

THE ISLA VISTA FOOD COOPERATIVE Board of Directors Meeting Minutes

July 20, 2022

Held via video conference

Directors Present: Lisa Oglesby (LO), Jillian Tempesta (JT), Raphael Chinchilla (RC), Cody Nunn (CN), Julia Barbosa (JB, entered 6:37 p.m.)

Directors Absent:

Staff Present: Hernan Cornejo (GM)

Owners/Community Present: Owner Matt Richards (MR, entered 6:34 pm), Seth Peterson (SP, entered 6:41), Eric Shug (ES)

Via Phone: 1 (669) 900-6833; Meeting ID: 377 715 3488, Passcode: 672404

Meeting ID: 377 715 3488, Passcode: IVFC

6:33 p.m. – Meeting begins

1) Approval of Agenda for July 20, 2022 (6:30pm, 5 min.)

Motion: To approve the agenda as presented in the packet. LO/RC 5-0-0

2) Owner Input & Announcements (6:35pm, 5 min.)

MR appreciated that we posted the Board meeting agenda on the bulletin board. He suggested listing committee topics on that agenda to entice people in. MR also wondered about the process for obtaining the new patio bar-tops and suggested questions for the employee survey. LO responded with information about the Board Meet and Greet on Saturday, 7/23. HC: We proposed the survey at the last Board meeting and gave people two weeks to submit their feedback. The survey was approved and went out to employees. It closed on Tuesday, July 19, and we will cover it in further detail in today's GM report. SP inquired about the coop's summer opening hour at 10 a.m. RC gave an update from the quarterly Family Student Housing tenant's meeting, where he promoted the co-op.

3) Approval of June 14, 2022 Board meeting minutes (6:40pm, 5 min.)

Motion: To approve the minutes as amended. LO/CN, 5-0-0

4) Recording of email motion: updated Bay Alarm proposal (6:45pm, 1 minute)

Motion: To authorize the GM to expense \$11,000.00 for the 6/14/22 update to the Bay Alarm proposal, as detailed in quote #364839 (attached). LO/CN, 4-0-1

5) Board Calendar & Reporting (6:46pm, 44 min.)

5a) Finance Committee/Treasurer's Report

RC: Finance Committee meeting has been postponed due to COVID. So far, the summer has not been as bad as anticipated.

5b) GM Evaluation Committee

LO shared an update on the next meeting.

5c) Owner Engagement Committee Report

JT: We will be having a joint evaluation committee and owner engagement committee meeting next Wednesday, July 27, at 6:30 p.m. to discuss ongoing strategies to engage owners.

5d) IVFC Bylaws Committee Report

LO: JS and LO have made progress on the bylaws. LO received advice from Sacramento Natural Foods on how to present bylaws in a binder, including explanation and context, including previous bylaws, supplemental information, and proposed bylaws. We are adding in substantive differences that require a vote of the ownership. Our current bylaws don't have any information about the dissolution of the cooperative because it's covered in California Cooperative Corporation law. JS and LO would like to bring the enclosed revised text to the Board. LO highlights item No. 5, which stipulates that any remaining assets could be refunded to those who had supported the co-op, with various criteria, or be donated to another cooperative or another nonprofit. This is so that we leave really good decisions for the people who are part of the cooperative 50 years from now. The hypothetical dissolution would require votes of approval from the owners.

MR noted that it would be interesting to have an event on the history of coops. JT shared two book recommendations.

5e) Strategic Priority: Community Advocacy Committee

LO will set up a time where we can have a meeting on the patio for people to share what they are interested in.

6) GM Reporting (7:30pm, 60 min.)

General Overview

HC: Cash on hand remains at healthy levels, although it was reduced substantially during June. Net income reflects a loss of \$20,000; this is substantially lower than the \$44,000 that we had in June 2021. We were able to reduce the strain of students leaving but not enough to break even. We ended the quarter with 33% growth over 2021 and we have a net revenue of \$9,000. Net revenue for the quarter should move up to about \$30,100, adjusting for the maintenance we have done that has increased the value of our assets. August/September are the coop's best months, so we expect to reach the 4% dividend by the end of the year and join the few coops who reach that benchmark. Our coop is in third place for growth in the Western Corridor, per National Cooperative of Grocers report.

HC: The 8-9 a.m. hours consistently (including pre-pandemic and especially during the summer) are very slow. In that window of time, we'd have 6-7 customers and ~\$150 in sales which, at current margins, is \$57 in cross-profits. Sales pick up substantially at 10 a.m. Historically, 9-10 p.m. is also a time when we consistently lose money, especially during the summer. 9 a.m. to 9 p.m. will be our operating hours starting in August (we currently open at 10 a.m.)

HR/Staffing

HC: We are looking for a produce lead. If we accomplish our forecasted results by the end of the year, we will implement a bonus. In an equity effort, the managers, who have higher pay, have agreed that the middle and lower levels should receive a larger percentage of the bonus. In our survey, 12 employees have shared that they are struggling financially. By the end of October, if we reach our targets, we are planning a wage increase.

Department Highlights

HC: The Deli Department is getting closer to our budgets. They had been consistently at 55-60% of accomplishment and now they are over 80%. We had been losing an important amount of avocados each week because they were too ripe, but now, we are recycling them into guacamole! Chill and produce continue with record sales. The bulk water machine will be delivered any time.

Marketing & Outreach

HC: The B2B team is developing a plan to recapture past clients. We are producing fliers and having a campaign with discounts. We are also exploring new B2B opportunities in the area, including local restaurants. A social media and mailing promotion will follow. Tastings are multiplying sales 2-3X. We are still working on the member survey. In August, NCG is reactivating a BOGO program, which increases sales. We are preparing for that by printing the POS material and planning for store space. This will boost August sales.

Maintenance and Repairs

HC: We anchored and turned the orientation of the bike racks, as suggested by MR. We also removed some termite-damaged wood and built two bar stands for tastings. The bars are also right next to the electric outlets for laptop users. We are looking for new barstools and new tables/chairs. RC asked about a freezer issue on Saturday. HC replied that the freezer unit has been repaired. One pipe was out of place and was touching the heater, creating a burning smell. The security system update began today. We are replacing 16 old cameras with new hi-res cameras that work in low light. We are also adding seven more that will cover our blind spots inside and outside the store. MR: Are security cameras necessary to the point of increasing numbers? CN: It relieves the burden on staff by enabling us to check on the store remotely when there is a security alert after hours. MR: Will the cameras have audio? HC: No. Additionally, the cameras are not there for shoplifters or to spy on cameras. They also help tell a story about accidents or injury and can reduce liability for the store. MR: Will footage be uploaded to a corporation? HC: No, we are not using ADT or another national service. It is a local company, a family business, that doesn't store video footage. LO: The data is stored in a DVR that we own; it is not cloud-based.

2022-2023 Budget

HC: The budget is in progress. RC created an accurate algorithm to predict sales. We are using conservative numbers. LO: The board is also compiling a list of anticipated board expenses, like legal fees and board training.

HC: Net revenue fiscal YTD is \$121,828, which represents a 246% increase over the same period last year. HC projects net revenue of ~\$190K. An updated day of cash on hand is about \$15,000.

7) Upcoming Meetings (8:30pm, 5 min.)

- a) GM Evaluation Committee: 7/27 at 6:30 p.m.
- b) Bylaws Committee meeting: 8/2 at 6:30 p.m.
- c) Owner Engagement Committee meeting: 7/27 at 6:30 p.m.
- d) Community Advocacy Committee: TBD
- e) August Board of Directors meeting: 8/17 at 6:30 p.m.

8) Closed Session (8:30 p.m, 15 min.)

8:25 pm – Meeting ended.

Minutes taken by Jillian Tempesta, Corporate Secretary.

Minutes approved by Board of Directors, August 17, 2022.