

**THE ISLA VISTA FOOD COOPERATIVE**  
**Board of Directors Meeting Minutes**  
**Wednesday, December 15, 2021**  
Held via Zoom Videoconference

Directors Present: Lisa Oglesby (LO), Cody Nunn (CN), Jillian Tempesta (JT), Kent McClard (KM), Raphael Chinchilla (RC), Janet Stich (JS)

Directors Absent: None

Staff Present: Hernan Cornejo (GM)

Owners/Community Present: Aimee Smith (AS), Matt Richards (MR), Matt Strezpek (MS), Terry Keller (TK),

Meeting start time: 6:35 p.m.

1. Approval of Agenda for December 15, 2021:

JS: Notes that numbered items are not presented in sequence. LO: Will amend.

***Motion to approve the agenda for the December 15, 2021 Board of Directors meeting as amended: LO Second: CN Passed: 6-0-0***

2. Owner Input and Announcements: AS: Noted that she requested a community conversation on COVID-19 issues. Is disappointed and will now give up. Feels IVFC is narrow, ideologically driven, and unfriendly. Discussed the HR550 vaccine registry and encroaching government fascism. LO: I apologize for not responding. I've been trying to figure out a thoughtful way forward with a meeting, but have had a heavy workload over the past month. I assume responsibility for not getting back to you. RC: We did speak about it at a couple of our meetings. MR: Expressed that we can't say that everyone that wants organic food is against "forcible" vaccination. We can't say that because the co-op is having to follow guidelines that everyone else is following that all of a sudden we're not following the mission of the co-op. As a response to the previous speaker, we can't write off the co-op because it's following the rules. We should try that much harder to get along when there are issues that we disagree on. We are in a new age with a new GM. There has been ebb and flow of workers over the year. Now conversations are wide open and friendly. The clique-iness is fading away and we have more open and honest relationships with each other. I was going to mention that the outside of the co-op and environs are being kept cleaner. I am engaging in member participation and have been doing a little litter pickup and light sweeping. The street sweeper can't always get what is swept by workers into the street. I took care of a lot of this. I'm always glad to be able to participate as a member. MS: Picking up on Matt's comments, regarding the different platforms on which people are speaking. Yesterday I was escorted out of Board of Supervisor's meeting for no face mask. I have two concerns: 1: Oregon and New York are looking to have permanent masking. Looks like CA and SB may have indefinite masking for the coming months or years. The co-op will lose a lot of customers as they feel they can get into a larger grocery store with no face masks. I haven't ridden my bike to the co-op daily in two years. Multiply that by people like AS who have families. 2: In recent days and weeks the EU and Great Britain, Canada, Australia, New Zealand and Israel are requiring vaccine passports to shop at grocery stores. There is a lot of concern with many that this will be happening soon in SB. What will the response be if the co-op is asked for documentation? What will happen with those that aren't able to get vaccinated? Wishing all a good holiday season and a brighter 2022.

3. Approval of the November 17, 2021 Board meeting minutes:

***Motion to approve the November 17, 2021 Board of Directors meeting minutes as presented: JT  
Second: RC Passed: 6-0-0***

4. Recording of Email Motions:

The following email motion was made and passed on 11/24/21:

***Motion to authorize the GM to proceed with the “replace mainline” emergency plumbing repair detailed in Mr. Rooter estimate #18035023: LO Second: KM Passed: 6-0-0***

The following email motion was made and passed on 12/3/21:

***Motion to authorize Board President, Lisa Oglesby, to finalize and sign any and all paperwork for the refinance of the IVFC mortgage loan with Mechanics Bank and for the closing of all loans with the National Cooperative Bank. When two signatures are required, Board Secretary, Janet Stich shall be the second signer: LO Second: RC Passed: 6-0-0***

The following email motion was made and passed on 12/8/21:

***Motion to update the IVFC accounts at Mechanics Bank with the following changes: To remove Alyssa Freiberg from all IVFC accounts with Mechanics Bank, and to add Allison Baymiller as an approved check signer for the IVFC account at Mechanics Bank:LO Second: KM Passed: 6-0-0***

The following motion was made and passed on 12/13/21:

***Motion to approve Board President, Lisa Oglesby, to sign on behalf of the Isla Vista Food Cooperative for the Mechanics mortgage loan of \$1,069,000.00. When two signatures are required, Board Secretary, Janet Stich shall be the second signer: LO Second: RC Passed: 6-0-0***

5. Board Calendar and Reporting:

a) Finance Committee: We need to start working on the budget. GM: We have some key members that are not going to be available next week. It's better to start when I return. KM: I checked QuickBooks and there is no need to update the interim income statement. RC: Cash at the end of the month was \$117,000. Is that an illusion of a good result or not? KM: Cash at the end of month is according to the Cash Flow Statement. Your question is difficult to answer because of situations with Paychex and also with what amount of debits are cashed. GM: We had a profit in October of \$15,000 but last month we had a loss of \$20,000. Whatever gain we have in terms of cash available is going to be gone. But, our CPA just messaged me that because Paychex never started the claim of the employment retention credits, we have three quarters that we can claim because we qualify. Also, this last quarter. I will get in touch with Paychex tomorrow in order to get that done. We should receive back a substantial amount of money that we paid as withheld employment taxes that we shouldn't have. We will at least get back the money from the last and this quarter. The rest we will be able to keep withdrawing from the taxes we're paying for the next quarters.

b) Owner Engagement Committee: JT: We would like to expand the OEC charter to include community outreach as well as Owner engagement. The committee usually works on tabling, elections, and the annual Owner meeting. Now we would include points of contact with the community. A draft “Isla Vista Food Cooperative Owner Engagement and Community Outreach Committee Charter” is included in the Board packet. RC: Perhaps shorten the name of the document.

LO: When we fold in more outreach to what we're doing, it allows more people to take part. There are places, where the work is too much for one or two people to keep up with, that could include a Board member helping with this work. Directors that are interested can be the representative to whatever group we're trying to do outreach with. The presence of the co-op in the community could be stronger. The previous GM did a fabulous job of outreach. A lot of this institutionalized the co-op into their organizations. Upkeep of these relationships is important. There are other segments of the community to which Board ambassadors are well-suited. The marketing team can utilize this information. For instance, I attend the Isla Vista Community Network meetings on behalf of the co-op. We are part of the STEP grant as a community partner. Other examples are that Cody could be touching base with students, Janet with the IVRPD Board, and Raphael with the graduate students. JT: I think it's a good idea. RC: I like the idea in general. It's a big deal to outreach to the community. We are essentially volunteers that dedicate 10 hours a month to the co-op. Can we trust that community outreach will consistently be done by the Board? We will be out of the Board one day. GM: We do have an Outreach department. We have some things that we are going to do. Ambassadors to a couple of Chamber of Commerce meetings I have participated in were actually a very nice feature. When you have a member of the Board participating, it gives another flair to the thing. It shows we care about what we are participating in because we are sending someone. This won't replace the normal outreach, but will be a nice complement. LO: The responsibilities of the Marketing Manager are very time consuming. When there is little time available, the Board can share the load where it's a natural fit. JS: It would be important to have close coordination with the Marketing Manager for any outreach the Board would do. KM: It's a lot to ask for the Board to maintain this. Perhaps there could be a dedicated person that would report back to the Board. Ultimately we need to have someone paid that can do this. RC: The hard part will be being proactive, finding places to outreach. MR: Are we straightjacketed for it to be a member of the Board or could it be opened to Owner participation? Perhaps someone who is good at it would enjoy doing this, figure out the best way to go about it. LO: The short answer is yes. Some committees are Director only, however this committee is open and Owners can participate. Directors would lead the committee but Owners can participate. It could be a way to engage and serve without taking on a really big task such as becoming a Director. Let's continue this good discussion in January. JT: I see it more as relationship building/active listening and less as leading initiatives, etc. MS: Several months ago I had emailed about disaster preparations with a key component of developing deeper relationships with the famers. These will be crucial if there is a further economic downturn or other infrastructure issues. JT: Will circle back in next OEC meeting.

c) IVFC Bylaws: JS: The committee will be meeting tomorrow to continue its work on the bylaws revision.

d) 2022 Board Election Committee: RC: I have started on the promotion of the election. I'm going to communicate with the Marketing Manager regarding flyers. This hasn't happened yet as LO/RC decided it would be better for the Election Committee to have own email address. This has taken a while and, as of an hour ago, is not working. I will submit election material after the address is working. We are slightly behind the protocol but still within a good timeline.

6) GM Report: Please refer to the GM Report in the Board packet.

*General Overview*: In November we had consistently higher sales than the previous two years. We are almost on target for the best results, including 2018. During Thanksgiving break we had a big drop with losses for the month, but nonetheless that week was better than in 2019 or 2020.

*Staffing*: We are good now in terms of cashiers. We are still looking to fill two positions in the produce department. In order to speed up the process of loading the shelves, we are also going to fill positions for the grocery department. After speaking with the Merchandizing Manager, we will, because of slow down in next two weeks, interview and then have a starting date in early January. One issue is that we have always posted jobs in a place where students are those that apply. This

creates high turnover because they are short-term and also have difficulty working during finals, etc. We have now posted on other platforms in an attempt to have a minimum backbone of employees that are not students, perhaps applicants that would want to stay for many years.

*Training:* Regarding training, in answer to what MS spoke about, we did have a “Crisis Management Training” for all Managers and Assistant Managers. All participated, were very professional and enthusiastic. We worked in two teams going over different types of contingencies from fire to earthquake to riots, active shooter, etc. We are also addressing issues such as shortages and supply chain issues. We have an “Emergency Management Plan” that is written and in place. Now the work of the Crisis Team is to improve and add new areas for action.

*Audit:* In terms of workers’ compensation, we will have an audit. I don’t know how or when. It may be in person or may be through the mail. They are still figuring it out. (The objective is to validate the information we have provided, e.g. total payroll, number of employees, job description, etc.) The result may affect upwards or downwards the worker’s compensation premium we have to pay.

*Ownership:* We’ve reached the target for the year! By the end of November we will have 926 new Owners. Our target was 900. We may have close to 1000 by the end of the year.

*Operations:* We had problems with the freezers and lost about \$5,000 worth of merchandise. There was not enough space in the back freezer to save those products. The problem was reported after three hours. The freezer reached 30 degrees. (Anything above 18 makes the ice cream melt.) We bought the part we needed and installed it. There are still issues with the equipment. It was found that rain damaged a couple more roof components so he is coming back tomorrow and hopefully it will be back in operation. There will be no freezers today and part of tomorrow. We have to figure out how to protect the component on the roof from the rain and from the coastal environment. These components should be encased. I will look for a contractor that can do a metal encasing for the roof. Because of the amount of loss, I am going to open a claim with the insurance company. It’s worth it. We have a \$1,000 deductible so we can reduce our losses. RC: What is the status of the product. GM: We only trashed the ice cream. Community members took some of the other frozen goods. There is still a lot of product in the freezers that are pretty good which are all on a discount. If we cannot sell them in next 24 hours, the trash can will be their final destination.

Grab-and-Go affected our sales in November. The new deli Manager was on the job for just a few days. Without anyone attending the department, it is having difficulties. I have had meetings with the clerks and things are starting to recover. So far, after several days of being quite empty, now most of the time grab-and-go is full of products. The wine and beer department is growing, especially wine. Chill Department is breaking all records.

*Marketing and Outreach:* The Marketing Manager is working hard putting together a celebration for the 50th anniversary of the co-op. We’ll have a concert on January 29th and will have other activities during the month. These will start on January 7th which is the disputable date the co-op was started. There was a buying group even before this date that met in the parking lot of what is now the community center. They had no storefront yet!

*Financial Updates:* Financial statements have been included in the Board packet. Margins: We are at 20% compared with the previous year and 16% in terms of margin up from the previous year. The daily sales are in the weekly scorecards. We had a large dip the week of Thanksgiving, then the next week almost the best ever. This week we start going down again.

Regarding the refund from the IRS: We deposited the check we received for \$13,658, only to hear from the IRS that it was sent by mistake. Last Friday, I sent a form to the IRS for the penalties to be waived. We may be able to recover the late fees and the penalties, etc.

Cash on hand Dec. 10th: \$154,613. LO: The bookkeeper runs the cash flow projection. Do you know how low the cash on hand could get in December? GM: I was looking at the predictions and it doesn't look that bad for December. LO: What is the low ballpark? I'm thinking of the past. GM: According to the bookkeeper, we might be around the \$45,000s to \$50,000s.

JS: Can you talk about how you reach the "targets" on the scorecards? GM: Targets are the best equivalents in the past three years. We try to adjust day-by-day taking into account when the students depart, etc. We are setting targets for 2022 and will increase the basket size number. After all the work and outreach for the 50th anniversary celebration, we will beef up the customer count targets.

RC: On the P&L, why do we pay \$700/month for insurance for the Board? Is this high? LO: The insurance bill is a high one. We need it in case we do something that we could be liable for. GM: Yes, it's basically liability. One side covers the co-op, the other side covers the Board. If you do something that is wrong, your home will be safe.

6) Upcoming Meetings

- a) Election Committee: tbd
- b) Bylaws Committee: tbd
- c) Owner Engagement Committee: tbd
- d) January Board of Directors meeting: January 19, 2022 at 6:30 p.m.

Meeting adjourned: 7:55 p.m.

7) Closed Session

Closed session adjourned: 8:54 p.m.

*Minutes taken by Janet Stich, Corporate Secretary  
Minutes approved by the Board of Directors*