

THE ISLA VISTA FOOD COOPERATIVE
Board of Directors Meeting Minutes
Wednesday June 28, 2023 at 6:30pm
Held online via Zoom

Directors Present: Lisa Oglesby (LO), Jillian Tempesta (JT), Megan Ashley (MA), Tyler Marton (TM), Grace Garbanzo (GG)

Directors Absent: Taylor Tait (TT)

Owners/Community Present: Matt Strezpek (MS), Kent McClard (KM), Eric Shug (ES), Nadia Abushanab (NS)

6:37 p.m. – Meeting begins

1) Approval of Agenda for June 28, 2023 Meeting

Motion: To approve meeting agenda for June 28, 2023, as presented.
JT/MA 6-0-0

2) Announcements & Owner Input

MS mentioned that he has been talking to Parks & Rec about public seating in Isla Vista. The consensus among his acquaintances is that people don't use the patio as often anymore. He would like to go back to having more tables since the benches could be perceived as cutting off the patio. MS and the folks he is speaking for would like more tables. LO will add this to Board discussions for the summer. GM confirmed that he is looking for new tables that are sturdy and affordable. He also noted that there was a brief time that the tables were removed because of a tree hazard, which has since been resolved, so the tables will go back.

3) Approval of May 17, 2023 Board of Directors Meeting Minutes

Motion: To approve meeting minutes for May 17, 2023, as presented.
MA/TM 6-0-0

4) Recording of Email Motions

a) Expense for Two Coolers:

Motion: To authorize the GM to expense \$12,000.00 for the purchase of coolers for the Deli and Grocery departments.
LO/MA 7-0-0

2) Insurance Finance Agreement:

Motion: To authorize the General Manger, Hernan Cornejo, as the authorized agent for the IVFC to sign the 2023 Premium Finance Agreement with Winston Ireland Strom & Green.

LO/TM 7-0-0

3) USDA account:

Motion: To approve the Letter of Engagement between the IVFC and Melissa Cohen for the purposes of updating the IVFC's USDA account. The compensation amount detailed herein is left to the discretion of the GM up to the limit of \$200 per hour.

LO/MA 6-0-1

5) Board Calendar & Reporting

a) Finance Committee/Treasurer's Report

Our net income was about \$8,000 for May. Cash holdings increased by \$2,219.81. All Mechanics Bank paperwork has been updated. The FC will meet after this meeting, and the next FC meeting will have the budget for the next year.

b) Owner Engagement Committee Report

JT and LO have been supporting the marketing and outreach team's customer intercept project. Over the month of June, we have surveyed 100 co-op shoppers in and in front of the co-op. JT would encourage all directors to participate in future projects like this to chat with owners and shoppers.

c) Revised Bylaws Draft

The Board had a meeting to review the updated Bylaws. Only a few minor changes were made. They are ready to go to our attorney specializing in cooperative law. The committee hopes to have something come back from the attorney to the Board for the July meeting.

d) GM Evaluation Committee

The GM started with the IVFC in August 2021. The staff will get a form for input; the Board will get a form for input; and the GM will get a self-evaluation. Responses for the survey are due in July for the August evaluation. This is both a review of a particular person and the organization overall. All directors serve on the evaluation committee.

e) Shoplifting Policy

We are dealing with how the staff handles the incidents on the ground, operationally, and how bystanders respond to the incidents. LO read from the May 2023 meeting minutes to summarize the Board's consensus. The GM shared the Shoplifting Policy as of March 2022. He is removing the part of the policy that suggests workers should confront the shoplifter or try to recover stolen goods. The GM stated that most shoplifting incidents were under \$20. He also affirmed that, in extreme situations, the IV Foot Patrol provides compassionate help and a list of resources.

NA shared that not everyone has a positive experience with the Foot Patrol, and that it would be good for the IVFC to be able to share resources as well. NA said that worker safety is the priority and no one should be asked to confront anyone. She would prefer that the Foot Patrol is only called in dangerous or repeat situations. The GM confirmed that Foot Patrol is only called for incidents that are dangerous or repeat.

MS shared that for context, there used to be a free meal every day of the week. St. Anthony's stopped their Monday meal during COVID. Americorps also used to provide bagged lunches. He also suggested using the co-op bulletin board to post resources.

TM asked how the GM knows who the repeat shoplifters are. The GM responded that the workers on the floor are alert, and that the cameras also help.

The Board provided the GM with a standard response for bystanders who voice concerns on social media. The response refers the concern to the Board.

f) Board Projects 2023

The Strategic Priorities Review and the Co-op History Document will be revisited in July.

g) 8th Cooperative Principle

LO shared that the adaptation of the 8th Cooperative Principle is growing. The Board will discuss it further in July along with the Strategic Priorities Review. This could be a good item to bring to the owner meeting in the fall.

"The food co-ops of National Co+op Grocers have chosen to incorporate an eighth principle: diversity, equity and inclusion. Cooperatives believe we are stronger when a proactive effort is put forth to engage everyone in governance, management and representation."

6) GM Reporting

a) Co-op Tree Update (Arborist Recommendation and Discussion)

Our arborist evaluated the ~200-year-old tree that was posing a hazard over the patio and determined that it is dying. It will pose a continued hazard for dropping branches, and the recommendation from the arborist is to cut it.

If we cut the tree, we want to replace the tree—through a grant, through a partnership with Parks & Rec or through a crowdfunding campaign. They cost \$2-3,000. The GM also intends to ask for a piece of the tree trunk as an art project or a memorial.

Ideas going forward include an Instagram survey and a meeting with the person who designed the current wooden sign. MA added that it might be difficult to find a native species that will thrive in that environment. Cedar and fruit trees were suggested.

b) June GM Report

The GM visited a potential property for a second location at La Cumbre mall. The rent was affordable; lower than the area average. However, it was close to Bristol Farms, Gelson's, Whole Foods, and Target, so the area is overserved. There would be an investment in adapting the property to our needs. The GM is passing on the property but will continue looking.

We are looking for a second location to offset seasonal variation in Isla Vista. It will also decrease staff expenses, helping the bottom line. A brief discussion followed about potential locations across Santa Barbara and Goleta.

The staff and Board has been using Slack as a coordination and communication platform. The feedback has been positive, so the GM will move from the free to the paid version (\$200/month). It will open a lot of collaboration, long-term conversation history storage, etc.

Financials

Sales for May were over \$380,000, 7.7% below last year. We were also 5% below our projected number; however, we made a profit. Last May, we made about \$23,000; this May, we made almost \$8,300. We doubled our expected net income this May.

Cash flow increased only \$2,000 in May because of cooler purchases.

Some students are back for Summer Session I, but we haven't seen them in the store yet. In response, we will maintain reduced hours for two more weeks. Sales before 11 a.m. are extremely low.

HR/Personnel

There is one new cashier—say hello! The co-op is working with a reduced staff to accommodate summer time-off requests and respond to lower foot traffic.

Marketing & Outreach

Customer intercepts ended with a total of 100 surveys. It gives us a good sample with a very low margin of error. Findings will follow. Selected notes include that most of the surveyed shoppers were not owners. Most respondents were within our 93117 zip code; and 60% of respondents don't follow us on any social media or by newsletter. Overall, owners were very satisfied with the benefits program. Some additional discussion followed about the details of the questions.

Since 2016, there has been a huge reduction in basket size. Our goal is to attract higher-basket consumers, and to overall increase basket size. The managers team proposed a tiered points system for basket size. A \$25 purchase will net 250 points, a \$50 purchase will net 500 points, a \$100 purchase will net 1,000 points, and a \$150+ purchase will net 1,500 points. This would provide instant gratification and it is easy to present. Other ideas include point opportunities for specialty shoppers (wine, seasonings, etc.) and double points on Saturdays.

TM asked follow-up questions about the percentage increase and about email coupons.

The GM reported that owner equity is also under discussion.

7) Upcoming Meetings

- a) Finance Committee meeting: TBD
- b) Owner Engagement Committee meeting: TBD
- c) GM Evaluation Committee meeting: TBD
- d) July Board of Directors meeting: July 19th at 6:30pm

9:00pm all guests leave, Board and GM enter Closed Session

8) Closed Session

9:12pm Meeting adjourned

These meeting minutes have been taken by Jillian Tempesta, Corporate Secretary. Meeting minutes approved Board motion, July 19, 2023.