

TPSS Board of Representatives Meeting

Date: May 31, 2015

Time and Place: 6:00pm, TPSS Community Room

Present: Rachel Hardwick (RH), Robert Anderson (RA), Emily Townsend (ET), Lulu Fulda (LF), Adam Frank (AF)

Others present: Abdi Guled (AG), Navneet Rangra (NR), Patrick Brown (PB)

Absent: David Zuckerman (DZ), Tanya Whorton (TW), Bill Rodgers (BR)

Minutes submitted by: Solveig Mortensen (SM)

RESOLUTIONS:

- The Board approved the April 26, 2015 open session board meeting minutes as amended; LF motioned and approved by consensus.
- The Board approved the Co-op's plan to hire Development Co-op to perform work for the TPSS Co-op's expansion for a fee not to exceed \$150,000; approved by Board consensus via electronic mail by the close of May 15, 2015.
- The Board approved modifications to G3.2.1 and G3.2.2 of policy G3. (APPENDIX A)
- The Board approved a modification in G10.3 of policy G10 to state "sounding board". (APPENDIX B)
- The Board approved modifications to G11.1, G11.3, and G11.4 of Policy G11 as submitted by the Policy Committee and correcting G11 to use dots. (APPENDIX C)
- The Board accepted a revised policy L-5 as submitted by RA. (APPENDIX D)

The Board clarified the process of consensus decisions within email: Board representatives should be informed that a decision is meant for consensus approval and given a timeframe to make a request to break consensus, if they wish to do so.

GM Report: AG reported that the Co-op is finalizing the beer and wine license application. The Co-op anticipates receiving the Turner family's signature in early June and AG planned to inform the involved Board Officers of the liquor license hearing date. AG relayed that Marilyn Berger is setting up a call with Interior Federal Credit Union. He also shared that the visiting Cuban group reported gaining a better understanding of how to start a co-op. AG confirmed the completion of the audit. The auditors will do their report the first week of June.

LF stated that the comparisons to other co-ops provided on the financial spreadsheets were helpful and requested that the Co-op include them regularly. LF planned to give the GM information on a wine rep. who offers sustainable, biodynamic products. AG confirmed the Co-op's participation in the TruckGarten event and relayed that the Co-op had an opportunity to share their concerns with Mayor Williams.

Financial report: NR reported that Co-op sales were up for this past April (by approximately \$30K) as compared to the previous year. A Board representative pointed out that taxes appear to

have risen while payroll has fallen. NR explained how the state taxes were the ones that ADP could not retrieve from the Co-op's records and this contributed to this outcome.

NR explained the notably higher expenses shown for April 2014: for advertising and marketing, increased costs were likely due to the Washington Post ad; for computer/equip., unexpected computer costs may have contributed; for building/maintenance/repairs, heating and cooling may have fluctuated; and, for governance, the audit was a major cost. NR recommended that for the future the Co-op consider a review rather than a full audit. **Management planned to re-send the Board the article that compares financial reviews to audits and a pricing snapshot.**

The Board asked the Finance Manager, NR to review the reason for the negative \$84K net income for March (2015). NR recounted how this figure partially results from the \$50K worth of pre-paid taxes that were entered in March and partially results from the journal entries that the Co-op wrote off for the SS store—costs that the TP store carried for the SS store. **NR planned to send the Board a spreadsheet that explained the write-off and adjusted journal entries which negatively affected March's net income.**

The Board discussed gaining a better understanding of whether the Co-ops discount programs, which are increasing sales, are also positively affecting the Co-op's net income. **Management planned to provide data that shows the effects of the Co-op's discounts and Mad Money program in the areas of sales, cogs, and net profit for the months of January-May; management also agreed to show what the average basket size is/how much profit is made on a basket for the same months.**

Member-Owners Meeting: LF confirmed June 28 as the date for the spring Member-Owners meeting (12-1pm lunch/1:15-3:30pm meeting at Historic Takoma). LF and the Board discussed the budget for the event and planned to use black and white postcards; have the Board serve lunch that includes a meat option; not have a band for this meeting; and possibly hold the lunch at the fire station. For a future Board meeting, LF suggested that the Co-op discuss whether to aim for a more festive atmosphere for Member-Owner's meetings and the order of lunch versus meeting time. The Board developed a draft agenda for the Member-owners meeting and confirmed a plan to meet with the facilitator. The Board conveyed that it should be the Co-op's decision as to whether meeting participant's Co-op membership should be verified at the door.

Policy Committee: In discussing Policy G3, the Board recognized that the current policy does not reflect or make provision for an ad-hoc committee, the Policy Committee, to put forth policies for Board review. The Board resolved this by modifying G3.2.2 to state "the Board president or their designee..." The Board also agreed to modify G3.2.1 to set an earlier timeframe for the submittal of policy modifications.

The Policy Committee and Board discussed how the former, December 2011, Financial Conditions Policy included an expenditure policy, which required Board authorization for various types of expenditures. The Policy Committee planned to revisit the inclusion of parts or all of this expenditure policy in the current policy register—including what amounts would require Board authorization and who would sign to authorize—and make a recommendation at the next Board meeting,

The Policy Committee (PC) reviewed Policy G and G1 and did not present changes; the Board agreed. In reviewing Policy G and how well the Board is monitoring itself, the Board discussed using Survey Monkey as a way to verify that Board reps. have read the materials for Board meetings.

The Policy Committee planned to follow-up on the use of “directors” versus “representatives” throughout the register.

Meeting adjourned 8:35pm

BOARD ATTENDANCE TALLY:

Term 2015:

Rep. Dec. Jan. Feb. Mar. Apr. May

Anderson	*	*	*	*	*	*
Frank	*	*	*	*		*
Fulda	*	*	*	*		*
Hardwick	*	*		*	*	*
Richards	*	resigned				
Rodgers	*	*	*	*	*	
Townsend	*	*	*		*	*
Whorton	*			*	*	
Zuckerman	*	*	*	*	*	

APPENDIX A:

Policy Type: Governance Process

Policy Title: G3 – Agenda Planning

Adopted: July 2002

Last Revised: [May 2015](#)

To accomplish its job with a governance style consistent with Board policies, the Board will follow an annual agenda that (1) annually completes re-exploration of Ends policies and links with owners, (2) continually improves Board performance through Board education and enriched input and deliberation, and (3) ensures efficient use of Board meeting time and input from and prior review by all directors. Accordingly:

G3.1. The Board's annual governance cycle will start with the Board's development in July of its agenda for the next year. The Board calendar will include all Board events such as ownership meetings, Board training, monitoring schedule, and review of specific policies. The calendar will be reviewed on a regular basis.

G3.2. At the end of each Board meeting, the Board's current policy discussion and the annual calendar will provide the basis for determining the broad outlines of the next meeting's agenda. The following process will be used to determine the Board's agenda:

G3.2.1 In the interim before the next meeting, directors should review the designated policy areas scheduled for the meeting the following month and consider if there are policies that they would like to see added, modified, or deleted. They should then prepare a written statement describing these policy changes, along with a discussion of their rationale, for review by other directors.

G3.2.2 The Board president and/or their designee will collect these written statements, determine relevancy and priority for discussion, and produce an agenda for the Board meeting the following month and provide that agenda to the Board president at least two weeks prior to the meeting. Urgent items that show up in the interim and require Board attention may also be included. The Board president and/or their designee will report on all proposed changes as well as its own recommendations regarding those policies.

G3.2.3 General Manager monitoring reports will be included on a "proposed agenda" discussion is necessary only if monitoring reports show policy violations or if policy criteria are to be reviewed.

G3.2.4 The agenda and all written statements and reports will be included in the next Board packet.

G3.2.5 The agenda, as so determined, may be modified by the Board at the beginning of the next meeting.

MONITORING: This policy will be monitored annually through the Board self-evaluation

APPENDIX B:

Policy Type: Governance Process Policy

Title: G10 – Personnel Committee

Adopted: March 2011

Revised: [May 2015](#)

The TPSS Personnel Committee shall consist of the President and two other non-staff Board representatives, as selected by the Board. Because of the confidential nature of the Committee's work, Committee meetings are closed, including to Board representatives who are not appointed to the Committee by the Board. This provision supersedes Policy G-7.1.4. The role of the Personnel Committee shall be as follows:

G10.1 The Personnel Committee shall ensure that all Board representatives are in possession of the latest version of the TPSS Employee Handbook, so that Board representatives have full knowledge of existing Personnel policies.

G10.2 The Personnel Committee shall conduct an annual performance review of the General Manager of TPSS Co-op and issue a job performance review letter, which shall be reviewed and approved by the entire Board in executive session. In the event of a new hire, a probationary review will also be conducted no earlier than 90 days and no later than 180 days from date of hire.

Said review will summarize the directives stemming from the monitoring reports on ends and limitation policies, through which, under Policy Governance, the TPSS Board monitors GM performance. That said, not all variations from "compliance" on monitoring reports are of equal importance. One key objective of the annual evaluation is to assess which areas of "noncompliance" are priority areas for improvement, what are priority areas of "compliance" where good performance should be maintained and built upon, and what areas (of either "compliance" or "non-compliance") are of less immediate importance to the Board. Said review will include making a recommendation to the Board regarding compensation and benefits.

G10.3 Upon the request of the General Manager, the Personnel Committee serves as a confidential "sounding board" for the GM if difficult personnel issues arise.

G10.4 In the event that the Board places any contractual limits on GM authority, the Personnel Committee shall oversee the enforcement of said restriction(s).

G10.5 The Personnel Committee shall have the authority to take appropriate action on behalf of the Board on the matters designated in this Policy between Board meetings but shall inform the Board of any said decisions at the following Board meeting (in executive session, if appropriate).

G10.6 The Board may delegate other responsibilities to the Committee as appropriate.

APPENDIX C:

Policy Type: Governance Process Policy

Title: G11 – Media Policy

Adopted: April 2014

Revised: [May 2015](#)

TPSS Co-op is committed to conducting meetings that are open to its member-owners, except in those cases (e.g., personnel and legal matters) where confidentiality requires operating in closed session. Members of the press, even if they are not TPSS member-owners, are welcome to attend TPSS Board and Committee meetings. However, while TPSS is a community-owned business with thousands of member-owners, it is still a business. To permit access to the press, while creating an atmosphere that allows for an open and frank discussion of views regarding business issues, TPSS Co-op has adopted the following media policy to balance these competing needs:

G11.1: Members of the press are welcome to attend open sessions of TPSS Co-op Board of Representatives or TPSS Committee meetings. Prior to all such meetings, the facilitator of the meeting will ask all members of the press to identify themselves before officially starting the meeting. Members of the press should also identify themselves to the facilitator as soon as they arrive at the meeting.

G11.2: The use of video or audio recording devices is not permitted. However, reporters are welcome to take notes and report on actions taken. Photography is allowed.

G11.3: A reporter may quote an attendee, committee member, or Board member at a TPSS Co-op meeting if and only if the reporter gets the express written consent of the person quoted.

G11.4: Audit and Finance Committee meetings are closed to media unless permission is granted by the Audit and Finance Committee Chairperson.

APPENDIX D:

Policy Type: Executive Limitation
Policy Title: L5 – Budgeting/Financial Planning
Adopted: July 2002
Last Revised: [May 2015](#)

The general manager shall submit an annual budget that projects revenues and expenses for the Co-op, in accordance with market conditions and Board approved annual goals and indicators. In developing these estimates, the general manager shall seek to ensure that projected budgeted expenses do not exceed projected income levels, while employing conservative assumptions.

MONITORING: The Board shall monitor this policy annually through its review of the budget. By voting to accept the budget, the Board certifies that this Policy has been followed. The Board retains the right to *not* accept the budget if the Board believes this Policy has not been followed.