

TPSS Board of Representatives Meeting

Date: January 27, 2013

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

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

Absent: Emily Townsend (ET)

Others Present: Abdi Guled (AG), Mary Rooker (MR), Julia

Minutes submitted by: Solveig Mortensen (SM)

RESOLUTIONS:

- Recognizing the longstanding recommendation to keep ten days between FAC meetings and Board meetings, the Board resolved to hold the 2013 Co-op Board meetings on the **fourth** Sunday of each month, with the exception of holding them on the **third** Sunday for the following months: May (May 19th) and December (December 15th).
- The December 2012 Open session Meeting minutes were approved as amended by consensus.
- The Board agreed to table the agenda item of the acceptance of the 2012-2013 Operational Budget until the February 2013 meeting.
- The Board agreed to schedule Sunday *May 5th* as the tentative Board retreat date and move the Membership Meeting day to Saturday *May 4th*.
- The Board resolved that MH will fill the third open slot on the Personnel Committee; BR nominated MH, KF seconded, and resolved by consensus.
- The Board resolved that SD is re-appointed to the Personnel Committee and remains one its three members; DR re-nominated SD, KF seconded, and approved by consensus.
- The Board agreed to table the review of the Monitoring L-6 Assessment protection report until the February 2013 Board meeting and after receiving/learning the findings of the audit report.
- The Board resolved to approve the expenditure by TPSS Co-op of a maximum of \$100,000 for the purchase of a generator; SD moved, KF seconded, and approved by consensus.

GM Operational Budget Fiscal 2012-2013: During the agenda item review, SD raised the item of the 2012-2013 operational budget for the Co-op. He discussed the request for the Board to receive the final 2012-2013 budget in standard format, including the typical components: the previous fiscal year's (2011) actual figures, the projected yearend (2012) figures, the next or current year's (2013) numbers, and their assumptions. The Board agreed to table this topic until the February Board meeting.

Board Actions:

TPSS Newsletter: SD stated that the TPSS Co-op newsletter came up at the Membership meeting as a task that they can abbreviate to support their efficiency; so, he explained, they discussed switching to quarterly newsletters, understanding and expecting that people will increase their contributions to them. SD shared that they discussed ways to incentivize people to compose more articles, such as, by giving them a coupon. SD requested that everyone make an effort to support the newsletter and produce material for it. The next newsletter will be in April.

Finance Committee update: DR reported that the FAC talked about a plan for the Board to receive notification of dire financial figures or canary in the coal mine figures with the data. He stated that the Finance Manger suggested that the Board now receive a five month rolling sales report in addition to the other statements, which might also alleviate some of the Boards concerns over receiving reports on a two-month delay. The Board did not receive the financial statements for this meeting; the new FAC Chair will forward them to the Board each month.

Appoint third member to Personnel Committee: SD described the Personnel Committee (PC) and its role and main responsibilities: to evaluate the GM and ensure that the Board and management are aligned in determining the goals of the co-operative. He listed the primary tasks as completing the GM's annual evaluation, being a sounding board for crises, and having strategic conversations with the GM.

SD explained that just by role the Board President is always on this Committee and that currently the PC needed to add another member who is also Board rep. MH was nominated and confirmed to fill the open slot and SD was re-nominated and confirmed to remain on the Committee. SD planned to encourage the PC to meet quarterly.

AG commented that he wanted to be clear that the PC's role is to give him feedback and evaluate him but not to unmake or overrule his decisions. SD reiterated AG's point, while adding that there may be times when the PC and the GM disagree on a matter. MH reflected that over his years of being at the Co-op, he has learned the line between a discussion and a disagreement.

Confidentiality Forms and Conflict of Interest Disclosures: Board reps. completed 2012-2013 Confidentiality and Conflict of Interest Disclosure forms. Three reps. had the following disclosures: SD wrote: "I'm on the Board of CoFED (Cooperative Food Empowerment Directive), an organization that develops college-based food co-ops and clubs." ET wrote "I organized a CSA for the coming year." KF wrote: "I have some shares of Whole Foods and Safeway."

The Board President discussed the importance of keeping confidentiality in general and noted previous transgressions, such as, closed meeting minutes being left out. She stated that Board reps. have a responsibility to report back to the Board with committee minutes. The Board is ultimately responsible for what occurs on the committees, and she pointed out that the committee chairs need to keep that in mind.

Open Member Forum: MR commented that in seeing some of the new, recent products at the store, she felt like she was in CVS and not the Co-op. She stated that as a member she is very proud of this Co-op and commented that TPSS Co-op has historically tried to be a leader in the grocery industry. So, she explained, she hoped TPSS Co-op would not become a follower and stated that it is important that we stay a leader. She pointed out that My Organic Market took a risk by discontinuing bottled water, but, she said, they addressed it by working at educating their customers, and now, they are paving new ground.

KF shared that he is on a neighborhood email list and described how someone on the listserv posted about being upset with Whole Foods and the political positions of its CEO. So, he responded by highlighting the Co-op and its positive qualities, local, etc., but he, then, saw several negative responses about how the Co-op is overpriced, does not offer enough variety or the things that people want, and should sell cheaper canned goods. So, stating that he is not necessarily in agreement with these opinions, he sensed that there is a portion of the greater community that thinks the Co-op is an overpriced, niche market. He also stated that without the Co-op, he would be majorly concerned that TP would become a food desert.

MR commented that she occasionally hears those negative remarks too, but stated that it is important to recognize that the Co-op is a niche market. She suggested that someone educate our members and felt that the Co-op has not succeeded on education thus far; she would love to see the Co-op really do education.

BR shared another staff person's concern about the empty shelves and gaps in the shelves. BR reflected that the aim of increasing the net margin makes sense. He noted that this other employee thinks that there are things people only come to the Co-op for and thinks when the Co-op is out of those things, people threaten to stop being a patron. BR stated that we may be losing loyal customers because of low stocks.

KY talked about how if items are on sale and there is also a coupon for them it incentivizes people to buy. She noted that new products seem like a win/win; people are interested in trying new things.

She also added that she wondered if the cashiers have been more tired lately, because the shopping experience does not really feel as awesome as it could. She thought staff could work on friendliness.

SM stated that she just wanted to share a friend's request that the Co-op consider opening another store location in Baltimore.

AG discussed how the Co-op is paying close attention to and analyzing which products are really moving, right now. He noted the issues with items that have been discontinued, and how even if customers want them, they cannot be carried. Board reps. have feedback about putting up

signage and including in the newsletter invitations for customers to let the GM know if they do not see items they want.

Report from Expansion Committee: KF stated that the next Expansion Committee (EC) meetings will happen January 29th and February 5th. He explained that there are two proposals for feasibility studies which the EC will be considering and that they will have more information to share re: the two firms. The Board President asked that the EC be taking note of all its upcoming decisions/considerations, which the Board may need to know, and be bringing them back to the Board.

There was discussion of what will be included in a feasibility study and how it relates to the issue of re-locating. MR remarked that the company or group who does the feasibility study needs to be neutral. KF indicated that he thought neither firm will perform their study with a bias; he stated they are contractors with no reason to be bias. It was clarified that AG found one firm and the other was suggested by Joseph Klockner. It was also confirmed that both firms have a previous relationship with The Co-op. In final, it was confirmed that the plans will include expansion with the new generator and that the generator will be portable if the expansion happens.

Noting the topic presented in open member forum, DR raised the question if there were value of adding another branch of the Co-op somewhere else. SD noted that the Co-op attempted to expand in the District on H St., but it did not work out. KF commented that he believed if a group has an interest in starting a co-op elsewhere, TPSS Co-op can give them guidance and moral support, but they need to find their funding and ultimately pursue starting another co-op independently. SD clarified for new Board reps. that the charge of the EC is to specifically expand the TP store.

Updated “TPSS Short Term Goals and Indicators:” SD explained how the request for the indicators came to be and how AG brought the Board back a revised version which they adopted. He commented that these goals and indicators are paraphrases of the Co-op’s Ends statements. SD stated that many food co-ops used to attempt to vote on every management decision, which did not work; and, then co-ops overreacted and adopted the practice of never letting Boards get involved in operations. He explained that this tool is intended to assure management’s full charge of operations, while allowing the Board to ensure that the GM’s strategic goals are working in concert with the Co-op’s overall goals/mission and the interests of the membership. He summarized that, hopefully, asking for a list of goals and indicators also helps facilitate safe, strategic conversations between the Board and the GM.

SD explained that at the end of the year the Personnel Committee will evaluate the status of the goals listed and stated that in the spring they should, presumably, have conversation with the GM about the goals for 2013.

AG highlighted several of the indicators, including employee training and the effort to mail 2,500 introductory postcards to residences within a two mile radius of the store, which also included a \$10 coupon to attract people.

One Board rep. talked about the goal of controlling labor costs and whether the Co-op could tell if it were understaffed. One rep. raised the question of what the Co-op's staff compensation was like compared to other co-ops. AG suggested that including benefits, TPSS has better compensation than other co-ops. Board reps. noted that staff turnover could be tracked and reported on as well.

BR described the recent MSNBC piece that highlighted co-ops and noted that the reporter had stated that the average wage of a co-op worker is \$13.

MR commented that several years ago, she was on a living wage committee and it charged the GM to implement policy changes for pay, as income would allow. AG described an occasion where they brought in an employee at the same rate of pay as someone who had been working at the Co-op for three years and it created a lot of division. So he pointed out that the Co-op has to be mindful about creating new policies on salaries.

TW pointed out that the Co-op will be doing a staff survey again and within that will be an opportunity to look at this issue again. SD added that he hoped and expected information on comparable salaries to be shown in the survey. AG noted that he has been in the process of evaluating employees because it had not happened for the last three years and within that process, rate of pay will be reviewed.

The following inclusions to the "TPSS Short Term Goals and Indicators" for tracking were requested by Board reps.: inventory, staff turnover, profitability, the number of local and organic products. The GM was asked to also include assessment compensation within the HR report and to adjust the indicator to include literature in Spanish as well.

GM report: The Board discussed waiting for the expansion to move forward with buying a generator, but the GM and reps. both noted the losses and the insurance pressures. The Board approved the purchase of a new generator for the Co-op. AG reported that Washington Gas will first need to do a pipeline and then will reportedly take two months to get it in.

AG shared that for the updated parking lot, he ensured that the Co-op got identified spaces (16 total) and that more spaces were added back into the lot. AG also reported that Saturday's educational event went well.

Meeting adjourned 7:30pm

BOARD ATTENDANCE TALLY:

Term 2013:

Rep.: Dec. Jan.

Dubb	*	*
Firestone	*	*
Gabrielson	*	*
Hersh		*
Robinson	*	*
Rodgers	*	*
Townsend	*	
Whorton	*	*
Yanes	*	*