

**THE ISLA VISTA FOOD COOPERATIVE**  
**Board of Directors Meeting Minutes**  
**Wednesday, February 15, 2023 at 6:30pm**

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

Staff Present: Hernan Cornejo (GM)

Owners/Community Present: Eric Shug (ES), Matt Richards (MR), Seth Peterson (SEP), Nadia Abushanab (NA), Sophie Pullen (SOP), Paul Mocker (PM), Tyler Marton (TM), Megan Ashley (MA), Kent McClard (KM)

6:35 p.m. – Meeting begins

**1) Approval of Agenda for February 15, 2023**

*Motion: To approve meeting agenda for February 15, 2023, as presented. LO/RC 3-0-0*

**2) Welcome and Announcements**

LO shared news of the passing of a co-op member and former board Director, Ann Wisheart.

**a) Owner Input**

MR inquired about table condition, and the directors and a guest confirmed that they are in working condition.

*CN joined the meeting at 6:40 pm.*

*GM joined the meeting at 6:43 pm.*

**b) Potential Board Candidates**

The Board, guests, and Board candidates introduced themselves.

**3) Approval of January 18, 2023, Board of Directors meeting minutes**

*Motion: To approve January 18, 2023, meeting minutes as amended. JT/CN 4-0-0*

**4) Board Calendar & Reporting**

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

**Treasurer's Report**

RC ran the mathematical model again and found that the forecast for the next 6-7 months is not good. The Finance Committee is investigating the cause. The IVFC was able to recover about \$115,000 in cash in January, which is good. The committee has begun looking at a new provisional budget for the rest of the fiscal year (which ends September 30th). Discussion of the budget will continue on Friday at the FC meeting.

The Finance Committee has also been examining Owner benefits. Late last year, the GM began providing weekly reports on how Owners shop. The average Owner basket is \$27; the average non-Owner basket is \$18. Owners represent 32% of our sales. This seems to indicate that Owners tend to buy more than non-Owners. This is variable by department. The bulk department has highest percentage of Owner sales (50%) and the deli has the lowest (23%).

**Line of Credit Removal**

LO submitted the Line of Credit renewal paperwork.

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

The OEC and IVFC marketing team hosted a successful Owner social event on January 26<sup>th</sup> at Captain Fatty's brewery in Goleta. Several community members, past board directors, and a potential board director attended. This event was a pilot for future off-site gatherings. The OEC met to discuss election support, including an update on board candidates and a tabling schedule.

MR suggested that tabling also include conversations with Owners on what they are buying and what they would like to see at the co-op. The directors agreed and chatted further about ways to incorporate that. CN suggested that we talk more about special orders, an attractive service provided by the co-op. This led to a brief discussion of the system for special orders and the upcoming new system for online orders.

## **c) Bylaws Committee Report**

The bylaws are the binding agreement of how we organize, as a co-op, and the rights and obligations of Owners. The committee announced that it has shared a draft to directors for review. In this revision, we are clarifying language and ensuring that what we have is in compliance with California Cooperative Law, and filling in any informational gaps. The current set of bylaws was last updated in 2010. There will be no fundamental changes to the rights or obligations to Owners. The goal is to ensure that the bylaws will last the IVFC well into the future.

Discussion of the Bylaws will take place in the March meeting.

MR asked about the type of changes to the bylaws and how it will be presented to the Ownership. LO responded that the edits are for formatting, flow, and clarity. LO also said that there will be a significant document that will track the changes from one version to the next so Owners have time to consider. A couple months of outreach will take place before the Owners are asked to vote on it. MR asked how feedback would be incorporated. LO said that there would be an open dialogue and feedback will be welcome. By becoming an Owner, one agrees to adhere by the bylaws. The IVFC is looking for an enhanced, improved contract with ourselves.

## **d) Election Committee Report**

LO reiterated upcoming election events and thanked those potential candidates who have joined the meeting. Meet the Candidates will be March 4 at noon. The marketing team is helping to coordinate vendors for that event; fliers for the store; and general outreach. For the 2023 election cycle, there are six seats up for election. Three are one-year terms (2023-24). Three are two-year terms (2023-2025). There are five candidates for the former and four candidates for the latter. These nine candidates represent a historic, heartening turnout for the Board.

The Board will approve the ballot over email. The ballot must be approved the Board to ensure that it includes all of the necessary information.

Voting will extend for three weeks from March 4. There will be online, in-store, and voicemail voting options to offer accessibility.

*SEP and MA left at 7:33 pm.*

## **5) GM Reporting**

### **General Overview**

Sales reached only \$329,645, 10.27% below 2022. It was also 10.5% below our budget. The main reason was lower than expected customer count the entire month, plus a slight reduction in basket size.

RC noted that UCSB classes began five days later this year, which is 20% of the month, which could have contributed to the lower customer count. There are fluctuations in our targets from day to day. We almost broke even, losing on \$604 dollars. However, compared to last year, it is a big loss for the month of January. The IVFC handled expenses well this month, so cash on hand increased. Overall, this is in line with the downward trend of the western corridor of food co-ops. Only 23 co-ops grew more than 10%, and most of those are in the central corridor.

TM: Have you looked at the data by department?

GM: The only department meeting targets is Grab and Go. However, we set up very cautious targets for that department because it had been at the bottom—the only way was up. Housewares has also had a weeklong boost. The rest of the departments, including Produce, are also below target.

TM: What about IV Market?

GM: IV Market is also doing poorly. Costco is more of a competitor.

The conversation continued regarding customer count and declining Owner numbers.

*NA left at 7:52 pm.*

KM asked if there's a correlation between midterms/finals and Grab and Go sales, and if so, whether there could be concentrated promos to take advantage of UCSB weeks.

### **HR/Staffing**

We are currently hiring two BCs and two deli clerks.

The IVFC is a competitive workplace in terms of wages. Going forward, the idea is to hire leads who have grocery experience. The IVFC is also promoting two internships with the SBCC School of Culinary Arts.

### **Departmental Highlights**

Not major changes to report in departmental performances.

### **Marketing & Outreach**

The IVFC is leading community outreach and offering more Hispanic produce to attract customers who would shop at Santa Cruz Market. We will also plan to push more Field Day and other low-cost brands. We are also doing more B2B outreach to see if we can get more business customers.

### **Maintenance & Repairs**

No major maintenance issues to report his month.

### **Financial Updates**

We had a modest increase in Ownerships in the month of January.

We had a net cash increase of \$150,000. Checking plus savings, our net balance is \$377,000. RC had a question about the net increase in cash. GM replied that one of the main sources of cash this month was account receivables. There followed a debate about various causes.

GM reported that purchases were kept in line with sales. COGS was 10.77% below last year. We kept a tight eye on inventory and were able to adjust to lower expectations in sales, avoiding overstocking.

Utilities (including refuse) and cell phone bills went up.

Under "other income" on the January P&L, LO asked about misc. adjustments from the prior year. GM responded that it is an adjustment for expenses that were incorrectly accounted for previously.

*MA left at 8:25 pm.*

**6) Upcoming Meetings**

**a) Finance Committee meeting: 2/17 at 4:30pm**

**b) Owner Engagement Committee meeting: TBD**

**c) Meet The Candidates event: ¾ at noon**

**d) March Board of Directors meeting: 3/15 at 6:30 p.m.**

*8:28pm all guests leave; Board and GM enter Closed Session.*

**Meeting adjourned at 9:04 p.m.**

Minutes taken by Jillian Tempesta, Board Secretary.

Minutes approved by the Board of Directors, March 15, 2023.