

TPSS Board of Representatives Meeting

Date: March 24, 2013

Time and Place: 6:00pm, TP Store Community Room

Present: Tanya Whorton (TW), Steve Dubb (SD), Emily Townsend, (ET), Bill Rodgers (BR), Ken Firestone (KF), Kahlil Yanes (KY), Matt Hersh (MH), Erin Gabrielson (EG)

Absent: Dan Robinson (DR)

Others Present: Abdi Guled (AG)

Minutes submitted by: Solveig Mortensen (SM)

RESOLUTIONS:

- The Board accepted the February 24 2013 minutes as amended and the evening's agenda (Board agenda for March 24th): SD moved, ET seconded, and approved by consensus. During the meeting, the Board switched the order of agenda items #8 and #9 and #10 and #11.
- The Board resolved that Board votes that occur between Board meetings shall be documented in the preceding Board meeting's minutes, beginning in April 2013.
- The Board accepted the FY 2013 operational budget; SD moved, TW seconded, and approved by consensus.
- The Board accepted Section 125 Premium Only Plan Year Ending April 30, 2014 and approved the Board Secretary to sign the Certificate of Resolution (2013) on behalf of the entire Board; SD moved, BR seconded, and approved by consensus.
- The Board agreed for reps. to individually review the modifications to the L policies as submitted by SD as well as best practices and present their findings at the next Board meeting.
- The Board planned to decide whether to spend time at the retreat addressing the topics of the SS store or the expansion closer to the retreat date.
- The Board accepted the GM's Monitoring Report for Policy Title: L6-Asset Protection with acknowledgement that there are areas of non-compliance and acceptance of a plan to bring those areas into compliance.
- Upon recommendation by the GM and Expansion Committee to proceed with the proposal for a feasibility study as presented by CW Architects, Inc., the Board voted to authorize the GM to spend \$8,500 from the expansion fund to hire CW Architects to perform a feasibility study on expanding the Takoma Park Co-op store; furthermore, the Board voted to authorize the GM to also spend up to an additional \$2,000 for as needed items, which are not accounted for in the initial proposal, such as additional drawings and schematics: the total amount authorized is a maximum of \$10,500. Electronically voted in favor on March 16-17th 2013: KF, TW, SD, ET, DR, MH, EG Abstained: KY and BR.

Board Education: SM reported on the CDS March 2nd strategic seminar "Growing our Co-ops" and highlighted the current push to make co-ops the business economic model of the future, the ways co-ops can collaborate with non-food co-ops to grow, and the aspiration to find new niches to

serve communities. One Board rep. suggested that the Co-op follow up with the idea of approaching nearby hospitals, such as Seventh Day Adventist, to offer to provide them with food items.

TW reported on the MAFCA meeting in Doylestown, PA. She described the included presentations regarding the various ways other groups are trying to operate their co-ops: from big town hall meetings and farming programs to co-ops that are outsourcing some of their store departments. She shared that they talked about how co-ops have different ends policies statements. At the meeting, TW reported, they also pointed out that MAFCA meetings do not often attract GMs; MAFCA wants to change that pattern. MAFCA also encouraged attendees to use the MAFCA listserv. Finally, she shared that MAFCA is recruiting David Walker as one of their board members.

Open Member Forum: BR shared feedback from several regular customers re: how certain products are no longer being carried at the Co-op. He explained that staff always ask those customers to submit comments in the suggestion box; yet, it seems that they do not follow-up or are confident about the request process at the Co-op. BR suggested more Co-op member education around the procedure on customer concerns.

Expansion Committee: KF recounted that by email vote the Board chose CW Architects to proceed with the feasibility study. AG reported on his communications with the Turner family re: the big lot; he stated that currently they are open to negotiations. KF suggested that the feasibility study be completed first. The Board discussed how the City of Takoma is going to pursue an environmental analysis of the lot next to the Co-op. **The GM indicated that he will attempt to learn if the results of that environmental assessment will be made public.**

Membership Committee: SD announced that the next Membership Meeting will occur on May 4th from 2-4pm at the Historic Takoma Building. He shared that the speaker will be from Impact Silver Spring and noted that Impact Silver Spring has been involved with sewing co-ops and community building efforts. SD relayed that the Membership Committee wants to put together a survey and get membership input on the Co-op. He noted that they also want to work on having some of the Co-op's website translated into Spanish. Finally, he shared that many members of the committee contributed articles for the newsletters.

GM Report: The GM shared that the Co-op is currently working on improving the floor of the whole store at TP and asked the Board for their feedback. He confirmed that the April 1st and 2nd inventory will happen and that the Co-op has begun open book management for both stores. The Board reflected on how open book management has helped with store activities because part of its educational component allows an assessment of the Co-op week by week.

AG highlighted how the Co-op's Facebook page is now receiving quite a bit of member input on various topics. AG shared that the Co-op has also acquired the new smartphone application which members and shoppers can use to get store notifications and access coupons. The Board discussed

how the coupons can actually be scanned from the customer's phone and whether there might be a similar application that would allow members to vote for the Board.

Noting that the film series has now ended, the Board inquired about what educational efforts might be scheduled next. AG noted his upcoming meeting with Mark Tabor and stated that Mr. Tabor and Mary Rooker are both interested in providing member education events.

The GM reported that the stores now have signage for all the products that are gluten free to notify and educate members. The Board President described how sometimes companies post the reason why they have discontinued a product in a positive way and then invite the customer to pursue other options—including allowing the company to re-order it for them.

AG stated that he is willing to continue the employee assistance program and make it an operational expense; SD thanked the GM for providing the Board information on it.

Budget: The Board reviewed the notations in the combined budget. The GM noted that he worked on the budget after speaking with all the department managers. The GM pointed out some of the specific major differences between the FY 2012 budget and the FY 2013 budget: additional allotments for the marketing position and for two new receiver positions were budgeted for the upcoming year.

The Board discussed how one reason for a profit decrease this year would be due to wages catching-up and increasing. The GM explained that the difference in the numbers between the two budgets will also be attributable to product changes and a closer examination of inventory. The GM also indicated some adjustments being made with the evaluation.

Resolution for Takoma Park/Silver Spring Co-op Section 125 Premium Only Plan: The Board reviewed the Section 125 Premium Only Plan and accepted it, approving the Board Secretary to sign the Certificate of Resolution on behalf of the Board.

Policy Compliance Monitoring for Executive Limitation Policy L6-Asset Protection: The Board reviewed the newly submitted monitoring report of Policy L-6. They noted that the Co-op/Board does want to ensure that they have management's plan in regards to areas of concern identified in the audit. SD pointed out that check sequencing still should be addressed. **TW pointed out that there were two areas of our policy that needed revision in our next policy review: L6.1 needs revision to the 90% replacement value because insurers do not use 90%; L6.8 needs revision to the phrase re: un-insured checking accounts.**

The Board and GM agreed that rather than modify the proposed L6 monitoring report again, that the GM include information re: check sequencing procedures in the next month's GM report. The GM also agreed to add March 2013 as a date to the L6 monitoring report.

There was discussion about how the monitoring report for L6 is due annually and it was also clarified that the insurance coverage that the Co-op pays a portion of is for the whole complex that the SS store resides in and is part of the Co-op's rent payment.

CCMA: SD encouraged reps. to attend the upcoming June CCMA conference. The Board credited previous CCMA conference education for the idea to move to open book management. The Board discussed whether the Co-op can consider covering a portion of the cost of childcare for Board reps. who need to arrange for childcare in order to attend. The Board also discussed housing options including traditional hotels, student housing co-ops, and hostels. SD pointed out that the Board budget will need to be amended if a number of reps. choose to attend.

TPSS Financial Statements: The Board discussed the March FAC minutes. TW summarized how one FAC member had expressed concern about the potential of a lawsuit over the perception of the Board's failure to exercise fiduciary duty, and another FAC member had responded that the Co-op has indemnification or officer's insurance. TW further recounted that willful misconduct and gross negligence are naturally, exceptions to the protections of indemnification. The Board discussed how only severe negligence would warrant an exception.

TW also defined negative total equity from the March minutes in regards to the SS store: a situation where if the SS store closes on a given day, it will owe money. She relayed that the SS store is now, currently negative in equity.

TW shared that some members of the FAC have requested an opportunity to come to the May Board meeting to speak. TW also shared that the FAC discussed how the numbers received for March reflected a profit at the SS store, but a reduction in sales. This meant, she explained, that the margin is up or that the inventory is down, and in either case, the SS store was doing less in sales for that period.

The GM confirmed that the inventory data for the SS store will most likely be available in May; he shared that he would have recommendations re: the SS store next month.

Discussion of L policy revision draft: SD recounted that the idea behind reviewing the Limits policies was to maintain delegation and subsidiary policy development as a GM responsibility; have the GM's strategic plan align with the Co-op's policies and procedures; but, get away from overly formal policy governance language.

SD explained that within his initial attempt to update the L policies, he made the following changes: added language to M1; kept M1-2; modified M2; kept the limitations policies, but phrased them positively rather than negatively; included a plan for the GM to come up with the appropriate goals for surveys for the monitoring reports; eliminated the older L3 and suggested creating a non L-policy "GM Code of Conduct"; moved some of L3 re: fiscal integrity and public image to L8. SD explained to the Board how a code of conduct that the GM signs would be more appropriate than the current policy. He pointed out that in the proposed L6 that the monitoring

would occur through the monitoring report. He also stated that he unlinked the Ethical Resolution Complaint Procedure from M2.

Proposed Board retreat agenda: The GM relayed that OTBA will be available for the Board retreat. The Board President and Vice President reported having spoken with the consultant Art Sherwood about what areas this upcoming retreat can entail and determined that foundational systems analysis shall be the topic for half the day. SD elaborated that this will include the process for base systems or a discussion on how to get base systems' policies in place.

SD also shared with the Board that they had debated on whether to focus the other half of the time on expansion or the SS store. He noted that the Board is hoping the GM can give a recommendation for the SS store at the retreat. SD commented that if the Co-op decides to close the SS store, then the Board will want to discuss it. The Board agreed that they will decide later whether to address the issue of the SS store or the expansion at the Retreat. Finally, SD added that the Board will also attempt to complete the year's calendar at the retreat as well.

Term 2013:

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