

**THE ISLA VISTA FOOD COOPERATIVE**  
**Board of Directors Meeting Minutes**  
**Wednesday, April 15, 2020 at 6:30 p.m.**  
Via online video conference

Directors Present: Lisa Oglesby (LO), Kent McClard (KM), Janet Stich (JS), Ava Churchill (AC), Jillian Tempesta (JT)

Directors Absent: Miles DiPeri (MD)

Staff Present: Melissa Cohen (GM)

Owners Present: Jeremy Roark (JR), Nancy Morales (NM)

Meeting start time: 6:35 p.m.

1. Approval of Meeting Agenda:

***Motion to approve meeting agenda for April 15, 2020 Board of Directors meeting as presented: LO Second: JS Passed: 5-0-0***

2. Board candidate Welcome and Introduction: Jeremy Roark, Board candidate, is welcomed and greets the Board and fellow candidate. JR states he has been community building in Isla Vista for about 6 years, volunteering with Food Not Bombs. He hopes to bring this perspective to the IVFC and is looking forward to joining the Board. Candidate Nancy Morales is welcomed. NM is looking forward to the opportunity to create community within Isla Vista. She, too, is looking forward to joining the Board and thanks the IVFC for all their work during the pandemic.

3. Owner Input and Announcements: LO asks JR if there are any announcements about IV Food Not Bombs and their reaction to the pandemic. JR: There are now new regulations from the CDC and the County which have altered the serving process. This includes the need to cover food, etc. They are following the guidelines and are providing five meals per week, one every Monday through Friday. Financially, donations to Food Not Bombs include \$500 from the IVCS and \$450 from the Methodist Church. Food Not Bombs is developing a possible partnership with the IVFC. The FNB volunteers had been careful with finances before COVID and now are about \$100 lower than at the beginning of the pandemic. The donation and spending rates have been about equal. Their FB page is Food Not Bombs, Isla Vista.

GM: The GM and her boyfriend created a fun public service announcement, "Do the Social Dis-Dance". It has been shared on the IVFC Instagram. The GM invites the Board to watch it.

4. Approval of March 18, 2020, Board of Directors Meeting Minutes:

Two punctuation errors were corrected. A third correction was to amend the location of the April Board of Directors' meeting to "Via video conference".

***Motion to approve the March 18, 2020, Board of Directors Meeting Minutes as amended: LO Second: KM Passed: 5-0-0***

## 5. Recording of E-Mail Motions:

The following two motions were passed by the Board in the interim between the March and April, 2020, Board of Directors meetings. These motions were passed by e-mail.

### a) GM Compensation and Classification:

***Motion to approve the GM Compensation Package (Item B), effective March 16, 2020: LO  
Second: JS Passed: 6-0-0***

### b) Paycheck Protection Program Loan Authorization

***Motion to authorize the General Manager (Melissa Cohen) to be the authorized signatory on behalf of the Isla Vista Food Cooperative for the Paycheck Protection Program loan in the amount of \$175,802.00 and to approve the Company Resolution as provided by the NCB on April 20, 2020. This motion overwrites any previous motion made by the Board regarding the Paycheck Protection Program loan: LO Second: JS Passed: 6-0-0***

## 6. Board Calendar:

a) IVFC Bylaws: JS and LO will meet this week to continue work on revision of the bylaws. LO/JS will report back to and bring discussion items to the Board as needed.

b) Finance Committee/Treasurer's Report: Please refer to the Treasurer's Report in the Board packet. KM: The FY19 fiscal review was performed and was fine. The IVFC is on track to have the fiscal review done every year, which is an NCG requirement.

The IVFC application paperwork for a PPP loan has been submitted. The difference between a PPP loan and an EIDL loan was discussed. Please refer to the Board packet for information on the PPP loan requirements and process.

c) Owner Engagement Committee: The OEC working in support of Board elections. JT: The Board monthly tabling and other IVFC engagement events are on hold due to the pandemic. There are no further new updates.

d) 2020 Board of Directors Election: Voting opened on March 21, 2020. There are four candidates for four Board seats. To date, 25 votes have been cast. Quorum is 80 votes. JR: What happens if we don't reach quorum? LO: If we don't hit quorum, we can appoint the directors. GM: We could do a meet your candidate zoom. It could be about 30 minutes. KM: This is a great idea. LO: Sacramento is doing election information online. The Board agrees it is good to utilize both the IVFC FB page and Instagram. (Mariposa's Instagram did a great job with their Board elections.) JT will follow up with some of the ideas.

The Board discussed the possibility of calling Owners that may not have internet access in order to record their votes. (Paper ballots are not being used due to pandemic restrictions.) The Board could allow the Election Committee to make these calls as these are special circumstances.. A number of ideas on how to enhance overall voting were also considered by the Board. It was decided the GM and JT would develop and send postcards out to owners that may not have the technology to vote online. The postcard information would include a phone number to call to record their vote.

***Motion to authorize the Election Committee to collect votes and ballot information from owners over the phone for the 2020 Board of Directors election: LO Second: JT Passed: 5-0-0***

e) Collective Transition Committee Feedback: This week LO sent the Collective Transition Committee the Board's written response to the Collective progress report that was received by the Board in February. We understand there is a pause in the Committee work due to the pandemic and the Board will await a timeline from the CTC. GM reports the CTC was discussed at the most recent Managers meeting. LO requests that AC send an email to LO acknowledging that the CTC received the Board's written response. The Merchandising Manager will be the one sending this e-mail.

f) New Director Protocols: The draft "Board of Directors Protocol - Start of Term" is included in the Board Packet. This was reviewed. GM: When revising the bylaws, please reassess the bank account protocol as ours is not consistent with other co-ops. LO: Our protocol is currently as required by our bank and in accordance with our bylaws. We will track best practices moving forward. GM: It's also a good idea to keep in mind the rotation of the Board in relation to this. After discussion, revisions were made to the draft protocol.

***Motion to approve the start-of-term protocol with changes as amended at the April 15, 2020 meeting: LO Second: KM Passed: 5-0-0***

LO is now working on the Board Training Protocol. LO has begun to contact all candidates to give them a clear idea of the Board regimen.

Break: 7:49 p.m. to 7:55 p.m.

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

*Action Items*: GM will resume work on the website once the store requirements around COVID become less time-consuming. Monitoring reports have been sent to the Board on an ongoing basis. LO: The Board has a copy of the business plan. Will put this on the radar in May when we might have a sense of the new normal. GM: It will be interesting to look back on the business plan and check priorities

*GM Goals Reporting*: IVFC finances are in great shape. April's finances are interesting, thus far. We may not continue to see the profits of March in April. As small store, the co-op is doing well as there haven't had to be any big staffing decisions.

*Transition Committee*: It is planned to resume work on Collective Management Transition Team in May. The team received the Board document/letter. GM: It was interesting to be moving toward a collective management structure and then back to GM structure, however, overall, it has been a good experience. When the Collective Management process resumes, will keep the Board informed. LO: FC working on language for a good cash reporting formula. GM: This will be helpful.

*HR/Staffing Updates*: Staffing has been a tricky part of the current business because we did have an initial group of workers that left with the start of the pandemic. There has been some new hiring, including specifically for the curbside program.. There are 31 current employees. LO: Please check the current mix and send LO an e-mail with the percentages of full time versus part-time workers.

GM: The CARES act is in effect. This requires small business to provide two weeks additional Paid Sick Time for COVID-19-related illness. AC is ensuring we are in legal compliance with the standards given. There is a CARES tax credit for this liability which our bookkeeper will guide us through. KM: Tax credit won't do anything unless you have a tax that has to be paid. We don't normally pay \$27,000 in taxes. LO: This would be if every employee takes their paid sick time. The IVFC would have to pay wages if the employee has to take care of a family member with COVID. AC: I have called Department of Labor. There are no details on a tax credit at this point. IVFC is not required to pay family leave as we are a small business. GM: Will report back. We have received an SBA PPP loan #. The PPP loan requires detailed record keeping to qualify for forgiveness of the loan.

The GM will be in touch with the NCG about best methods to track so that we can achieve forgiveness. LO: With the PPP loan, the IVFC will have a good cushion against any potential personnel expenses.

8 pm: NM left meeting

*Operations:* GM has been writing updates to the community regarding operational actions being taken to protect the safety of all in the co-ops response to COVID. There has generally been good feedback from the Owners. The Store Manager is writing a weekly operational update to workers to avoid too many daily e-mails. We have come a long way over the past month. The GM gives lots of recognition to the team for what has been accomplished at the co-op thus far. As far as the physical plant is concerned, the focus is now on operations. Small equipment purchases (masks, hand sanitizer, towel service, etc.) are all toward necessities for COVID . GM commends AC who jumped into action very early to help get our supplies.

*Owner services:* The POS Manager and GM are prioritizing the gift card project at this time. The new Join Card is currently on hold. We are working on purchasing a new credit card processor. This is a big project. We will enter into business services with NCG who has to approve the contract. It will utilize the chip. The IVFC should save \$1000/month on processing fees. Will be integrating online payment to curbside and will have to create a program for gift cards. LO: Can we add the \$30 equity payment to this if the Owners would like to pay online? GM: Will have to see how this integrates with Catapult. Would need to figure out how to track the movement of the equity money. LO will e-mail the GM about this. The PayPal account is reactivated. Could use this but will have an associated cost. KM: PayPal is expensive, possibly more so than a credit card.

*Sales to Owners:* Sales of bulk have sky rocketed. Almost half of these sales are to Owners.

*Financial Updates:* GM submitted 1Q compliance report to the NCB. The IVFC is in compliance. GM anticipates the 2Q will also be in compliance. GM: Will send the FC the PPP loan application bundle.

*Professional Services:* Employee Dishonesty Insurance rates went up based upon COVID scares. AC is monitoring.

*Cash Planning:* UCSB has sent the first payment for the gift cards they purchased, with two more payments coming. UCSB is also requesting the purchase of more gift cards.

GM sat in on an NCG Risk Management call. The NCG plans to release patronage dividends early to all member cooperatives. The IVFC could get \$10,000 to \$15,000 based on our size, how much we contributed to the NCG, and other factors.

Hazard Pay is being given to all workers, \$2 more per hour for non managers and \$1 more per hour for Managers. The Management Team voted on this. The amount received has to do with whether or not one is able to work from home. This bonus is given for holding down the IVFC during the time of this pandemic. The total amount of bonus paid has been approximately \$2000.

8:35: JR left meeting

*Current Trends, FY20:* The Board reviewed the 2Q weekly sales report provided in the packet. Sales are up 20%, which included two weeks with sales over \$100,000. GM now working on sales projections. The trend in other cooperatives is that delis are suffering about a 60% decrease in sales.. The GM took Lucidity out of comparison, so able to see more logical year-over-year figures. Main department sales are over last year's numbers.

The GM noted that the IVFC clientele has changed. There are now fewer college students shopping. The average basket is about \$25, rather than \$14. There has been a slight change in culture.

*IVFC and GM in the Community:* GM is chairing or co-chairing the weekly IVCN COVID updates. This occurs every Thursday. GM was interviewed for Inside Isla Vista which will air on 4/8. The IVFC Marketing Coordinator was interviewed for a UCSB Bottom Line newspaper article about COVID business impacts.

8:45 GM left meeting

8) Meeting Scheduling:

- a) May Board of Directors Meeting: Wednesday, May 20, 2020 at 6:30 p.m., on Zoom.
- b) April Executive Session: April 22, 2020, 7 p.m., on Zoom

Meeting adjourned: 8:51 p.m.

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