

THE ISLA VISTA FOOD COOPERATIVE

Board of Director's Meeting

March 28, 2017 at 6:30pm

Board Members present: Lisa Oglesby (LO), Johnny Sacko (JFS), Janet Stich (JDS), Kent McLard (KM), Ann Wisehart (AW), Emiko Corey (EC) - Remotely

Board Members absent: Ashcon Minolefar (AM-EVPLA)

IVFC Members present: Matias Eusterbrock (ME), Monica Rea (MR), Matt Richards

IVFC Staff present: Melissa Cohen, GM (MC)

Start time: 6:35 p.m.

1) Approval of agenda for March 28, 2017

Move to approve agenda: AW. Second: LO. Passed: 5-0-0

Johnny Sacko arrives: 6:44

2) Announcements

Matias Eusterbrock announced that industrial composting is being offered by SB County Public Works. This might be a program the IVFC would be interested in participating in.

Plan: ME will send information regarding this program to the GM for her consideration.

Surfrider Foundation is promoting an ocean-friendly restaurant program. This includes a series of metrics regarding different levels of ocean friendliness in choices that restaurants/organizations/patrons make. The promoters of the program have indicated they are interested in contacting the IVFC about the program.

MR related that long-time Co-Op patron, David Miller has passed away. He was an owner of Graphic Art, worked with AS publications, and interacted as such frequently with the IVFC. His memorial this March 31st from 5-11 pm at Chase Palm Park Center.

3) Approval of February 22, 2017 minutes:

LO would like to amend the following in the minutes: Item 7: “The Board wants to ensure, as a debtor, that the IVFC would keep the solar panels and/or have our investment reimbursed should ReVolv go into bankruptcy.”

This would be replaced with: “The Board wants to ensure, as a debtor, that the IVFC would be able to retain the solar panels as detailed in the lease agreement should ReVolv close before the timeline of the lease has expired.”

“It was commented that a certain amount of risk is being taken on by the IVFC with the panels, but not an additional cost beyond what we’re already paying for utilities”

LO would like to amend Item 8: “Follow-up: Is there a way to better waterproof the compressors? Check with the GM to see if there were leaks in the roof during the heavy rains.”

This would be replaced with: “Follow-up: Check with GM to see what damage(s) might be added to the ongoing Capital Expenditures and Maintenance for Physical Plant and Equipment report that she maintains”.

AW would like to amend #6: Strike the sentence: “The Articles of Incorporation will be reviewed and presented to the membership prior to any amendments are made to the Bylaws.”

Move to approve as amended: Motion by LO. Second by AW. Passed: 5-0-1, Abstain JFS

4) Recording of email motion:

Motion by LO. Second EC. Passed: 6-0-1, AM abstain.

“I move to approve the General Manager to sign the updated “RE-volv Solar Lease Agreement - Isla Vista Food Cooperative (2/13/17)” and “Re-volv Isla Vista Lease Agreement (WSGR 1-31-2017) (2/13/17)” on behalf of the IVFC and to authorize the General Manager to fill out any permitting paperwork on behalf of the IVFC for the installation of the project”.

5) Board of Director’s Election Committee Report :

The Election Committee Report was reviewed by the Board. As noted in the report, the official quorum of IVFC membership votes (71 active member votes or 5%) was not met in the election.

The Election Committee suggested that the Board act in concert with the will of the voting membership and appoint/seal Matias Eusterbrock, Monica Rea, and Ann Wisheart as Directors for the new Board term, beginning March, 2017.

Motion by LO. Second EC. Passed 6-0-0: The Board will act in accordance with the input of the voting membership and seat Matias Eusterbrock, Monica Rea and Ann Wisheart to the IVFC Board of Directors, beginning March, 2017.

Prior to voting on the above motion, the Board President, on behalf of the entire Board, acknowledged and gave thanks to the two departing Directors. Both departing Directors had extended their commitments to the Board by an entire year during a time when stability on the Board was needed. The Board appreciates what they brought to the table, the sacrifices they made to continue to participate and the solidarity they demonstrated to the IVFC. The GM plans to make available the store discount to the departing Directors until they are able to again visit the Co-Op to shop.

EC left meeting at 6:57 p.m.

New Board members were then encouraged to contact the Board President should they be unable to attend a meeting, so that the Board can be assured of a quorum at the meetings.

Matt Richards left meeting at 7:00 p.m.

6) Board Calendar

New Director Training: This will be scheduled with the new Directors at the conclusion of the meeting. The GM will orient the new Directors to the budget processes and operational activities relevant to the role of IVFC Director. The Board President's orientation will include an overview of Board responsibilities, current goals of the Board and other pertinent information.

General Manager Evaluation: The Board President will meet with the GM this Friday to discuss the structure of the GM evaluation.

Board Policies Review: The Policy Review of the ByLaws and Articles of Incorporation will be discussed in the April Executive Session of the Board. Direction as to how to proceed with this will be developed at this time.

Our Future Together! Strategic Planning Committee: The data collected from the membership is being organized. The Strategic Plan will be developed once this is organized.

Board of Directors Retreat and Evaluation: Tentatively planned for June, 2017. The structure and the goals for the retreat will be developed by the Board.

7) GM Report (GM review of written report)

The GM acknowledged the request of the Board to tailor the GM Report more toward the GM/IVFC goals and less toward the operational side of the Co-Op. The GM noted that often it is difficult to remove one from the other in month-to-month reporting, but that she is very willing to make an effort to do so in the future.

The GM stated the report is helpful in getting the Board a snapshot of what is being worked on as well as issues that present themselves to the IVFC/GM.

The Board President noted that quarterly input regarding progress on goals would be helpful.

The Board discussed not including staff/member/shopper names in the GM Report as including them may inadvertently encroach on their privacy and/or not be relevant to the Board's understanding of organizational changes. The GM requested the Board write a policy regarding the articulation of title/name when discussing or reporting on the operational activities of the IVFC. The Board will take this up in Executive Session.

The President will provide new Board members with the past three months of GM reports so they are informed.

Insurance update: No changes have occurred since the GM report. The Board will discuss this in Closed Session.

Solar Panels: The permit is now being reviewed by the Fire Department. Once the Fire Department signs off on the permit, a timeline for installation will be developed.

Financial update: The printout of the Sales through 12 weeks of January-March, 2017 was reviewed. Decreased sales occurred in February. Financials have been adjusted for this loss and projections for the next quarter are anticipating and rallying increased sales.

Due to the effect of an extra week off for the UCSB winter break this year and the ensuing financial impact to the IVFC, the GM contacted UCSB and has now become aware of all the UCSB breaks scheduled for next eight years. The IVFC will be able to plan accordingly.

There was a end of \$50,000 cash for the past quarter. Due to unexpected expenses during the past month, this is considered to be a positive.

The IVFC is paying off one of the last member loans this month.

The GM is encouraged to see people being excited about the Co-Op. In planning for future sales, the GM noted that Sprouts is competition for local shoppers. The GM is analyzing this as well as how far a student might travel for discounted groceries as a discounted grocery outlet is being planned for Santa Barbara. In this regard, the GM is confident about the IVFC team and their direction/plans to generate sales/profit. GM noted that increased sales will also be required to accommodate the increase in IVFC employee wages.

Second Mortgage Loan Update: This loan matures in January, 2018. The GM has jump-started planning for this by contacting Shared Capital regarding next steps. The Board President stated she was encouraged by the response of Shared Capital (See copy of response in GM Report). The Board has time to plan a strategy for the Second Mortgage Loan. The Board will discuss the possibility of a membership loan campaign as well as other ideas. The Board appreciates the lead time on this issue, so that effective planning can be done.

The GM stated that visioning of Co-Op ownership for the members is a project that is being worked on. This includes presenting ownership in a way that will reinvigorate the membership. Marissa spearheading this project.

MR introduced the concept of, in the future, making the Board more visible in the community.

Planning: The GM would like to have the NCG evaluate the general structure of the IVFC. The GM wants to ensure that the proper roles are in place for the future of the Co-Op. Also, have various IVFC systems analyzed to determine if they are running as efficiently as possible (e.g.: receiving) as well as determine how a GM succession plan might be structured.

A review of the 2016 Goals for the GM included:

1. Membership Growth and Enrichment Plan: In progress

2. Increased Focus on Financial Planning: Ongoing
3. Website: Not currently a top priority. Now that the work of the past two months is complete, the GM will have more time to work on the website.
4. Comprehensive List of Internal Control Policies: Some updated internal controls. Board does not yet have a booklet of these policies.
5. Revamp of Staff Training Manual: In progress by Store Manager
6. GM Shall Continue to Meet Margin Goals/Generate a Net Profit While Increasing Equity: Completed and ongoing.
7. Preparation for Fiscal Review: Completed and report received. Prepared by an outside accountant per NCG national standards.

Fiscal Review Discussion: As the fiscal review cost is \$5,000, the question arose as to how often the IVFC should (or is required by NCG) to perform this. The Board will make this decision. Prior to further discussion, the Treasurer will review the report and discuss with the GM. The IVFC will also explore the possibility of receiving funding from the NCG to help defray the cost of a fiscal review or audit.

The GM requested that the Board discuss and prioritize the above goals for her.

8) Treasurer's Report: Included in discussion of the Financial Update, Loan Update and Fiscal Review

9) Meeting Scheduling

- a) Executive Session: April 10, 2017, 6:30
- b) April Board of Directors Meeting: April 19, 2017, 6:30, Pardall Center
- c) New Director Training(s): TBD

10) Closed Session

Meeting adjourned: 8:29 p.m.

Length of Meeting: 1h 54m

Location of Meeting: 970 Embarcadero Del Mar, Isla Vista, CA

Minutes taken by Janet Stich, Corporate Secretary