

TPSS Board of Representatives Meeting

Date: December 18, 2012

Time and Place: 7:00pm, TPSS Community Room

Present: David Walker (DW), Tanya Whorton (TW), Steve Dubb (SD), Emily Townsend (ET), Mary Rooker (MR), Ken Firestone (KF), Bill Rodgers (BR), Kahlil Yanes (KY), Erin Gabrielson (EG), Dan Robinson (DR)

Absent: Matt Hersh (MH)

Minutes submitted by: Solveig Mortensen (SM)

RESOLUTIONS:

- SD moved to have the GM report on the senior discount at the January Meeting; KF seconded, and approved by consensus.
- The November 2012 meeting minutes were approved as amended; MR moved, ET seconded and approved by consensus. KY, EG, and BR stood aside from consensus, noting that they had not been in attendance for the November 2012 Board meeting.
- By majority vote (six yes Board rep. votes), the Board elected TW for the position of Board President for the upcoming Board year.
- The Board resolved by consensus to suspend policy G5.6.2 and have DR take the position of Treasurer for the upcoming Board year
- The Board resolved by consensus to have SD take the position of Vice President and ET take the position of Board Secretary for the upcoming Board year.
- The Board agreed to modify the meeting's agenda: moving the item of the Board calendar.
- The Board resolved by consensus to appoint the following committee chairs: KF continuing as Chair of the Expansion Committee; SD continuing as Chair of the Membership Committee; EG and KY as Co-chairs of the Nominations Committee, and DR as Chair of the Finance Committee.
- The Board approved the renewal of another year's contract with CBLD; SD, MR, and DW stood aside from the decision and approved by consensus.
- The Board planned to address the following in the January 2013 meeting: the senior discount policy, board budget, issues of conflict of interest and confidentiality, personnel committee, and Board calendar.

Open Member Forum: DW relayed one member's concern over how non-seniors, even members that are probably in their 20's have been using the member numbers of senior citizens for the senior discount. The Board discussed how the senior discount policy is an operational GM matter; however, they believed it was a topic for a future Board agenda.

GM Report: TW stated that she would send the new Board reps. the SS plan. DW made a note of a discrepancy between the Co-op's financial data as reported to CoCo FiSt versus the financial

data as reported to the Board. He stated that the reported data did not validate the 15% increase in sales shown via the CoCo FiSt reporting. DW suggested that the GM verify the financial data provided to CoCo FiSt for 2012 FY Q1, (first quarter) and the Board supported this action. SD added that he was pleased with the descriptive synopsis of the CoCo FiSt reporting included in the GM report.

One new Board rep. commented that within the indicators, some things, such as, training staff for tasks seemed basic. SD pointed out that the Board and Co-op are trying to address certain matters and shared that the Board will be looking at those concerns via the staff survey.

Finance Committee Report: it was reported that the Board still has not taken action on the operational budget, and explained that it is the GM's budget for the Co-op not the Board's budget.

DW emphasized how, in his eyes, the Board does not so much approve the operational budget, but accept it; so the GM has the latitude to assemble it as he sees fit. However, he stated that the Board also has the latitude not to accept it and recounted that in a previous year, they had found the budget un-credible. This year, he explained, the Board looked at the operational budget, but just did not vote to accept it.

The Board discussed whether it was too late to vote to accept the budget and how, regardless, the Board should do monitoring on it. SD indicated that the Board probably needs to accept the budget and stated that he did not know how the Board can monitor the ends statements without monitoring the budget. SD elaborated that he hoped the Board would review it again at the January meeting with a recommendation from the Finance Committee.

There was discussion about putting this item on-line for the next fiscal year; TW described the plan for a more detailed calendar. DW suggested that the Board acknowledge its lapse and possibly request a budget for the remainder of the FY. The Board will ask the GM for a revised or updated budget.

DW reported that sales are still down 1.3% in SS and advised the Board to be very meticulous in their examination and use of the Co-op's financial reports. His voiced concern, primarily, being that he believed that no one worksheet provides an accurate balance sheet for both the stores and the Co-op. He described how there is more than \$400K in inter-company debt that has to be eliminated for an accurate balance sheet because the final number always needs to be zero. He then confirmed that as an accounting rule, generally inter-company debt is always eliminated, and that this year the Co-op will have an audited statement.

DW described how inter-company debt arises, such as, in the case of services paid for through the TP store that also benefit the SS store. He went on to explain that the budget is a pro-forma income statement but inter-company debt resides on the balance sheets, so if the Co-op expects SS to run a loss, the loss must be covered elsewhere. However, he pointed out that not all losses

are cash flow and not all income is revenue and gave the examples of depreciation and raised capital. TW described the way the overhead expenses are currently allocated and indicated for the SS store (on the statements) and how the reporting shows what the SS store is actually paying towards that overhead.

Board reps. discussed having the auditors, McGladrey provide feedback on best practices for the Co-op's inter-company debt and specifically look at how it is handled and reported on the Co-op's financial statements to the Board.

DW also commented that it was hard to tell that sales were down in October without looking back at the September statements; he thought that the Board should be able to tell the monthly trends and be able to compare the current fiscal year with the previous one through the financial reporting. DW declared that the Financial Conditions Policy (FCP) states that the Board should be receiving those statements and that the Co-op is out of compliance with the Financial Conditions policy. He commented that the format of the Co-op's financial statements is not incorrect, but it is not standard.

TW shared that she has been providing the Board (along with the FAC) with every financial report provided by BT, but no reports were received in August and Sept 2012. She noted that while the Board had discussed that it would focus more on the quarterly statements, as those are backed up by inventory, the Board will continue to receive monthly statements as well.. SD and ET commented that they would prefer to receive a monthly one page or short statement from the finance manager. TW pointed out that the Board has an upcoming opportunity with the renewal of the FCP to ask for different things in the financial reporting.

There was no update on patronage dividends.

Nominations: TW was nominated for the position of Board President by SD and KF; BR self-nominated for Board President and KF seconded. TW and BR described their interest in the position and qualifying experience. SD restated that he will write newsletter articles.

ET pointed out that one of the president's primary roles is to keep the Board on track with the calendar and asked each candidate for feedback. There was conversation about CBLD's sample Board calendar and specific time related events; TW commented that there is a lot of pre meeting work that goes into the calendar. DW recounted how, on occasion, Board officers had lagged in completing their duties and emphasized that no one Board rep. holds all the responsibility, because it resides with the full Board.

There was discussion about not having the old Board anoint the new president, but letting the new Board choose. MR described how the overlap of the three outgoing members with the three incoming Board reps. for the month of December came about; it is an unusual situation. DW and MR stated that they would recuse themselves from the Board candidate votes cast during this meeting.

Emphasizing the need for a candidate with business experience, KF nominated DR to be the next Board Treasurer and MR seconded. The Board acknowledged that it needed to suspend Board policy G5.6.2 because DR had not been on the Board for a year. SD moved to suspend Board policy G5.6.2 for the treasurer position; ET seconded; and approved by consensus. The Board expressed consensus for having DR become the new Board Treasurer.

ET and SD nominated themselves for Vice President, stating that it was only to help fill a role if needed but otherwise, they were fine allowing another to take the position; DR and KF seconded their nominations. After the choice for the next Vice President occurred, SD nominated ET for the position of Board Secretary, and there was Board consensus for that choice.

Confidentiality Agreements/Conflict of Interest disclosures: TW noted that due to time constraints confidentiality may need to be a topic for the next meeting. She reminded the Board of their duty to keep confidentiality in terms of conversations and in non-verbal communication, such as, meeting materials. DW noted that at least one Board rep. had a disclosure; the Board would address the topic at the January meeting.

Board calendar: TW relayed that the Board needed to decide if they wanted to keep meeting on the third Sunday of the month and more specifically discuss the calendar in the next meeting. One rep. expressed that with whatever Sunday is chosen, she would like the Board to keep it regardless of holidays, etc. because she schedules around that day.

Committee Selections:

Nominations Committee: MR reported that she had a preliminary Nominations Committee report and invited Board reps. to peruse it. She explained that it provided a summary and a list of considerations for future nominations and elections processes. She added that she composed a document re: the Nominations Committee (NC) and the entailed steps as a reference for the next Chair.

MR thanked everyone for giving great feedback and explained that the Board will be deciding whether to just review the final report or to accept it. ET acknowledged MR for working on and giving structure to the Nominations Committee. In final, MR commented that the NC needs to meet year round.

Expansion Committee: KF reported that a week ago the Expansion Committee (EC) had a commercial real estate agent attend their meeting, where the two of them met and spoke briefly, before they patched the GM in by phone. He shared that they discussed two written proposals, one being a feasibility study that addresses construction and planning. KF shared that the GM had reported by phone that he has been in contact with the Turner family who owns the TP Co-op building and that they will be getting back to the GM next month. KF stated that he wants to do a formal presentation of the written presentations received thus far, and he encouraged anyone who wants to join the EC to do so.

Membership Committee: SD reported that the December membership meeting did not occur because members could not make it. He noted that in the last year the Membership Committee (MC) has mainly been productive in terms of generating policies. However, he stated, the MC intends to promote more outreach activity and shared that the Marketing Manager wants to focus more on promoting TP and SS to the Latino community. The MC also hopes to organize or support monthly classes or events probably within the historic space and possibly do some cooking in the kitchen at the Church space. SD added that to reach these goals, however, the MC needs people and labor. He encouraged people to join. In final, he shared that the next Membership meeting will happen in the back parking lot of the SS store, because it has not occurred there before.

MR reminded Board reps that there are many different types of committees at the Co-op, but they needed to fulfill their quota as a member of at least one Board Committee. It was noted that DR as Treasurer is the pro-forma chair of the Finance Committee. KF volunteered to remain chair of the EC and SD volunteered to be the chair of the MC. EG and KY volunteered to Co-chair the Nominations Committee. The Board accepted by consensus all the volunteers for the chair position of each committee.

TW noted that she will continue to serve on the FC through a transition period and then will join the EC. Board reps. volunteered to serve on the following committees: KY on the MC; BR on the EC; SD on the MC; and ET on the MC. MR indicated that she too would be on the MC, although; she would no longer be on the Board. DW noted that he would stay on the FC. MH called in and stated that he would be on the FC and MC.

CBLD decision: The Board reviewed what a CBLD membership provides: guidance on governance and Board matters, 15 hours of consulting per year, the opportunity to attend CBLD 101 for free as a Board rep. or member of the strategic leadership team, and web resources. The Board confirmed that they did utilize the 15 hours of consulting time for the year; they used the remaining hours on the Board orientation. The Board discussed the monthly phone call and how they had concentrated the resource with Board officers and leading management, in the past.

There was discussion about whether the Board should rather use its funds for a retreat and sending reps. to CCMA than on CBLD. One rep. pointed out that they appreciated the CBLD consultant and his materials and feedback on strategy in general and in specific. He commented that in his mind, renewing with CBLD was a vote to expand the Board budget because he did not want people to miss CCMA; however, he stated that he was also fine with going over budget in that case. In final, he felt that the Board may have found excuses more than reasons to use the co-op consulting.

The Board discussed other options and the accessibility of good facilitators. TW commented that the Board may be low in its spending and that perhaps only a few reps. will be able to attend CCMA due to the time commitment (3 days) and location (Austin). The Board talked about re-

joining another time. DR added that for the time being, he wanted to learn more about how the consultant's board at Bloomington Co-op functions so well. The Board approved renewing with CBLD; SD, MR, and DW stood aside from the decision and it was approved by consensus.

Meeting adjourned 9:35pm

<u>Member:</u>	<u>Dec.</u>
Dubb	*
Firestone	*
Gabrielson	*
Hersh	
Robinson	*
Rodgers	*
Towsend	*
Whorton	*

Future Meeting Agenda Items:

Board Budget

Senior discount policy

Personnel Committee