

THE ISLA VISTA FOOD COOPERATIVE  
Board of Directors Meeting Minutes  
Wednesday, January 15, 2020 at 6:30 p.m.  
Held at 970 Embarcadero del Mar, Community Room, Isla Vista

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

Directors Absent: None

Staff Present: Melissa Cohen, General Manager (GM)

Visitors Present: Lauren Coiro (LC)

Meeting Start Time: 6:39 p.m.

1. Approval of Meeting Agenda for January 15, 2020

***Motion to approve meeting agenda for January 15, 2020, as presented: LO Second: JT  
Passed: 6-0-0***

2. Owner Input and Announcements: No announcements at this time.

3. Approval of December 18, 2019, Board of Directors' Meeting Minutes

Correction to the motion on page 6 of the December minutes: Change the words "balance sheet" to "cash flow". The corrected motion will be: ***Motion to approve the Fiscal Year 20 budget documents: Cash Flow (showing \$98,286 ending cash), P&L (showing \$61,832.94 net income), Capital Expenditures, as presented in supplement packet: LO Second: KM Passed: 6-0-0***

Correction to Finance Committee/Treasurer's report, seventh sentence will read: Each year the IVFC has to make approximately \$3000 more each year to maintain our cash.

The second paragraph in the Finance Committee/Treasurer's Report is corrected by KM to read: "In real terms, this means in FY2020, the IVFC's combined after-tax profit and member equity growth must be larger than \$58,335.66 in order to maintain current cash levels, and we will need to achieve \$61,817.19 in 2021. It should be noted that the GM's submitted budget for 2020 shows a net income gain of \$61,832.94 and a \$19,050.00 increase in member equity. However, due to the transference of cash to building equity, the actual cash gain that is being shown by this budget is only \$31,160.00."

***Motion to approve December 18, 2019, Board of Directors' Meeting Minutes as amended: LO  
Second: MD Passed: 6-0-0***

4. Board Calendar

a) IVFC Bylaws: JS and LO are continuing work on the bylaws revision. The Board engaged in a brief discussion of the current consensus of cooperatives as to whether to use the term "member" or "owner" when discussing joining with prospective owners, and also in general language. There is some research that may shed light on this. The Board discussed "abandoned equity". It was felt language about this should be included in the bylaws, which it is. Abandoned equity is also reflected in the Isla Vista Food Cooperative Inactive Membership Policy. An owner cannot take their equity out of the IVFC if, at the time, the IVFC cannot afford it. The updating of the owner cards was discussed, including the check box for whether or not one wants promotional e-mails. Is this a legal requirement? KM: Would this prevent owners from getting coupons? LO will follow up on whether there is a law covering promotional issues. GM/NW are trying to make the card concise.

b) Finance Committee/Treasurer's Report: GM has given KM the preliminary financial reports. The bookkeeper is currently on vacation. To date, the numbers are looking good, improved over last year.

KM gave an update on his research into Preferred Shares. Online research on Preferred Shares Research is very difficult, particularly in accessing the required SEC paperwork. All documents and information is written in legalese language. KM feels we should have someone provide guidance with this, most likely our cooperative attorney, T. Tuttle. We can start with small project during which we can figure out the process. GM: Agree we should consult T. Tuttle. KM: If we have a program for our loan, we could fold the cost into the loan. AC: Regarding dissolution of the cooperative (which T. Tuttle addressed in her webinar), we should be sure that owners cannot easily vote to dissolve the cooperative. This will be put on the agenda for the February meeting. The Finance Committee will report back on the cost of using T. Tuttle.

The Finance Committee meeting date will be set after final numbers are in.

The complete written Treasurer's Report can be referred to on page 10 of the January Board packet.

c) Owner Engagement Committee Report: JT: All January tabling was done in support of the Board election. We did sign up one new membership.

d) 2020 Board of Directors' Election: JT has hung posters/fliers calling for candidates. Candidate statements are due on 2/1/20. Additional tabling in January are: January 18th (LO/JT), January 22nd (JT/JS), and January 25th (KM/AC). LC, a prospective Board member, was introduced to the Board. She was given an overview of Board service. LO: When we are through this election cycle, we will update the Election Policy, changing to the hard dates of when each portion of the process is due, rather than the language such as "30 days out", etc., which is currently used. JT: We can also take ideas from this year that we didn't have time for and plan for them next year. See the full timeline in the Board packet.

e) Collective Management Committee: The Collective Management Team meets next week. There will be something to the Board in February. AC: Will have follow-up call on Collective Management with NASCO (a housing co-op like the NCG for food co-ops). How long will doing a form of Collective management take to develop? Must update the bylaws, policies, etc. Could be 6 months to a year.

f) GM Compensation Document: Please refer to the "IVFC GM Compensation Package - Proposed Changes, January 2020" on page 11 of the Board packet. Refer also to the e-mail LO sent to the Board with details explaining the purpose for the change. LO: The update to the package in the past has only been the salary. This package will reflect changes for the GM that also apply to all other FT employees. GM benefits are listed in the Compensation Package on page 11 of the packet. The Board discussed the package, including definitions of "exempt" vs "non-exempt" employees, rate of PTO accrual, sick hours not rolling over year-to-year as well as sick hours not being paid out when the employee leaves the IVFC. Basically, the GM would be changing to a non-exempt and hourly position. The proposed hourly wage would equate with the salary the GM received when in an exempt status.

KM: Why would we want to do this? GM: Regarding on call, in most small co-ops the GM and Store Manager are both on salary to make sure operational issues as well as on-call are covered. The co-op could pay for stand-by time, however impractical. The on-call employee needs to be within a certain mile range of the IVFC as well as alcohol-free, etc. Larger co-ops can afford to salary a management team. With this change, we would now have two salaried and exempt managers, HR and Grocery. Currently, the HR Manager is usually on day call, while the Grocery Manager is on call

during the night. There is an On-Call Manager Agreement with duties listed. When we hire in a SM, it will be a salaried position. AC will send the Board a copy of the on-call duties.

Board: Can the GM perform the GM duties in a 30-40 hour work week? The Board would like to see a report at the next meeting that explains how the hourly change affects the GM work, including where hours are allocated, what is prioritized, and reflections from the GM on the functionality of the change. GM: Should be able to keep weekly hours to 40/week. Some projects, such as the Pantry, would now be volunteer. Productivity could be up with non-exempt status. LO: Move into a trial period. KM: The Board needs more information before we make this change. LO: Can use the time between January and February to track GM hours. Include in the report a breakdown of work hours (e.g.: 5 hours for finance, x-amount hours for Board work, etc.) AC: It is possible to instantly change from salaried to non-salaried. KM: Would like GM to be available to spend time necessary should something come up in the job.

***Motion to approve Item B as presented in the Board packet (page 11), valid through March 1, 2020: LO Second:AC Passed: 6-0-0***

g) IVFC Website Upgrade: In interest of time, the Board will take an initial quick look at this. The "Board Input for IVFC Website Upgrade (May 2018)" on page 12 of the packet was reviewed. LO: As the process is developing, #2 on the input page looks relevant, in particular with the new Owner Rewards Program. GM: Discussed with the Board what Square Space is able to do. Need Cart to do #1 and #2, but this does not exist yet. Catapult cannot handle #1. GM can speak with Catapult and get a timeline on #1 and #2. It would be necessary to add more modules into Square Space. Web Cart is needed to log in. (One-time purchase plus monthly). GM: Plan is to move the website forward as far as possible and budget for upgrades in the next budget. GM: Update and prioritize the list. KM: It may be worth doing manually to see if there is a demand. We would get a sense of whether or not people would use these functions.

Gift card purchases on website would be great.

LO: Is there a proposed launch date for website? Items 1, 2 and 9 are things to be worked on as part of Phase I. Could GM email LO the status of 1, 2 or 9?

## 5. GM Report:

Please refer to the comprehensive written GM report in the Board packet. Questions are taken regarding the written report. LO: On page 27, what does it mean that the NCB loan is moving into "Special Assets"? GM: Did not receive a definition of what this means. Someone from NCB will be flying out to see our cooperative, as it does with other co-ops. There were no details in the email the GM received. GM feels good about financials. Will keep the Board updated.

GM met with the Quickbooks consultant. She has great experience in retail inventory management. There are a number of projects in the fire with her. LO: Will you bring report on this to FC? GM: Yes. The POS/IT Manager is looking at Catapult and Quickbooks with her. This will lead to the outcomes we want, including budget software, etc. GM will have updates in February meeting.

KM: What is the plan for the next membership drive? How do you plan to get the approximate \$19,000 equity with more members? GM: Not necessarily looking at a drive. We are looking at other ways of inspiring ownership and also having members reactivate. (e.g. target emails if equity lapses). KM: Is there a mechanism in our current documents to track progress toward our goal of member equity for the year? GM: Feels we will get to that number. LO: Can we have a bulleted point in GM report of updated membership equity? GM: This is already in the packet in membership visuals report. We are looking at creative ways to impact equity growth and will be looking at how

membership rewards will affect membership equity. KM: Would like to see progress toward the membership goal. GM: Will report this in whatever format the Board would like.

The IVFC received the Oasis Reward from the author of the book Grocery Store. This was after he visited 132 co-ops. The Oasis reward is linked to food access.

The GM included the IVCN Community Network Meeting agenda in the packet so the Board could see what the community meeting looks like. GM brought up the IVFC Board elections at the most recent IVCN meeting. These meetings are on the second Thursday of each month.

The IVFC successfully landed Kosher Halal food orders (about 700/week through the AS Food Bank) and Snack Stations. Both resulted in a Business to Business Program increase of \$6,000 in sales. The IVFC partnership with UCSB AS Food Bank has been finalized.

#### 6. Meeting Scheduling

- a) February Board of Directors' Meeting: February 19, 2020, 6:30 at 970 Community Room
- b) January Executive Session: tbd

Meeting adjourned: 9:01 p.m.

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