

THE ISLA VISTA FOOD COOPERATIVE
Board of Directors Meeting Minutes
Wednesday, February 17, 2021 6:30 p.m
Meeting held via videoconference

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

Directors Absent: None

Staff Present: Melissa Cohen (GM)

Owners Present: Marc Vukevich (MV)

Meeting start time: 6:34 p.m.

1. Approval of Board of Directors Meeting Agenda for February 17, 2021:

Motion to approve the Board of Directors Meeting Agenda for February 17, 2021, as presented: JT Second: JS Passed: 6-0-0

2. Owner Input and Announcements: JT: Complimented the “black truffles” IVFC event, noting that she and the other participants had a lot of fun. GM: The Outreach Coordinator worked to create a good event for the community. LO: KCSB started their fund drive this week for those that would like to support the station.

3. Approval of January 20, 2021 Board Meeting Minutes: The following amendments were presented: Under GM report, *HR/Staffing*, change “The GM attended a webinar...” to “The Operations Manager attended a webinar...” End fourth sentence at “mitigating hazards” and delete next sentence. Change “updated policy” to “updated COVID prevention program”. Ninth sentence, change “If not”, to “If we don’t pass,...”. Under “CARES Act Follow-up: change “There will be a CARES Act extension...” to “There could be a CARES Act extension.” Under “Added Worker Benefit”, change end of sentence to “for all workers on shift.” Under *Financial Updates*, eighth sentence, change “shrunk” to “shrink”. The remainder of the corrections were minor punctuation/spelling changes.

Motion to approve the January 20, 2021 Board of Directors Meeting Minutes as amended: JT Second: LO Passed: 6-0-0

4. GM Report: Please refer to the comprehensive, written GM Report provided in the Board packet.

Action Items/Goals: No updates beyond the information provided in the written GM report.

HR/Staffing: There is a correction to the GM written report: Only one Floor Manager (FM) is resigning. There are currently five FMs, four of whom have other roles. One FM works solely in that position. Two part-time cashiers have been hired. LO: Last month you provided the Board a draft of a new organization chart. Has this been finalized? GM: It is finalized, however, the graphic formatting isn’t finished yet. JT: Offered to and will send the GM an organization chart template.

Cal-OSHA AB685: The 300-A form is posted in the co-op. This shows any injuries resulting from worker’s compensation as well as how many days the worker has been out. This reporting might be important to include in the packet and I will include this for the March meeting.

CARES Act Follow-up: We have gone forward with paying the CARES Act (non-required) COVID pay to workers impacted. This is a cash expense but we’ll get payroll credit. Currently, we’ve paid about \$4,700 in COVID pay for this fiscal year. The total expense if every worker used all eligible pay (prior to March 31) would be \$31,646.

Insurance Policy Addition Update: Last meeting we discussed Employment Practices Liability coverage. It turns out we already have it. It is bundled in another policy. When we got the second mortgage loan, we had to purchase “enhanced required coverage”. Because of current anti-mask lawsuits, it’s hard to get these policies now. Anti-discrimination cases are increasing. The Board held a brief further discussion on the policies and GM report on same. GM: I can provide the Board with an overview of the insurance policies for the March meeting. Various co-ops around the country are communicating with and supporting each other around aspects of the mask mandate.

Operations: COVID Update: Will inform the Board about the EHC (Enhanced Health Check) tablet for worker health check upon arrival to work. A health questionnaire also has to be answered by workers before entering. Cal-OSHA wants us to track this. The Board will do this when entering the back room. LC: In terms of germs, is the iPad recommended by the CDC vs. paper? GM: Yes. The iPad is in a case which isn’t touched until hands are sanitized. JS: What tier are workers in to get the vaccination? GM: 1B. We have signed up for MyTurn. We are also working with Blue Shield. 1B group was supposed to be up for vaccines in early February.

Produce cooler: The final invoice from Keller Construction is included in the packet. I am still working on the remuneration from the broker and we are waiting to hear from the brokerage as well as the claim result from UPS. I have been diligent in promoting the interests of the co-op with this. The freight was \$1500. Also, some cooler parts arrived separately, which should also be accounted for. The NCG is being very supportive. I request a Board motion to allow Keller to be paid out the full amount. We will be using PPP funds for this.

KM: This is a good segue into discussing this and the PPP at the same time. Regarding the PPP, the current plan is that we would transfer money from the PPP account to keep a \$75,000 balance. While I did feel we had enough cash, now I support transfer. We could also put all the PPP money in our cash flow account. If we’re keeping it separate, we should set up an overdraft, so that if we did go under a certain amount, it would automatically transfer from the bank. It’s a failsafe which we may not need to use. GM: This is a smart idea. We could also consider a short-term CD. LO: In the PPP policy, the GM is to report a written PPP plan. I am having a hard time seeing your approach with the bulleted points and would like to understand the plan. GM: I’m not sure it’s in my purview to close the bank account. I can make sure there is always \$75,000 in the main account. We could keep the remainder separate. The Board then deliberated on scenarios regarding keeping the account open or closing the separate account, short-term CD, etc. KM: There is a 9% tax liability from the State. We might keep some money in the PPP account to cover the tax liability.

Motion to authorize the GM to transfer \$160,000 from the PPP savings account into the main account: LO Second: KM Passed: 6-0-0

Motion to approve the GM to expense \$25,433.35 for payment of Terry Keller Construction invoice #319: LO Second: JT Passed: 6-0-0

LO: About the physical plant, are there ongoing issues with ice cream freezer? GM: This is the first issue in a long time. Ajax made a mistake during installation. Woody has now figured out the root of the problem (a broken wire on the back which caused an over-ice issue) and has fixed it. Now it is smooth sailing. We did have one de-ice last year. As we don’t have HVAC in the IVFC, there is no internal climate control and this works the air conditioner harder. There was ice buildup due to a pinhole leak in some coils, which has now been fixed.

Financial Updates: NCB: Please refer to GM report in packet.

1Q21 Financials: GM: I sent the Board the 1Q Key Indicator Report. LO: I’m concerned about margins. GM: I’ll refer you to the POS/IT Managers Pandemic Margin Reflection report in the packet. We are continuing work on margin. KM: In the Pandemic Margin Report, it states that labor is

affecting margin in the bulk department. The margin, according to P&L doesn't involve labor. GM: At the end of the day, we do have to add labor. KM: When see on the P&L that the bulk department has a margin of 28.44, that is excluding labor? GM: Yes. We are watching how our shoppers are purchasing. We're looking at current trends. It's difficult to raise prices and still help our shoppers. Margin has historically relied on trends which are now changing. POS/IT Manager did a good job distilling many layers to determine margin. The GM answered a few further Board questions. GM: Please feel free to email me any questions about the margin report. We'll continue to present and adapt this document. LO: The purpose of the budget steering document in the packet is to have the Board stay informed about how the IVFC is trending. The GM is going to continue updating the document and bring it back quarterly. This will give us an idea of where the co-op is going and can be used for tracking and for planning. GM: It helps me because I need a labor budget. We have to have a plan. I put in the GM report a snapshot of what the steering document shows. We came in at \$3.9 million last year and could come in about \$3.2 million this year. We could lose \$90,000 this year, but should be OK because of the PPP loan.

LO: We all need to be highly aware that the co-op is in a tight position for the rest of this fiscal year. The GM is planning to abate losses as much as we can. We will use all of PPP funds. With the plan we have workers are being paid hazard pay. GM: I put in the steering budget the labor budget plus what the Board set for the GM salary. LO: Our Priorities ensure good coverage for workers. Payroll percentage is increased because of COVID. The goal margin in the budget steering document is a little lower than I expected, but it's in line with how the coop is typically run. Probably in the March Board meeting, with less on the agenda, we should go back and have discussion space for this. GM: I did go conservative with the first margin goal as I wanted to be realistic.

Break: 7:56 p.m. to 8:06 p.m.

5. Board Calendar

a) Finance Committee/Treasurer's Report: KM: Please refer to the Treasurer's Report in the Board packet. KM: I will remind everyone that we are always dealing with expenses that are both internal and external to the P&L. A \$90,000 loss on the P&L has to be added to the \$60,000 that we will put towards the principle of our mortgage and the \$25,000 for the cooler. That puts us at a \$175,000 reduction in operating cash. GM: You have a great way of weaving together the balance sheet and P&L.

b) GM Evaluation Committee Report: The Evaluation Committee has received Carolee Coulter's report and recommendations. The Board and GM will look over this information in Closed Session.

c) 2021 Board of Directors Election Committee Report: LO: Liked the IVFC E-News headline banner for the Call for Candidates. Please see the "2021 Board of Directors Election Committee Report" in the Board Calendar section of the packet. It includes a list of what is being done in support of the election. I am meeting with KCSB after their fund drive. There will also be a written press release. Election outreach continues through February and March, including Instagram, Facebook, etc. One goal is to give information about coop but not in a way that creates lingering in the store. We will make a QR code for in-store that will take one to a link with pertinent election information. There are more challenges with analog outreach. We spoke about slips of paper in bags and also having old-school flyers. JT: I saw the notice on the co-op Board board. This is a good way. GM: I can send out election information to the IVCN mailing list. Word can hopefully go out from there. LO: I will send out an email to GM and JT with a list of our brainstorming items for outreach and voting. MV: I have an email list for about 500 students through work I've been doing. Any interest in doing any sort of promotion of what the co-op is to those students? I remember when the GM came to "Francisco Torres" and explained the mission and purpose of the IVFC and I then became an Owner.

I am happy to do an email blast for the IVFC. LO: This is very generous. The GM and Outreach Coordinator will have some good information for the email. Would be a great way to have different ways that people in the community get information. GM: Email me and we can figure out a fun way to do this.

We have three seats up for election. There is one vacancy on the Board by a previous resignation which would term out in April, 2022. Our bylaws state that that the Board can appoint a Director to fill a vacancy. If there are current Directors whose term is up and who would like a one-year term rather than two, that Director would be appropriate for this seat. This decision does not have to be made tonight but we should decide this at the March meeting. This would be before candidate statements are due, ballots are created, etc. I will put this on the March meeting agenda. I encourage the Directors that would like this one-year term to consider the slot. It would be good for consistency on the Board. JR: I may be resigning my position. LO: We realize that Board participation is now difficult for you, as you've moved out of town, etc. Should you decide to resign, please send the Secretary a signed letter. The Secretary can email you a template for this.

d) Owner Engagement Committee Report: JT: Our next project is the election. We'll be talking with LO, the GM and the Outreach Coordinator about ways to engage the Ownership and encourage voting. There will be more information on this soon once we move further into the process and have a chance to meet.

e) IVFC Bylaws: Work is ongoing. There is nothing to currently bring before the Board.

f) Owner Records Filing and Policy: LO: We did meet and figured out steps for what is to happen. The POS/IT Manager and the GM will figure out how to have the best function for the back patio filing cabinets. LO is working on the Board policy for records filing. We'll schedule another meeting when we have a bit more information to follow up on. GM: The plan is to put something in the March Board packet about what the next steps are.

LO: For the next meeting, I will do a refreshed version of Board Calendar as we have so many things going on this year.

6. Meeting Scheduling

- a) March Board of Directors Meeting: Wednesday, March 17, 2021, 6:30 p.m.
- b) Finance Committee Meeting: Friday, March 12, 2021
- c) Owner Engagement Committee: tbd
- d) GM Evaluation Committee: tbd
- e) Election Committee Meeting: tbd

7. Closed Session

Meeting adjourned:

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