

# TPSS Board of Representatives Meeting

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Date: June 23, 2013

Time and Place: 6:05pm, TP Store Community Room

Present: Tanya Whorton (TW), Emily Townsend, (ET), Ken Firestone (KF), Dan Robinson (DR), Kahlil Yanes (KY), Bill Rodgers (BR), Matt Hersh (MH),

Absent: Steve Dubb (SD), Erin Gabrielson (EG)

Others Present: Abdi Guled (AG), Marilyn Berger (MB)

Minutes submitted by: Solveig Mortensen (SM)

## RESOLUTIONS:

- Board reps. agreed to table the approval of the May 2013 Open session minutes to the July 2013 Board meeting.
- DR moved that the TPSS Co-op sponsor the documentary film *Food for Change* and the Board approved by consensus; DR further moved to sponsor the documentary film *Food for Change* at the \$5,000 level; ET moved to suspend consensus for a majority vote and TW seconded. By majority vote the Board agreed to sponsor the documentary film *Food for Change* at the level of \$5,000: in favor TW, KF, ET, DR and not in favor BR, KY.

**CCMA Conference:** BR, KY, MH, DR, & AG attended the CCMA conference in Austin June 6-9. They reported. BR attended the Davis Food Co-op study and training on how co-ops can work with the government and affect laws. MH reported on the new board leader training session which suggested questions any new board rep. should consider and tips for co-ops on branding, marketing, outreach, etc. KY shared the Wheatsville Co-op story, where to transform and compete they concentrated on having the best customer service and being more than just a food store. DR reported that he attended a session on open book management and another session re: a spreadsheet tool designed to help co-ops plan, which was created by David Walker. AG noted that TPSS managers and providers are doing a weekly open book process and that it is posted for staff as well. AG also noted that in addition to the Wheatsville story, the keynote speech about bank transfer day was inspiring. DR elaborated that the bank transfer day movement started on-line and flourished.

**Open Member Forum:** DR shared the open invitation to the Board to attend the Common Market's third Thursday Board meeting. DR also mentioned a local urban developer who purchased a greenhouse and is planning to become a distributor for locally farmed produce. Finally, he talked about how at the conference and elsewhere he has heard that people are looking first for local and second for organic; if co-ops can just get a higher percentage of locally grown foods it will serve them. Board reps. discussed how some locally grown foods for purchase are grown with organic methods, but not organically certified. They also described the trend of a new emerging standard created by farms coming together and checking each other's standards: certified naturally grown. ET described a visit to a co-op in NC, which had large open space and free concerts every Friday. She also talked about the advantage of having customers use gift cards over credit cards to save on fees; the Board discussed ways to promote this.

**GM Report:** MB reported that she is exploring new insurance options for the Co-op; after the current insurer relayed that they would no longer provide liability insurance to organizations that sell supplements

and organic food and with some examination, it became evident that the Co-op may realize significant savings elsewhere. MB stated that she hopes to find one bundled package that will include many typical insurance features: building liability, worker's comp., etc.

AG explained that he prefers to have paid staff on the Local Foods Committee, as it is a committee designed to vet products. The Board suggested that members could be free to attend the meetings without being on the committee, both for ease of scheduling and keeping product selection decisions clearly in management's purview. **AG and the Board agreed to revisit the topic at the next Board meeting.**

**Report from FAC:** DR gave a verbal report of the notes from the FAC meeting minutes. He shared that the Finance Manager delivered the April and May financial reports to the FAC and has been cutting unneeded costs where it is possible. He highlighted that the SS store showed a \$6800 profit in May, less the \$11K profit showed in April (but not including the \$12K it is scheduled to pay the TP store monthly). He stated that the SS May sales were up by \$15K but the COGs (Cost of Goods) were also up \$20K.

He elaborated that an \$11K profit almost covers the monthly amount the SS store owes toward overhead and reported that the FAC considered whether that slated amount can be used to instead stimulate growth. So the FAC talked about adjusting the percentage of the 70/30 split between the TP and SS store to strategically support the SS store. Technically, management noted, the SS store is not currently paying the regular \$12K.

DR summarized how the FAC is also looking at changing the financial reporting by creating a more simplified version but having a more detailed back up report available and doing more Board education. They also planned to reference NCGA, Common Market, and other resources for examples of different versions, he said.

DR shared that the FAC is setting a deadline of September for the review of the Financial Conditions Policy (FCP). The Board President provided background on why the FCP needs review: the Board was not receiving some of the reports listed in the FCP, and within the GM's last monitoring report, he highlighted pieces that needed clarification. She elaborated on examples of things (beyond just the ratios) that were not shared in the past and how as part of the FCP review, the FAC and Board need to distinguish those items for formal reporting versus those for informal reporting. AG described how the FCP is supposed to include or give direction if a co-op benchmark is not being met.

Finally DR confirmed that the FAC will give a report at the next Member-owners (Membership) meeting and that the next FAC meeting will occur on July 25<sup>th</sup>. The Board understood that the audit report will occur at July's Board meeting.

**Report from Expansion Committee:** KF shared that the firm performing the feasibility study, CW Architects, Inc., will be talking to the new City Manager. He reported that the Takoma Junction Phase II Environmental Assessment Study is now completed and essentially states that the City-owned lot at Takoma Junction did not show any severe or major environmental issues. KF shared that he had a conference with Sarah Daines, the Economic and Community Development Director for the City; he learned that now that the environmental study findings have been determined, the City is hiring an appraiser to give the dollar amount for the lot. Furthermore, he said, the City will go into closed session

where the Council will decide to: 1) sell the lot outright; 2) let the City develop the lot itself; or 3) allow request for proposals from interested parties.

KF introduced the news of a possible new location opening up at Willow Street, which could suit the Co-op expansion; Douglas Development, he stated, is renovating a building they have across from a CVS. AG passed the information onto CW Architects, Inc. as a possibility for review, and KF continued, because it is in DC and not MD, the Co-op could obtain a beer and wine license there. KF relayed that when the feasibility study is finished, the Expansion Committee (EC) plans to reconvene and review it with the Board; KF anticipated August for results but indicated July as a possibility as well.

DR queried the GM about his general plan for selling additional products and having the required space to do so in an expanded store. KF shared background information on how early on the EC had a market study completed that indicated that doubling the Co-op's square footage will help its profitability. Board reps. discussed the appropriate time for people to begin to brainstorm about what can or should be done with that additional new space. KF confirmed that the potential of expanding in DC will be covered in CW Architect's report but expanding across the street will not. AG shared that the Co-op also asked the firm to review how the Co-op should utilize the TP store if it does not expand.

The Board President raised the point that NCGA has a growth division that specifically focuses on doing co-op expansion work nationally and is the expertise that most co-ops rely upon. Noting that the City may be asking for RFPs soon, she presented the question of when the Co-op may want to bring on a professional person with expertise in the area of co-op expansion. The EC Chair gave the feedback that the Co-op should wait for the results of the feasibility study because, he believed, the recommendation on the lot will influence many future decisions and negotiations. The Board further discussed the time to bring on an external consultant; AG shared that he has spoken with Bill Gessner, who will visit the Co-op in several weeks.

**Membership Committee:** ET relayed that the next Member-Owner's (Membership) Meeting will occur on October 19<sup>th</sup>, while the candidates' statements will be due on September 22<sup>nd</sup>. She shared that the Co-op continues in its Latino outreach effort and that the Outreach Coordinator has translated many of the Co-op's documents into Spanish. She shared that there are many members and people who are interested in working on member education, so the Membership Committee (MC) wants to design a structure to allow member-owners to give volunteer talks at the Co-op. ET invited everyone to email the MC with ideas about how it can effectively support this process, screen speakers, etc.

**Credit Union relationships:** DR shared the direction given to co-ops by Michael Beall CEO of the National Co-operative Business Association (NCBA), that co-ops and credit unions start working more closely together; they have the same basic business model and are the largest cooperative institutions. He reiterated the point that co-ops of all types should observe co-op principle VI, cooperation among cooperatives, and work in conjunction with one another. DR also observed that Old Takoma Business Association (OTBA) is a co-op partner that is looking at investment right now, so there may be opportunities for collaboration.

The GM explained to the Board that the Co-op is not getting ATM machines from Lafayette Federal Credit Union after all; once the Co-op examined the agreement more thoroughly, they realized it would not, ultimately, benefit the Co-op. The Board discussed the option of looking at small banks with good

ratings that are known to do less fractional reserve banking. The Board also discussed the potential of getting listed with an additional credit union. ET explained that right now the Co-op is a “Select Employee Group (SEG)” of on Lafayette Federal Credit Union, which means any member of TPSS may join Lafayette Federal Credit Union. She suggested that perhaps the Co-op could communicate with the National Credit Union Administration (NCUA) and explore its options; NCUA guidelines allow the possibility of more than one credit union serving a population only if the people in a community or SEG are not being served by their current credit union and the benefit to the consumers outweighs the harm to their current credit union. AG confirmed that he had already spoken with Signal Credit Union representatives and had a meeting scheduled with them and the Co-op’s Finance Manager.

The Board discussed sponsoring the documentary Food for Change. The Board President and GM reflected on how the film’s sponsorship can be part of the Co-op’s marketing, which can be augmented.

Future Meeting topics:

- Audit Report
- Operational Budget
- Board Budget

Meeting adjourned at 9:15pm

Term 2013:

<u>Rep.:</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>Jun</u>
Dubb	*	*	*	*	*	*	
Firestone	*	*	*	*	*	*	*
Gabrielson	*	*		*	*	*	
Hersh		*	*	*		*	*
Robinson	*	*			*	*	*
Rodgers	*	*	*	*	*	*	*
Townsend	*		*	*	*	*	*
Whorton	*	*	*	*	*	*	*
Yanes	*	*	*	*	*	*	*