

THE ISLA VISTA FOOD COOPERATIVE
Board of Directors Meeting Minutes
Wednesday, June 17, 2020 at 6:30 p.m.
Online Meeting

Directors Present: Lisa Oglesby (LO), Janet Stich (JS), Kent McClard (KM), Lauren Coiro (LC), Jeremy Roark (JR), Nancy Morales (NM), Jillian Tempesta (JT)

Directors Absent: None

Staff Present: Melissa Cohen, General Manager (GM), Ava Churchill (AC)

Meeting start time: 6:34 p.m.

1. Approval of Meeting Agenda, June 17, 2020:

Add agenda item 4C: Workers for Racial Justice and Equity Committee

Motion to approve agenda as amended: LO Second: JS Passed: 7-0-0

2. Owner Input and Announcements: GM: Reminder to the Board about the Isla Vista Community Network meeting on the second Thursday of every month. This is attended by high-level community members and stake holders. The GM will mail the information needed to attend these virtual meetings to any interested Directors.

3. Approval of May 20, 2020, Board of Director Meeting Minutes:

GM: (1) For clarification to the 2020 Board of Directors Election Committee Report, include a sentence indicating that quorum was not met in the election. (2) In the Physical Plant section of the GM report, delete the last sentence. (3) In the GM report, change the designation of the worker that will be alerted if the IVFC gets too crowded to the Floor Manager.

The remaining three amendments to the minutes were minor typographical errors.

Motion to approve the May 20, 2020 Board of Director Meeting Minutes as amended: LO Second: NM Passed: 7-0-0

4. GM Report: Please refer to the comprehensive written GM Report in the Board packet.
LO: Complimented the thoroughness of the GM report. GM: Will speak in detail to any questions that may come up regarding the GM report.

a) June Monitoring Report:

GM Goals Reporting: GM is engaging the Management Team (MT) to help implement the listed goals.
KM: The Business Plan came to the Board with the caveat that it wouldn't work due to the effects of Covid. What is the status of the Business Plan that was submitted? GM: Yes. There was a lot of hard work put into the Business Plan by the GM and Management Team and then the pandemic hit. There hasn't been time to redo the Plan. The MT is taking up this work next month. The initial Plan is really almost moot. While this goal was realized, I had to pivot and write The Pandemic Response Plan. LO: Perhaps we can look at the Business Plan to see what is still relevant and what is not. Now is a good month to take another look as we've settled into a Covid routine of sorts. GM: We have a great template to jump forward from. LO: Maybe at the July meeting, we can revisit what is relevant for the rest of this fiscal year and see how we might use the template of this Business Plan with a focus on next year. GM: The draft budget for next year is due in July. It will be tricky. The GM and managers will work on this and will provide a draft to the Board at the end of July..

NM: Asked about the Collective Management Transition Committee and their timeline. GM: Will be reporting back to the Board on this.

7:02 p.m.: AC joined meeting.

HR/Staffing: JS: Could some information be given on the EAP? AC: This is the Employee Assistance Program. It was put in place after consulting with an HR expert and after noting that some employees might benefit from it. The EAP is standard for most businesses. It includes a hotline one can call for assistance and to get connected with resources in the area. Also, on the legal side, if there is an employee with a dependency/performance problem, you can show that you offered counseling and tried to get them help and improvement. Many larger co-ops have an EAP. With the psychological problems that can affect our student population, this is a good thing to offer.

KM: Can you comment on the worker-to-worker PTO donation? AC: We have a program set up so a worker can donate PTO to help another worker who is in need of time off. GM: Looking at growing the capacity of this program as well as other possible benefits. These are culturally and demographically appropriate benefits. More will be coming forward as we look at financials.

Operations: KM: How much higher is the estimate on the produce case condenser than what was budgeted? GM: Quotes from subcontractors will be coming in soon. Should have figures in next two weeks. LO: Let's discuss the details of this and the capital expenditures in the FC and bring it back to the Board. LO: Where are we on the technology budget? GM: We are definitely over. The server was the big \$8,000 surprise. When we have the financials we can look at this and the Balance Sheet in the FC. JT: How do you see the Phase II reopening affecting the co-op? GM: I worry that other places relaxing will have shoppers be unhappy with the fact that we are not relaxing. Thus far, it's been fine. Shoppers will put the masks on in the co-op. Sales may grow.

For curbside pickup, we've tested online payment. Tips are not allowed with curbside, but the customer is asked about "making a contribution". Currently there is no expected amount and we receive a wide range. With the online ordering now, the shopper can add the contribution with a dollar amount. LO: It is good that Webcart can provide these options. GM: We are talking about these contributions going to employee programs. We are expanding curbside pickup hour options.

Owner Services: Sales to Owners: LO: How fascinating is jump in sales to Owners? 35% feels like where we might be in normal times. GM: Bulk has been interesting. Nationally bulk sales are sliding. For the first time in 8 years, after a lot of effort, the bulk department grew. It is great to see that we still have bulk growing in terms of owner support. New Owners are being signed up. With the Catapult upgrade, we will see if we can do equity payments online. This is moving in a good direction. LC: In the Total Owner Count and Equity section, what is an "inactive member"? GM: A member is inactive if not adding due equity into their equity account. We might have the capacity to start working on the inactive owner equity. Because of the student community, people join the co-op and then leave when they finish school. These Owners didn't officially leave their equity to the co-op so it's in limbo. LO: We do have an Inactive Member Policy. KM: The issue with abandoned equity is that if we recall it we will have to pay taxes on it. This could cause fiscal difficulties.

Financial Updates: Cash planning: GM: Starting to add in average cash to financial reporting policy. This will show up in the GM report.. The June projected average cash does not include the UCSB money for gift cards. Data collection on this will occur and we can see the metrics for the funding. This has been very phenomenal for us. Prepayment is authorized because sometimes it takes UCSB a long time to pay, and there could be financial difficulties if too many people shop and we haven't been reimbursed yet. NM: I'm the Graduate Representative for the Basic Needs Task Force. Before the pandemic it was seen how students are experiencing housing and food crises. Partnerships are being formed and the gift cards have been great. Thank you to the IVFC! GM: IVFC is honored to have a seat on the task force and is the only grocer to have one. The IVFC can help by leveraging our

knowledge and help in learning what needs to be offered. This is a great connection for the IVFC with graduate students and others.

Current trends: It is amazing how well we're doing considering we've lost most of our customers. This should be traumatic, but it's OK. KM: The part that may be hard is still in the future. GM: Hard but yet excited about doing it. Usually we know what is going to happen but now it's not predictable.

Community: GM's IVCN role has increased since Covid. After tomorrow's meeting, the meeting schedule may change to biweekly. It is humbling to be in this leadership role. GM attended the CCMA webinar. A short summary was given.

7:50 to 7:58 p.m.: Break

b) Collective Transition Committee: The committee is still meeting once a week to go over basic operations, e.g. hiring policy, etc. Both GM and HR felt it was hard to get people to meet as many on the team now don't have the time and capacity to work on the intricacies of a new form of management. Wanted the Operations Manager hired first so can be part of the team. We will restart the meetings, perhaps in August. LO: When this is restarted, I would like to have the Board and the Transition Committee agree on a timeline for when we will achieve things. This will be helpful for the Board. Perhaps we can sit down and look at what a calendar would look like. We could have a template for when the meetings resume in the fall. Is this something that is feasible to implement? AC: The next step may be looking into the legal structure. We can speak to a lawyer to see what the structures are or we could have the Board and the team talk in July to assess. LO: Will it be better to start this planning in July or in August? AC: Will check. JR: Were there specific legal questions that people had in mind? LO: Employment contracts, for one. AC: We did previously look at possible working structures between the Board and the Collective Management Team. There are various structures and ways to have a contract with the Board. GM: The new Operations Manager needs to be trained enough to be engaged in this process. We can still work on the tasks (on page 14 of the Board Packet) without consulting a lawyer.

c) Workers for Racial Justice and Equity Committee: AC: This Committee has just formed. Its origins are the Black Lives Matter movement happening now. Lots of our employees are actively involved in that world and wanted to organize around continuing to support Black businesses, students, and employees. The first meeting was last week on Zoom. The committee decided its name and some ideas to work on. The Mission Statement hasn't been written yet. Ideas that were discussed included reaching out to the Black Student Union and forming a partnership, donations to the local BLM, reaching out to and doing business with black businesses. The committee is thinking about having a professional come in to provide some education on antiracism, on micro-aggressions, and to help make the IVFC safer for Black employees and for all employees. This would be an all-staff training. These issues are a problem for a lot of co-ops in the NCG. The committee also reviewed the Board statement and appreciated it going out. Question: How can we work with the Board to be sure we are in alignment with what the Board is doing? LO: Is there a space on the committee for Board participation? Would that be helpful? AC: It might be helpful in one of the upcoming meetings, to have someone there to help understand the Board position if, say, the IVFC put out a statement or pursued other actions. LO: That would be helpful for us as well. One idea is to institutionalize actions. We could say, for example: If we make "x" amount of money that would then trigger a donation to a meaningful organization. NM: This committee is a good place to create consistency around the conversation. JR: Great this committee is being formed and communication is being established. Great for helping to solve problems. AC: It is good for having this as an outlet in the workplace. This has been an emotional time. GM: Part of this does come back to a budget conversation. We can use our Priorities to see where we put our money. The committee will grow to the point that they will know where to make the donations. AC: The next committee meeting is Sunday. I'll introduce having a Board member attend an upcoming meeting(s). LO: As a Board, we are asking about and thinking of what the scope of the Board work on this might be. Our having an

understanding of what the staff is interested in will help the Board understand where we should appropriately put out energies. KM: The Board really is creating space for the staff to do things. JS: Supports the process and supports having a professional work with the committee. GM: LaDonna has lots of experience with this. The IVCSA is having these conversations as well as the IVRPD, and the IVCN. Perhaps we can share resources and be able to bring the right people in. This could be community-wide culture change work. JT: The Board can think about working ideas into our planned Board activities. e.g. The Owner Meeting in October. We can see what OEC can do on that level. NM: Did we request the letter template to send to local officials? LO: I was under the mistaken impression that JT was completing this. I will follow up on it. NM: Has our donation to BLM been confirmed? LO: I received word that BLM has temporarily paused accepting donations. I will bring any new information on this to the Board when it's available.

5. Board Calendar:

a) Strategic Priority: Community Advocacy: See above, 4C.

b) IVFC Bylaws: This work is ongoing. JS and LO will bring any discussion items to the Board as necessary. There are no discussion items for this meeting.

Owner Benefits: LO will bring information on this to the Board at the July meeting when her outreach/conversations with other cooperatives about their practices are complete and more progress has been made.

c) Pandemic Priorities: The Board completed the initial draft of the Pandemic Priorities on Sunday and sent it out to the GM over email. The GM has sent an e-mail to the Management Team about the new Business Plan and the Pandemic Priorities. Will view them in the bigger context and also see how they can be woven into what is already being done. GM will check in with the Team and get their feedback. LO: The Board is considering re-engaging with strategic planning and Priorities, perhaps later in the year. When working on the Pandemic Priorities, the Board saw how what is happening currently is affecting the big picture of the IVFC and feels the Priorities could be updated. Can the Board get feedback on whether or not the GM and MT feels this is a good idea? GM: Yes. This looks like a longer agenda item. It would be good to have a deeper conversation. Still digesting the information in the Pandemic Priorities. LO: Check with MT and see where this conversation would best take place. GM: The Pandemic Priorities are good for the workers to see and to have them also share in the conversation. LO: I will e-mail the GM to check in on feedback.

d) Finance Committee/Treasurer's Report: Please refer to the written Treasurer's Report in the Board packet. Regarding the PPP loan, on 6/4/20, a new law expanded the time the borrower had to spend the loan money from 8 weeks to 24 weeks. A cliff had been created that if you didn't spend 60% of the loan money by a certain date, the loan would not be forgiven. The SBA and Congress said this is not what was meant and removed that cliff. Today, new information came out, including an EZ form which makes it easier to get the loan forgiven. My main message is that this continues to be in flux. So far, though, all is looking good for the IVFC, however, we won't really know until the final changes are made. What happens when money is forgiven? PPP money is tax-exempt, however, if we got it all forgiven we may have a \$50,000 tax bill. One can't be given money and then use it as a write off. After the forms are completed, we will see what they say. GM: Paychex has forms you can fill out on their dashboard. This is where we get most of the data and it is a good tool.

e) Owner Engagement Committee: JT invites Directors to join the committee. At OEC meetings, planning is done for the Owner Meeting, tabling, etc. The GM states she would like to join the committee as would LC and NM.

f) Collective Transition Committee: Please refer to the tasks the Board needs to work on for the transition to Collective Management. (Page 14 of the Board packet, in the IVFC Board of Directors Calendar). LO: There is a significant amount of important work. Would like to get some Board commitments. GM: Will contact the MT and share with the Board what is pertinent that they have already worked on.

g) Board Training and Development: LO: The first round of training has occurred. A number of Board members attended the virtual CCMA webinars. LO emailed the Board the resources the CCMA provided with suggestions as to which might be good to prioritize to watch. The Board had a general discussion of the CCMA webinars. LO: It is always good, when watching seminars, to see how well the IVFC is doing. Many of the operational suggestions that are made, we have already doing. GM: Plans to do the reading challenge in LaDonna's webinar. These are books that we could buy for the co-op.

6. Meeting Scheduling

- a) July Board of Directors Meeting: Wednesday, July 15th, at 6:00 p.m., online
- b) July Executive Session: Will send e-mail with potential dates.

Meeting adjourned: 9:23 p.m.

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