

**THE ISLA VISTA FOOD COOPERATIVE**  
**Board of Directors Meeting Minutes**  
**Wednesday, April 19, 2023 at 6:30 p.m.**  
Held online via Zoom

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Directors Present: Lisa Oglesby (LO), Jillian Tempesta (JT), Raphael Chinchilla (RC), Cody Nunn (CN)

Soon-to-be-Seated Directors Present: Megan Ashley (MA), Taylor Tait (TT), Grace Garbacz (GG), Nadia, Tyler Marton (TM)

Owners/Community Present: Marian Cohen (MC), Eric Shug (ES, entered 7:13 pm)

6:36 p.m. – Meeting begins

**1) Approval of Agenda for April 19, 2023**

***Motion: To approve meeting agenda for April 19, 2023, as amended. RC/JT 4-0-0***

**2) Welcome and Announcements**

The IVFC will have a presence at the Isla Vista Earth Day Celebration this weekend, 4/22-23, and the Santa Barbara Earth Day Celebration, 4/29-30.

**a) Owner Input**

MC asked for more details about the IVFC's financial situation, per the April Owner Drive emails. LO and RC responded that this would be covered in the Finance Committee report and the GM report summary.

**3) Approval of March 15, 2023 Board of Directors meeting minutes**

***Motion: To approve March 15, 2023, meeting minutes as presented. LO/RC 4-0-0***

**4) Board Calendar & Reporting**

**a) Finance Committee/Treasurer's Report**

In March, IVFC lost almost \$90,000, and we had negative profit. For context, RC explains that profits and cash are related but separate. If we make \$10,000 and then buy a new freezer with that \$10,000, we made a profit but lost cash when it moves from liquid to asset (that will eventually depreciate). On the other hand, we can increase cash and not have profits. The cash variation is different from profit variation. March losses were \$20,000 but cash decreased \$90,000.

The Finance Committee believes it is necessary to attract new shoppers and new owners via updated benefits, and that we should stop trying to fight the perception that we are an expensive grocery store. Instead, we should increase prices and make the values behind that decision clear.

JT asked whether we determined the source of the discrepancy.

LO responded that the Bookkeeper is pulling more information. The GM believes the cash estimate is about \$30,000 high. We expect updated reporting. The short version is that in Q2, we did not make the bulk of our money as we usually do ahead of slower and leaner times (summer). Part of

the discrepancy is that there is a lot of end-of-quarter accruals (PTO, insurances, etc.). RC added that the length of the month in relation to payroll cycles could have contributed to this (e.g., if the month had ended at a different time, the final numbers wouldn't have been so extreme).

RC met with TM and GG regarding the finance committee. Collectively, they agreed that GG should move forward as the candidate for the Treasurer position. RC recommends the Board vote this way after new candidates are seated later in the meeting.

LO reported that we are at a renewal point for our line of credit with Mechanics Bank. This is an emergency line of credit in case of events that would affect our cash flow. Mechanics is offering .5% over prime for a 8.5% interest rate; more information will come in paperwork later this week. The IVFC also has a savings account set up in 2020 when we received our PPP funds. Last year, when the GM and our CPA attained \$300,000 in credit, this was also moved to the savings account. This will be moved to a money market account so that it can accrue 3.5% interest (currently accruing no interest).

GG asked for a definition of the FDIC insurance limit. LO responded using Silicon Valley Bank as an example. It's the Board's responsibility to safeguard the coop's resources, so if we went over the FDIC insurance limit, we would move our assets to a bank with a higher limit.

*ES entered at 7:13 pm.*

RC shared his screen to introduce new directors to the P&L snapshot, which is included monthly in the board packet. This document helps the board understand key performance indicators at a glance.

MC asked whether the problem is that fewer students are shopping, or whether they are spending less money. RC responded that owners are shopping at the same levels, but we are having less traffic. Shopper counts have gone down. When we looked at the P&L snapshot, we discussed the profit margin. This indicator is better than it's been in the last few months. If someone is spending the same \$20 on a low-margin item vs. a high-margin item, there is less profit from that sale that the coop can use to improve the store. MC and her husband volunteered to help recruit more owners. A discussion about avenues to help the coop followed.

### **b) Owner Engagement Committee Report**

The OEC helped facilitate an ad for the IVFC in this week's GauchoVoice newsletter for faculty and staff, and it will run again in next week's edition. It included a \$2 off \$10 coupon and an invitation for campus folks to visit for lunch. The marketing team is also looking into tabling at May staff appreciation events, including a craft market.

Other than that, the OEC has a brief update today because we are between the election, which we had been supporting, and the seating of potential new committee members. Generally, the Board reserves Wednesdays at 6:30 for meetings. If there are no objections, I thought we could do this on 4/26, next Wednesday. We would look at the charter, which describes the purpose of the committee, and talk about upcoming OEC priorities.

### **c) Bylaws Committee Report**

A separate meeting will be held to discuss the details of the proposed new bylaws.

## **d) Election Committee Report**

There were 50 votes, 12 of which were paper ballots. Forty-nine ballots were valid. This is incredibly low turnout that may have been hindered by the rain.

Results:

Total Ballot Count Group 1: Eric 18, Jillian 41, Megan 32, Tyler 37

Total Ballot Count Group 2: Grace 24, Nadia 37, Paul 20, Sophie 23, Taylor 25

The IVFC has 1,708 active owners. Quorum would have been 85 owners (5%). Per IVFC bylaws, the Board may appoint directors when quorum isn't reached. The Election Committee recommends appointing Jillian, Megan, and Tyler to Group 1, and Nadia, Taylor, and Grace to Group 2.

The committee recommends the Board drafts a thank you to owners and includes a coupon.

***Motion: To, per the Isla Vista Food Coop Board of Directors Bylaws and following the recommendation of the Election Committee, appoint the candidates with the most votes in each group to the Board.***

**To the 2-year term (2023-2035): Jillian Tempesta, Meghan Ashley, Tyler Marton**

**To the 1-year term (2023-2024): Grace Garbacz, Nadia Lee Abushanab, Taylor Tait**

**RC/CN 3-0-1**

## **3) Start of Term Protocol**

Board officers can change at any point. The decisions made in this meeting do not tie directors to offices, but we do need to move forward with appointments.

***Motion: To reappoint Lisa Oglesby as Board President, reappoint Jillian Tempesta as Board Secretary, and Grace Garbacz as Board Treasurer. TT/NA, 7-0-0***

***Motion: To remove Raphael Chinchilla and add Grace Garbacz as Board Treasurer on all Isla Vista Food Coop accounts with Mechanics Bank. LO/TM, 7-0-0***

The last item in the Start of Term Protocol is training. An email will follow.

## **5) GM Reporting**

### **General Overview**

Sales were below budget for the month of March. We generated cash in the amount of \$150,000, which helped offset March and February, so \$13,950 is the number for cash flow in the quarter. Our concern is that this is supposed to be our cash-generating quarter. We are 8-15% below customer count, depending on the month. The basket size has remained more or less stable over the previous year. We have seen an increase in the basket size for owners and a decrease in the basket size for non-owners.

During the previous year, we undertook serious measures to reduce operational expenses. We cannot decrease personnel expenses any further, because then we would have a staff morale issue.

The GM expressed a desire for 3-4 individuals, preferably FMs, to be trained in basic first aid. This came up because of an inebriated customer in need of aid during Deltopia. The emergency procedure will also be refreshed.

Catering sales during Deltopia were \$5,000. We provided wraps and vegan burgers, and our booth was very popular. The booth was out of food by 4 pm. We also brought in an additional \$1,000 of catering orders that day. The GM would consider closing the store on Deltopia to focus on catering.

With the NCG's guidance, we are making room on the shelves for more co-op bestsellers. The entire West Coast region is experiencing poor co-op performance, so we are not alone in this and have support from the NCG.

Note: The GM report is in overview form today as the GM is traveling and calling in from an airport.

*MC exited the meeting at 8:13 p.m.*

## **6) Upcoming Meetings**

**a) Bylaws Committee meeting: TBD**

**c) Finance Committee meeting: TBD**

**c) Owner Engagement Committee meeting: 4/26 at 6:30 p.m.**

**d) March Board of Directors meeting: 4/19 at 6:30 p.m.**

*Meeting adjourned at 8:15 p.m.*

Minutes taken by Jillian Tempesta, Board Secretary.

Minutes approved by the Board of Directors, May 17, 2023.