

**THE ISLA VISTA FOOD COOPERATIVE**  
**Board of Directors Meeting Minutes**  
**Wednesday, November 18, 2020 at 6:30 p.m.**  
Held via videoconference

Directors Present: Lisa Oglesby (LO), Kent McClard (KM), Lauren Coiro (LC), Jillian Tempesta (JT), Janet Stich (JS)

Directors Absent: Jeremy Roark (JR)

Staff Present: Melissa Cohen (GM)

Owners Present: None

Meeting start time: 6:35 pm

1. Approval of Board of Directors Meeting Agenda for November 18, 2020

LO: Request Item 4b be removed from the agenda.

***Motion to approve the Board of Directors Meeting Agenda for November 18, 2020 as amended: LO Second: LC Passed: 5-0-0***

2. Recording of Email Motion: The following email motion was approved by the Board of Directors on November 10, 2020:

***Motion to approve the GM to expense \$9,500 for the purchase and delivery of a produce cooler as detailed in the attached Orchard Grove Store Fixtures estimate: LO Second: KM Passed: 5-0-1*** (JS, JT, KM, LC, LO in favor, JR abstain)

3. Owner Input and Announcements: LO: SB County is now in the pandemic purple tier. Currently schools may not reopen as planned in January and there are recommendations to not socialize at the holidays. Pandemic fatigue weighs on everyone and we are exhausted after being in this stage of anxiety for so long. I want to take a moment to appreciate everybody, the GM and the Board. We are experiencing this collectively as well as individually. Hopefully we have the space and breathing room to express when we hit our limit. There is a light at end of tunnel with the vaccine next year. At the next Board meeting I'll add an item at the start of the agenda to check in on how we are feeling as it relates to how we are all engaging in our meetings. I want to thank everyone for coming to the meetings. All our work is harder as we have been doing things out of the box for so long now. I am approaching what each Board member is doing with deep gratitude. This year is almost over. We have a fun Annual Meeting coming up. We have opportunities to move forward with positivity. We are in a dark time but it is not forever. GM: Appreciates this.

4. Approval of Past Meeting Minutes: The October, 2020 minutes had been approved prior to this meeting. KM added on additional correction on Pg. 4: Please add that the \$110,000 that we received was from Project We Own It in Fiscal Year 2013.

***Motion to re-approve the October 21, 2020 meeting minutes as amended: LO  
Second: KM Passed: 5-0-0***

5. General Manager's Report: Please refer to the comprehensive written GM report provided in the Board packet.

*Action Items from September*: Full Owner data is included in the Board Packet.

*FYE20 GM Goals Reporting*: No new updates for October. Will share financial information with the Finance Committee.

*Staffing*: Most significant is restructuring HR. We're working on integrating various resources for maintaining compliance. Excited for the worker support bundle which will include high-level training. Also working hard to create a pathway that allows employees to feel supported. The Grocery Manager is a certified conflict resolution resource now. We're addressing mental health and also trying to be clear about the legal framework for this. Looking at opportunities to handle the best way we can as a small business. Proud of how we've been able to step up. The support bundle includes other projects such as emergency PTO, etc. HR Concierge is the umbrella company.

*Operationally Speaking*:

*COVID Updates*: The water machine is open! Health Department OK'd our solution for its use.

*Tree safety*: The master arborist's report is coming. The GM will report back to the Board. LO: Let's have Board discussion before a decision as Owners may be very concerned about the trees. GM: This may be on the agenda of the Owner's Meeting. Our pine trees have the same issues as the pine trees in park. It will be a joint decision of the Board, GM, and Owners.

*Produce Cooler*: Thank you for passing the motion on funding for the cooler. Information on the new cooler is in packet. We still do not have final expenses. This cooler is "like new". A new one would have been double the price, at least. It was vetted by the Director of the Western Corridor. Our investment will be returned with the increase of sales with the new sets in the new cooler. LO: What about

produce sales when the cooler is being installed? GM: We are discussing this. Having a Farmer's Market is one idea.

*Technology Projects:* These have been finished.

*National Co-op Grocers:* There was a good response to the Spark Change presentation. It was fun to do, the feedback was good and I was happy to represent the national co-op.

*Owner Services:* The POS/IT Manager and I are developing strategy for Owner benefits. LO: About the email programs we use for marketing (Mail Chimp). Is there a way to transfer into the Active Owner Data Base the functional emails we have from Mail Chimp? GM: Nico updates new Owners. It would be about mapping the right data back to the spread sheet. Not sure how it all comes together. JT: When I used this, the data base and email didn't talk to each other automatically. It would export spread sheet and import through data base. GM: LO please email me the question and I will speak with Nico and get back. LO: The active Owner list from Catapult doesn't match Mail Chimp. JT: Can something be done to integrate Catapult and Mail chimp to automatically update? GM: We can find out if they can be integrated.

*Board Community Engagement:* GM shared the 2020 Expansion Priorities in the November e-news.

*We Own It Rewards:* We have passed 1million reward points being redeemed! We're still signing up new Owners, now maybe 35 since early October. LO: That would be a metric that would be helpful to see. GM: With data harnessing, now we can build the best information to get to the Board.

*Financial updates:* The PPP loan forgiveness options were discussed with the Board. GM is working on this with NCB. LO: What is the timeline for forgiveness based on the 24-week option? GM: Ten months from April. LO: Waiting would be smart if there isn't any external pressure. KM: CPA and others advise to wait because there is time and more changes may come. We'll probably get to the deadline sometime in January or February. A set of protocols determines which form one uses. We do not have to do the longer form for the 24-week option. GM: Agree. LO: So the 24-week application will be done to figure out forgiveness (the 8-week application is already done), we'll compare the two and file whichever provides better forgiveness, then report back to the Board? GM: Yes. I created a spreadsheet with all data. LO: Good for the FC to see. GM: Based on what you are telling me, we should wait until the end of January. KM: We should learn the specific deadline and then we will know when we have to submit. But, there is no reason to wait if we do the 24 week and we will get full forgiveness. GM: With current payroll report should get full forgiveness. Program from Paychex has made FTE counts much easier.

*1Q Budget:* The Board referred to the draft 1Q budget included in Board packet. GM: Did best to be as clear as possible, figuring out what might actually happen without overthinking. The 1Q budget feels reasonable if we can control labor costs. A pilot program for grocery delivery is a goal for December, anticipating large basket orders. Curbside should increase in December as we are planning to expand hours.

KM: You spoke of an alternative labor budget, wage scale in the packet. Could you elaborate? GM: Before HR Manager left, we discussed a budget that would allow pull back of hazard pay, but keep pay for long-term workers, rewarding long-term. Starting workers at \$14/hr gives a little more breathing room. Hard to say if this would be helpful. Manager wage scale was recently reset. KM: Alternative labor budget would be decreased pay for new employees? GM: Yes. I haven't approved the alternative wage scale yet. If the Board doesn't agree, can still be looked at. We are legally compliant as we pay above minimum wage. LO: The Board isn't interested in removing hazard pay. We may need the PPP money to pay employees at some point. If we get the PPP money, we can have a well-staffed co-op and well-paid workers that feel valued. Do not want any workers on any level to feel devalued. We can't see the future and this is a unique time. Glad you have the alternative labor budget. It is OK to continue in the mode we are in.

Further budget discussion ensued, including shifting margins, depreciation, and possible shopper numbers. There was a loss of just under \$23,000 in 1Q budget.

KM: I suggest to stop worrying about the budget for the rest of the calendar year. While we need a budget, we shouldn't focus on the 1Q budget but instead focus on the P&L for the previous month so we know what is happening. Until we reach a stable baseline, we might have to continue this method into 2Q or maybe even 3Q. We will lose money in 1Q and, unless the GM and Board don't agree, I'm not sure we should focus on budgets in a predictive way. LO: Now that we see how hard it is to plan, I agree that for rest of 1Q, we can look at P&Ls. We could do this until January. KM: What we get down to is monitoring loss and deciding whether we need to think about alternative strategies. The GM will not have to spend so much time on the budget. Without a set of goals, I'm not sure what the point of the budget is in this environment. GM: I'm grateful for that. Reporting out of QB keeps me abreast. I agree with your plan to focus on payroll and margins. I don't want payroll to go over anything more than 30%. The Management Team is very focused on December. There were many new October employees. I don't want to shear down hours and push workers too hard. The Board then had a brief discussion on cash flow.

KM: I know it is extra work to get the P&L to the Board before the meeting, but it would be helpful, in lieu of a formal budget, to get the previous month's P&L before each meeting. GM: Once payroll numbers in, the bookkeeper can reconcile. I can send a mostly final version before the meeting. LO: Will try for December packet.

*FYE21 Business Plan:* GM is putting her efforts into current IVFC operations. See Board packet for more detail.

Break 8:15 - 8:20 p.m.

## 6. Board Calendar

a) Open Board Seat Discussion: How are we thinking, realistically, about Board recruitment for 2021? It is a different kind of year. Will discuss at our Annual Meeting. JT: Last year a couple of people said "maybe next time" for a run. GM: Because of the current environment, joining the Board could be a way for someone to make a difference. The Board discussed the prerequisites to joining the Board (noted in the packet) and changed the requirement of attending 3 consecutive Board meetings to 2. LO: I am comfortable with having this folded into work of the Election Committee.

b) Finance Committee/Treasurer's Report: KM: This information was covered in our the budget discussion during the GM Report.

c) Owner Engagement Committee Report: JT: Nothing new from last meeting. We had the first mini rehearsal for the Owner Meeting last weekend. Will do a dress rehearsal coming up this Friday. We have a great group of Owner spotlights going into the video. GM: Fun to look back and then meet the moment. Feels important to get across what we want for the new Priorities. I'm planning the best way to talk about finances, also. Our Owners want to know about what is going on. LO: We were proactive on PPP loan. Owners want to know how they can help the co-op. The Board briefly discussed further planning and notification methods. JT: If you haven't been following the IVFC on Instagram, you'll enjoy the graphics of Meet the Moment. The Marketing Manager has done a great job with that.

e) 2021 Board of Directors Election Committee: LO: There are three current Board members that will be deciding whether they are planning to run again. Next month we'll start work on the EC, look at the protocol, and figure out a timeline. The seating of Directors was a full month later last year. We may repeat this again. LO will check Election Protocol to see where we need to make adjustments. It's easier for Owners to plan ahead if dates are set. KM: We could have tabling with Board members on the computer. GM: Interesting idea. Maybe we could try in December. LO: The EC will see how things go forward with COVID. LO will send out the Election

Protocol to see if we need to make changes. JT: Could do Instagram Live project around the election.

f) GM Evaluation Committee Report: Progress is being made. We have contact numbers for two consultants we might work with. The Eval Committee will meet next week. After GM/Committee identify what our needs are, the choice of the most appropriate consultant can be made. We will discuss price points and other items in the December meeting. We will also know more about available finances in December.

#### 7. Meeting Scheduling

- a) December Board of Directors Meeting: Wednesday, December 16, 2020, 6:30 p.m.
- b) December Finance Committee Meeting: tbd
- c) Election Committee Meeting: tbd

Meeting adjourned: 9:22 p.m.

*Minutes taken by Janet Stich, Corporate Secretary*

*Minutes unofficial until approved by the Board of Directors*

*Board of Directors meeting held by videoconference due to Covid restrictions*