

## Isla Vista Food Cooperative: 2023 Annual Owner Meeting Synopsis

We had 18 owners, two non-owners, and one staff member attend the owner meeting this year. We did not meet quorum, so this annual meeting was an informational only meeting.

Hernan Cornejo, the General Manager, presented the General Manager's annual report, which included financial information and improvements to the Isla Vista Food Co-op. Two major focuses were significantly low sales and membership numbers compared to years prior. We have several methods we will be using in order to cut costs and increase sales during the upcoming year. One of the main strategies being explored for increasing profitability and sales is opening a second location in Goleta or Santa Barbara. This would significantly reduce the proportion of administrative salaries and make each location profitable.

Some of the improvements and successes of this last year include: focusing on having affordable products for lower-income shoppers, expanding our presence in social media, setting up a CRM system for better owner interaction. Recent tabling events, in particular, the Lemon Festival, were very successful in drawing in new members. During our October Co-opalooza month, 250 new members. We replaced aging equipment. We plan to implement a new online commerce platform soon. Staff use Slack for improved internal communications. We are committed to maintaining a fair and equitable workplace; an improved health insurance plan and retirement benefits were implemented.

Lisa Oglesby, the Board President, presented the Board of Directors' annual report. She provided an overview of the function of the Board and what they do. A newly revised version of the IVFC bylaws is almost ready for owner approval. The Board recently added a new, 8<sup>th</sup>, principle:

Diversity, Equity and Inclusion. Co-operatives value diversity, equity, and inclusion and actively embrace them in our operations and governance practices.

Voting turnout has been low. We rarely meet quorum during Board elections and events, and therefore, increasing engagement is a primary focus. We need the community and our owners to assist in increasing engagement by being community ambassadors.

Ylianna, the Outreach Manager, announced a new member referral program that will run through February. When signing up, new owners can mention the name of a referrer and then both the new owner and referrer will get 500 bonus points. This is part of the strategy to get new owners to sign up and to encourage current owners to advocate for the store.

## Isla Vista Food Cooperative: 2023 Annual Owner Meeting Minutes

Sunday, November 12th at 4pm

Isla Vista Food Co-op Patio

Meeting start time: 4:08 PM

### 1. Owner Welcome and Quorum Count

- Owner count as of 11/1/23: 1,654
- Owners needed for quorum: 83 people

- Eighteen owners were present at the meeting. We did not meet quorum, and thus we switched from an action meeting to an information-only meeting.

18 Owners present:

1. Lisa Oglesby, 400043
2. Megan Ashley, 410177
3. Janet Stich, 407990
4. Kent McClard, 400006
5. Eric Schug, 401038
6. Jocelyn Fernandez, 411160
7. Preston Towers, 409562
8. Anna Roberts, 408681
9. Susi Solis, 409179
10. Scott Day, 409470
11. Tyler Marton, 410455
12. Thomas Mattias, 409094
13. Grace Garbacz, 410627
14. Matt Strezpek, 409723
15. Ash Valenti, 409403
16. Katie Murray, 401126
17. Stephen Snyder, 4000028
18. Alicia Yu, 411204

Non-Owner attendees: Lily Murray, Tyler Geck

Staff present: Hernan Cornejo

2. General Manager's Annual Report (available on IVFC website)

- 2022-2023 has been a hard year.
  - Many previous owners have moved.
  - We must grow the Co-op and membership now.
  - Post-Covid brought a series of consumer habit changes and business changes. Inflation has also affected us. The number of shoppers has dropped 20% since last year. Insurance and taxes have increased. There are longer UCSB breaks and more remote classes. There is an increase in online shopping. Payroll costs are up.
  - Sales, ownership, cash on hand are down.
- Part of the reason for the lower number of shoppers is that during Covid, we couldn't reach UCSB students. So, while previous students graduated, new students were not made as aware of the Isla Vista Food Co-op.
- We are at \$3.5 million in sales for fiscal year 2023 vs \$3.9 million during fiscal year 2022.
- We are looking into opening a new location. This would help reduce the proportional overhead costs for administrative work and thus make both locations more profitable.
- We are trying to focus on working with small and local vendors.
- Owner intercepts reveal that owners think the Isla Vista Food Co-op is an expensive store. However, right now, we're actually less expensive than other stores. We're focusing on having affordable products for lower-income shoppers.
- We're expanding our presence in social media. We have a new website, and soon we will have a CRM (customer relationship management) system for better owner interaction.

- We got 250 new members during the Co-opalooza owner drive, but also lost members due to attrition. We were also at the Goleta Lemon Festival, which was a success in terms of signing up new owners. We're going to be focused even more on tabling at large community events and on growing community engagement.
- It's important for owners to try to rally other owners.
- Environmental Stewardship. We're committed to reducing waste. One idea is a jar deposit program for bulk.
- Fair and Equitable workplace. We have good benefits and offer a 401k.
- We have replaced a lot of our aging equipment, especially the refrigeration equipment. We started using Slack to improve communication between employees. There is a new website, a new HR platform that streamlines HR documentation and operations, a new employee handbook, and a new online special order program.
- We will have a new online commerce program for shoppers and business shoppers to order online for delivery and pickup. Online grocery shopping is showing significant growth.
- We are working on improving the aesthetic look of the Isla Vista Food Co-op.

#### Questions:

- Kent: We can only borrow so much money against the Co-op's building and if we lose money during another year, we will have even less available funds for opening a new building. It seems like a ticketing time clock to open a new store.
  - GM: March or April of next year would be best, since we will have a profitable period to show and can get a loan from the bank with a better rate.
- Anna: How can we pay for the rent?
  - GM: There are a good number of locations with affordable rent for us. We're still determining the best location.
- Anna: What about the shorter hours and opening at 10. Why not 8 or 9 AM. They've heard that some students want to come in earlier.
  - GM: It is not profitable during the early morning. And to keep paying salaries and break even, we have to have a later opening time.
- Anna: The patio furniture looks aged and grungy.
  - Lisa: If anyone has furniture to donate, that would be helpful. We need to also make sure we are focusing on spending our money on salaries.
- Katie: The city of SB has a lot of restrictions about stores accepting EBT. Could we help with accepting EBT if we opened a second location downtown?
  - GM: Opening a store downtown would be more expensive for rent, perhaps more than we could afford.

Out of time for this segment. We will take more at the end.

### 3. Board of Directors' Annual Report (available on IVFC website)

- Overview of the Board members and what they do:
  - Vision & long-term planning
  - Strategic priorities
  - Guiding policies and governance documents
  - Representatives of IVFC owners
- Bylaws. A newly revised set of bylaws is almost ready for owner approval.
- Cooperative principles. We adopted a new, 8<sup>th</sup> principle this year: Diversity, Equity and Inclusion: Cooperatives value diversity, equity, and inclusion and actively embrace them in our operations and governance practices.

- Voting has been low and we are often below meeting quorum for Board member elections. We table and advertise the elections extensively, but it is still low.
- Engagement. We're looking for community ambassadors for the Co-op. Also, you can run as a Board director.
- Ylianna (Outreach Manager): New referral member program. When signing up, if they mention a referrer, both the new member and referrer will get 500 bonus points.

#### 4. Vox Populi/Open Comment & Questions

##### Additional Questions:

- Matt: Have we tried looking at some of the abandoned buildings in Old Town as good locations?
  - Lisa: We have been looking for a building that meets certain requirements, but if you know of a location that you think might be good, please let us know.
- Matt: Have we tried tabling at Earth Day or the Farmers Market?
  - Lisa: As of yet, the Farmers Market has not let the Co-op set up there. For Earth Day, we don't get good traction at that event and most people there mainly want a Goleta location and don't want to drive into Isla Vista.
- Scott: We should be more attentive to the bicycle racks and getting rid of unattended bikes.
  - Lisa and Preston: We are aware of those and have recently contacted someone about removing the abandoned bikes and locks.
- Kent: If a second store can't be opened, how long does the Co-op have if it keeps losing money?
  - Lisa: We are reducing costs and payroll further, we have equity in the building, and we could do a member loan program. All of these are methods of ensuring the Co-op has additional time to work on and implement a solution to the recent losses.

Meeting end time: 5:22 PM

*Minutes taken by Director Tyler Marton*

*Minutes approved by Board Motion, November 15, 2023*