

THE ISLA VISTA FOOD COOPERATIVE
Board of Directors Meeting Minutes
Wednesday November 16, 2022 at 6:30pm
Held online via Zoom

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

Meeting ID: 377 715 3488, Passcode: IVFC

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

Directors Absent: Julia Barbosa (JB)

Staff Present: Hernan Cornejo (GM)

Owners/Community Present: Owner Matt Richards (MR), Kent McClard (KM)

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6:33 p.m. – Meeting begins

1) Approval of Agenda for November 16, 2022

Motion: To approve November 16, 2022, meeting minutes as presented.

RC/CN 4-0-0

2) Owner Input & Announcements

LO reported that the IVFC community gardening day will be 11/19/22 to replant the flower boxes and make everything look nice.

MR stated he would like to see more time on the agenda of future meetings for Owner input and general discussion; addressed matters regarding his previous suspension and relationships moving forward; requested that Directors reach out to him for conversation.

GM responded that actions were in accordance with co-op bylaws and the matter is now closed, MR is welcomed back in full as an Owner. The GM said that there is a difference between a dialogue and a monologue. He said that, in his opinion, MR attends Board meetings and provides a lot of details about phone calls and interpersonal relationships, and it is not productive.

RC emphasized that all Board members are volunteers, and that each of us regularly put in 16 to 20 hours on unpaid Board work. The Board agreement and Bylaws do not mandate that Directors must spend a certain amount of time talking to owners, and if each owner wanted as much personal time with the Board as MR does, it would be untenable.

JT said that she understood that MR had been reinstated as an owner, and that she would like a one-sentence version of what a solution would look like so that we could have something concrete to move forward with.

MR would like to be able to address the claims made, to save the pilot program, and to improve reputations and relationships for those involved.

3) Approval of meeting minutes

- a) September 21, 2022 Board of Directors Meeting

Motion: To approve the September 21, 2022 Board of Directors meeting minutes as presented.

RC/JT 4-0-0

- b) October 19, 2022 Board of Directors Meeting

Motion: To approve the October 19, 2022 Board of Directors meeting minutes as presented.

RC/LO 2-0-2 (JT, CN)

- c) November 6, 2022 Annual Owner Meeting

Motion: To approve the November 6, 2022, Annual Owner Meeting minutes as presented.

RC/LO 4-0-0

4) GM Reporting (~~6:55pm, 60 min.~~)

General Overview

The GM reported that October sales were 1.4% over budget and 6.6% over the previous year. Gross profit was 7.3% over budget and 2.3% over previous year. We are experiencing a reduction of cash on hand.

HR / Staffing

The GM has requested a payroll reduction of 10% across departments and 15% for the deli. They have been able to rearrange schedules to meet that target, which will better position us for the weeks to come.

The GM reported that there is no changes in staff counts.

Financial Updates

The GM believes we will be back on track soon with these cuts and when outstanding accounts receivable come in. For the latter, the marketing department was over budget because we hadn't been repaid for Halloween activities. Operational expenses were below the budget (\$26,000 used out of a \$31,000 budget), so what is pressing us is payroll and accounts receivable. As a small business, providing credit to larger institutions (namely, UCSB) is not something we are prepared to do.

RC confirmed that the IVFC has a policy in which the IVFC could charge an extra 5% in price for credit.

Sales Performance

The GM reported that last week's sales were worrisome. Sales were almost 20% below target and 7% below the previous year. B2B sales are very important and we expect them to pick back up next week. The IVFC keeps seeing low customer counts. The average customer count has been under 500 per day.

RC voiced concern about reducing deli payroll since the deli has been performing well lately and has been back on track. HC responded that it was a very difficult decision, but after a long conversation, the team decided it was the right path. The Deli Manager will be taking the bulk of the cut himself (the most expensive hours). RC maintained that the deli must be reliable. HC responded that he believes there is a temporary balance to strike between hours, reliability, and productivity.

Today's sales of \$18,674 brought the IVFC back on track at 110% of budget.

5) Board Calendar & Reporting (~~7:55pm, 45 min.~~)

a) Finance Committee/Treasurer's Report

RC reported that we now have a good picture of the fiscal year that ended September 30. He has provided a P&L snapshot of the last month and of the last year. If we do not consider the ERC money, our net operating income was \$58K and the increase in cash was \$12K. Our margin minus labor metric was lower that we prefer. We are in a somewhat better financial position and have invested some of

our cash into assets, which hopefully means our equipment is reliable for the next few years, saving money.

RC suggested the Board discusses improving benefits for owners. Over the past year, we lost 37 owners, and only 128 joined in October's owner drive. The cashiers also do not have any incentive to enroll new owners.

MR asked for clarity around the benefits change.

LO pointed out that the current benefits are in the packet. In 2019, benefits were changed from a quarterly 10% coupon to a regular 1% cash back at the register. Previously, the IVFC was giving discounts that it couldn't afford.

The GM updated the Board on a recent cashier training on how to respond when a shopper says that they are not an owner and the importance of owners for the coop's health.

JT said that she thinks it is a marketing problem, and that we shouldn't increase benefits until owners and potential owners are aware of the existing benefits. The GM said that brainstorming meetings with the marketing team are forthcoming.

The Board discussed ways to engage cashiers. LO will add Owner Benefits review to next agenda for discussion.

b) Owner Engagement Committee Report

JT thanked LO, RC, KM, and the Marketing Manager for running the Annual Owner Meeting in her absence and asked if they wanted to share thoughts. They reported that the meeting went well and that there were several owners who had the potential to get more involved.

c) IVFC Bylaws Committee Report

The Committee aims to have a functioning rough draft for the December Board meeting. The goal is to have owners vote in the spring when they are already voting for new directors.

MR asked if the bylaws would be amended to make owner suspensions clearer. LO clarified that the section of the bylaws regarding suspension and termination are being revised in the new version.

d) Action Without Meeting Policy

LO referred to the draft policy presented in the packet. RC requested an edit to this bullet point clarifying that the timeframe would only be shortened in event of an emergency:

Agree that the timeframe to close a call for votes via email or teleconference can be shortened at the discretion of the Board President if the remaining votes will not affect the outcome of the motion passing.

The Board agreed on the following revision:

Agree that the timeframe to close a call for votes via email or teleconference can be shorted at the discretion of the Board President if the issue is time sensitive and if the remaining votes will not affect the outcome of the motion passing.

Discussion tabled for next meeting. LO will include revised Action Without Meeting Policy in the next Board packet.

e) Election Committee Policy

LO presented the updated Election Committee Policy includes simplified language and captures a few items we discussed during the previous election.

RC felt that late December was not a good time to prepare an election to launch within January 1-15. Generally, the Board agreed that it was good to have ambitious targets to there is room to move deadlines later in the process if there is low owner engagement.

Motion to approve the Election Committee Policy as presented.

RC/LO: 4-0-0

f) Twin Pines Cooperative Community Fund Donation

A representative reached out from UC Santa Barbara's Kids in Nutrition (KIN), a registered 501(c)(3) nonprofit organization dedicated to promoting healthy eating in the younger generation through student-led lessons on nutrition and sustainability and piloting programs dedicated to increasing food access and addressing food insecurity for the present population while sustaining human and natural resources for future generations.

As part of the Food Access pillar, KIN has been working on providing students, especially those from low-income households, with recipe bags to take home at the end of each 7-week lesson program. These bags contain ingredients necessary to prepare a healthy home-cooked meal with their families and encourages students to play an active role in their own healthy eating. KIN requested \$2,000 to help fund the program over three quarters.

The IVFC has money in the Twin Pines Cooperative Community Fund that is available to donate to a community cause, and the consensus is that KIN is a great fit.

Motion: To approve a \$2,000 donation from the IVFC's Twin Pines Cooperative Community Fund to UCSB's Kids in Nutrition Program.

LO/RC 4-0-0

6) Upcoming Meetings

- a) Bylaws Committee meeting: TBD
- c) Finance Committee meeting: 12/2 at 4:30pm
- c) Owner Engagement Committee meeting: TBD
- d) December Board of Directors meeting: 12/14 at 6:30pm

End time: 8:36 pm

Minutes taken by Jillian Tempesta, Board Secretary.

Minutes approved by Board motion, December 14, 2022.