Adopted Minutes
East End Food Co-op Board Meeting
Hybrid Meeting held in EEFC Conference Room and via Microsoft Teams
December 15th, 2025

**In attendance:**
Current Board Members: Tom Pandaleon, President; Nick Leise, Vice President; Tyleda Worou, Treasurer; Mark Bowers, Heather Kenner, Frank Noll, Dominika Blach, Mike Murphy
New Board Members: Jeremy Kahn, Tziporah Feldman, Michael Vogel
Management: Tyler Kulp, General Manager; Shawn McCullough, Finance Manager; eric cressley, Front End Manager; Leah Farinola, Grocery Manager
Member-Owners: Iris, Jeffrey, Deborah Polk
Board Clerk: Jessie Ryan
Absent Board Members: Desmond Zheng, Secretary; Nico Demkin

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**Introduction**
Tom called the meeting to order at 7:04p.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**
Directors in attendance checked in to express their feelings and any needs.

**Amend/Approve Agenda**
**Decision:** Tom suggested moving the Board Transition ahead of the Member-Owners' Open Session and motioned to approve the agenda as amended. Second by Frank. There were no objections.

**Board Transition**
**Decision:** Tom motioned to certify the Board election results. Second by Nick. There were no objections
Vote: 7-0

**Decision:** Tom motioned to seat the new Board Members. Second by Mark. There were no objections
Vote: 7-0

**Decision:** Tom motioned to approve the appointment of Michael Vogel to fill Nico Demkin's vacant seat after his resignation. Second by Nick. There were no objections.
Vote: 7-0

Frank Noll '28 (173 votes)
Tom Pandaleon '28 (151 votes)
Tziporah Feldman '28 (152 votes)
Jeremy Kahn '26 (122 votes)
Michael Vogel '26 (120 votes)

Tyleda and Dominika left the meeting after the Board Transition.

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

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**Member-Owners Open Session**
Iris thanked Mike for his service on the Board, as well as those who took the time to validate the signatures on the petition.

Mike expressed appreciation for his time on the Board. He also shared concerns about the dynamics between the Staff Board Member and the other Directors. He suggested that these dynamics may have contributed to the fact that no staff members ran for the Board this year.

**December Working Meeting Report**
The Board met on December 1st for its monthly Working Meeting and discussed:

1. Next steps following submission of the petition
2. Capital Campaign update and next steps
3. Board Election

**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 total Member-Owners: 17,492

- fully paid Member-Owners: 15,016 (as of 10/31/25)

New Member-Owners: November – Net 47
Total Member-Owner sales: November $666,575 (61% of sales, a FYTD average + 1.82% over prior year) FYTD
New Members (Net) – 191 (Prior Year thru November – 197 ~ -3% decrease)

**Register Round-Up:**
Oct – Dec (Q2) Recipients: Information on each recipient is available on our website, and at each checkout lane.
**SisTers PGH**
**Pittsburgh Bereavement Doulas**

FY26 YTD Total Raise: $1,059

**Operations Update:**

- We rented an "Icebox" trailer for cold storage of our turkey pre-orders this year. Before we expanded the size of our walk-in coolers in 2018, we used to rent a reefer truck. Now that our volume has steadily increased since those years, we decided it was time to revisit that practice. For a modest weekly rental cost, we were able to free up space in the existing walk-in to accommodate a higher volume of other perishable, cheese, and café items. We captured more sales in those areas and saw good growth in each category.
- The new meat endcap cooler was installed two weeks before Thanksgiving.
- Meat sales unfortunately took a hit at the same time due to Jubilee Hilltop Ranch announcing their sudden closure. We had no time to stock up on any of their grass-fed steaks and other beef products. We are very sad to see them go. We are currently working to fill the (literal) holes left on our shelves with equivalent products but those are big shoes to fill.

- This week we hosted a tour group of high school students from Aliquippa, PA along with representatives from a start-up co-op board in Aliquippa. ~25 people toured our store. Jeff, Andy, and I gave a presentation to the students on the role co-ops can play in the local food system. Everyone enjoyed a lunch prepared by our café as well.

**Finance Update:**

- YTD sales as of week ending 12/07/2025 (week 23): $6,142,952 +4.5% over prior year.
- Customer count continues to lag over prior year. The new Market District on Penn Ave opened on 11/6 and has been heavily targeting our geographical area with direct mailers to entice customers. It seems to be working? Jeff and I have discussed the possibility of doing our own direct mail campaign in late January (once GE's ends). We have not done one in a few years; it may be the right time to try again.

**Updates/Questions/Comments:**

- Did Jubilee share a reason for closing?
  - Costs were rising significantly with demand. They are still farming, but not selling their product. They did not provide further details.
  - Swiss Villa is our best option for sourcing meat. Currently, they only offer frozen, grass-fed beef, but they hope to begin supplying fresh beef by February. Their prices are 20–30% higher than Jubilee's. The national product we currently carry meets our standards but is not locally sourced.
- Is there an expiration date for Food Bucks?
  - The coupons that we generate expire after 3 months, but coupons from the Farmers Markets expire after 6 months.
- Tyler gave an overview of the Food Bucks program, including how they are earned, redeemed, and how we are reimbursed for them.
- What are the logistics of direct mailing?
  - The post office offers different tiers of direct mail campaigns. The cost depends on how many households you want to reach and how long the campaign runs. There are also additional costs for printing and coupons. At a minimum, it would require a $6,000–$10,000 investment, which can be difficult to track beyond coupon redemption. NCG does provide mailer templates, so we would not need to design our own.

Heather joined the meeting at 8:03p.m.

**B1 – Financial Conditions and Activities**

The Policy Register states, "With respect to actual, ongoing financial conditions and activites, 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 provided definitions for some of the terminology in the B1 report that might be unfamiliar to new Board members, and then followed up with his commentary on the report.
- Regarding co-metrics, what is the size of a co-op based on?
  - Size is based on sales. Top performance does not mean the highest sales or the most growth. It refers to the highest-performing co-ops overall. Performance is measured as an average across all categories for the top-performing co-ops. Each co-op is assigned a co-score that factors in all financial metrics, and that score is used to determine the top performers and assess overall financial health.

- What are Sales Returns and Allowances?
    - Any items that are returned by a customer. Last year, Shawn netted this number against sales, but NCG now wants the figures broken down more specifically.
- Personnel expenses include wages, unemployment taxes, health insurance, STD, staff discount, IRA match, and PTO, which is why it is such a large expense category.
- What was the reason for the increase in occupancy expenses?
    - Shawn reclassified some expenses into different categories compared to last year. Janitorial and sanitation costs were previously recorded as operating expenses, but are now classified as occupancy expenses and will be going forward. That reclassification accounts for most of the increase, with the remainder due to higher rent. Last year, we also had expansion-related costs that we do not have this year. We had assets placed into service at the end of 2024. One of them was the new produce equipment, as well as the new doors. We can start expensing equipment once it is put into service.
- Administrative expenses were $12,000 higher due to costs related to the Capital Campaign. We obtained the services of a law firm to guide us through the process, and we did not have those expenses last year. These were essentially start-up costs, so if we run another Capital Campaign in the future, we can build on this work and won't incur the same expenses again.
- The new parking lot signs were included under Promotions.
- The increase in Governance expenses was from obtaining a voting platform for the by-law amendment.
- Other income includes patronage dividends from NCG and Frontier Co-op, as well as Food Bucks. Frontier's dividend typically arrives in March, and is around $1,500, while NCG's dividend is more substantial, usually around $25,000, and arrives in July. Other income also includes interest earned, as a significant portion of our cash is held in bank accounts, along with some small investments.
- You say we are cash heavy. What is the target number?
    - We don't have a target number. The current ratio is 4.64, meaning that for every dollar in current liabilities, we have $4.64 in current assets to cover it. Some might say we are carrying too much cash, but we intentionally hold onto funds so that if we needed to expand, we would have the money on hand and wouldn't need to borrow. Days cash on hand is around 48-49, which means that if we closed our doors and made no additional sales, we could continue paying payroll and vendors for about 49 days. Two financial ratios where we consistently excel are the current ratio and debt-to-equity ratio.
- What is included in Liabilities?
    - Accounts payable, accrued liabilities, accrued payroll, accrued PTO, deferred tax liabilities. It is all of our long-term debt.
- If sales growth was 7.2%, what percentage of that is inflation?
    - Shawn reviewed data from the Census Bureau to determine sales growth in the grocery retail industry for the same timeframe, which was around 3-4%. He also compared our performance to other co-ops and found that our sales were slightly outperforming them. In general retail, we appear to be up about 2-3% compared to the broader industry.
- On behalf of all member co-ops, NCG negotiates a pricing contract with UNFI, which allows us to offer competitive prices on center store items.
- Has NCG provided any guidance on whether we should exclude discounts, such as Food Bucks, from sales?
    - Food Bucks is not considered a discount. We get reimbursed dollar for dollar, and it comes in as other income.

    - We wanted to track it separately because, while it's small enough that it may not significantly impact certain expense categories, it's large enough that if the program were discontinued or payments were delayed, it could affect our cash flow. If we were to shift it elsewhere, we would likely net it against an operating expense.
- NCG's initiative to have all member co-ops adopt a Common Chart of Accounts doesn't change our internal reporting to the Board. We can agree on what format works best for us. The goal of the Common Chart of Accounts is to compare apples to apples with other co-ops.
- The only non-compliant section is net income. We did have net income, but it was below NCG's threshold for compliance.

**Decision:** Tom motioned to accept the B1 with acknowledgement of non-compliance. Second by Nick. There were no objections.

The Board highlighted the report's strengths and opportunities for improvement. Tom appreciates the additional information and details that were included this quarter. Nick would like to see commentary for looking forward to future quarters.

**Committee Updates:**
**Finance**
The committee met yesterday to discuss the B1 Report that was presented this evening.

**Board Perpetuation and Elections (BP&E)**
A retreat is planned for January, but the date has not yet been set. During the retreat, Directors will have the opportunity to join committees. Additional training opportunities are available both with the Board and through Columinate.

**Member-Owner Participation (MOP)**
The committee hosted another successful game night in November. The committee will not be meeting this month.

**Executive**
No update was provided.

**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, January 26th, 2026
**Packet submissions due:** Monday, January 19th, 2026

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The Board and General Manager entered Executive Session at 8:57 p.m. to discuss the petition and follow up on the B6 report.