

**THE ISLA VISTA FOOD COOPERATIVE**  
**Board of Directors Meeting minutes**  
**Wednesday December 13, 2023 at 6:30pm**  
Held online via Zoom

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Directors Present: Lisa Oglesby (LO), Jillian Tempesta (JT), Megan Ashley (MA), Tyler Marton (TM), Grace Garbacz (GG), Eric Shug (ES)  
Staff Present: Hernan Cornejo (GM), Preston Towers (PT)  
Owners/Community Present: Kent McClard (KM)

*Meeting begins 6:35 pm.*

1) Approval of December 13, 2023 Meeting agenda

***Motion: To approve the December 13, 2023, meeting agenda.***

***LO/MA 6-0-0***

2) Announcements & Owner Input

LO shared that the co-op moves into shorter holiday hours on December 16. Details are posted on IVFC social media and website.

3) Approval of November 15, 2023 Board of Directors Meeting minutes

***Motion: To approve meeting minutes for November 15, 2023, as amended.***

***LO/ES 6-0-0***

4) Board Calendar & Reporting

a) Finance Committee/Treasurer's Report

Sales were low for November. In part through keeping expenses low, the IVFC lost \$10,000 this month, less than in previous months. We usually make money during November, so this is still unusual. The IVFC is at the lowest amount of cash since December 2021.

b) Owner Engagement Committee Report

MS is taking over chairing the Owner Engagement Committee. The Marketing & Outreach team is still working on the refer-a-friend program. There are Board tabling opportunities for December.

c) 2023 Bylaws Revision Update

After a meeting with cooperative law attorney Therese Tuttle, review of bylaws is in its final stage. TT is inputting statute numbers and is confident she will get the IVFC a finalized version by the end of the month. The Board is on track to receive it by the January meeting. At that point, we will prepare the explanatory document for outreach, tabling, and information sharing that explains the differences between the old and revised bylaws—and why the changes were made. For simplicity, the

committee would like owners to vote in tandem with the Board election so they are voting for everything at once.

#### d) Election Committee Update

The first EC meeting took place 12/4. TM is Chair and MA is on the committee. LO and ES are potential candidates. Promotion will include e-news, store signage, etc., and begin in January 2024. Information has already been provided to the Marketing & Outreach team.

#### e) Expanding the Circle

##### Growing the IV Food Cooperative Through A 2<sup>nd</sup> location

At the next few Board meetings, we will hold a series of strategic conversations that identify the goals, opportunities, and challenges of operating a second store and expanding the cooperative. Some of this will take place in Closed Session, as needed.

The IVFC General Manager has identified ongoing, core challenges to our Isla Vista location that would be lessened with the addition of a second store.

- Seasonality of customer base in IV location
- Cost of back-end workforce in relation to size of store/sales volume
- Difficulty to reach larger Goleta/SB area
- Physical limitations of IV store for backstock, receiving, kitchen

The IVFC leadership team (GM and Board) have identified the following opportunities with the addition of a second location:

- Increased opportunity for community to take part in the cooperative
- Positive impact on overall economic health of the cooperative
- Greater impact of our Strategic Priorities in alignment with our mission

Opportunity: A current market in Santa Barbara is available for lease. Since this is already a functioning market, this location would require less renovation than other options and provide a working market for the co-op to manage as it transitions the product mix and backend operations for full co-op integration (expected to take approximately 2 months). The GM has provided the Board with feasibility reporting, including P&L scenarios for various outcomes of overall sales and expenses with two locations.

#### 5) GM Reporting

Sales were low in November, but only 3% below the revised budget. Gross profit was 3.5% above the previous year, which happened because the Grocery Manager and Produce Manager reduced purchases to fine-tune them to sales. That helped the IVFC have a larger profit margin. Several people took unpaid leaves in November, and some will take unpaid leaves in December. There is strong worker collaboration to help the IVFC past these difficult times, and this is commendable. One or two more strong days this week will allow us to pass through the next payroll and survive December.

Based on our FY23 loss, NCG Risk Committee would like to review our risk. NCG acts as guarantor. Each co-op needs to contribute to a fund every year, and that fund is established to pay in the event of a co-op's failure. Our margin of contribution will be reviewed. They have received our P&Ls and are aware of our challenges. The most probable scenario is that our rate of contribution to that fund will be increased in order to cover for our increased perceived risk as a co-op. If they make an increase, they may allow us six months before we must pay the increased rate. They will reevaluate in January 2025.

6) Upcoming Meetings

- a) Finance Committee meeting: 12/15 at 2 pm over Zoom
- b) Owner Engagement Committee meeting: Tentatively scheduled for 2<sup>nd</sup> Thursday in January
- c) Election Committee meeting: Monday, January 8, 7 pm
- d) January Board of Directors meeting: January 17th at 6:30pm

7) Closed Session

*Meeting adjourned 8:50 pm*

*Minutes taken by the Board Secretary, Jillian Tempesta.*

*Minutes approved by Board motion January 17, 2024.*