creating videos of Board candidates answering questions, but there may not be enough time to implement it this year. Mike has not heard about any interest from staff running for the Board. There needs to be a review of the Annual Meeting minutes approval process.

Member-Owner Participation (MOP)
We have signed a contract with the East End Cooperative Ministries for the Annual Meeting location. Andy is working with Mana Meals on the menu. Tyler has talked with Amber about possibly providing a dessert for the meal. The Committee is working on scheduling the next Board Game Night. Directors discussed recognizing Jim McCool for his years of service and retirement, as well as other staff milestones.

Executive
The Committee met several times this month to discuss various topics.

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, October 20th, 2025
Packet submissions due: Monday, October 13th, 2025

The meeting adjourned at 8:51p.m. without objection.

The Board and General Manager entered Executive Session at 8:51p.m. and discussed the following:

1. Board Budget (2025/26)
2. Recent HR matters
3. Capital Campaign Planning
4. Bylaws Amendment, tabling & procedure after 9/25 voting deadline
5. Election