

TPSS Fall 2018 Member Meeting

Date: October 21, 2018

Time and Place: 2:00pm, Takoma Fire Station

Board present: Robert Anderson (RA), Susan Cho (SC), Susanne Lowen (SL), Diane Curran (DC), Rachel Hardwick (RH), Fred Feinstein (FF), Julia Eddy (JE), Mary Rooker (MR), Adam Frank (AF)

Board absent: N/A

Minutes submitted by: Julia Eddy (JE)

Update from Board President, Rachel Hardwick (RH):

Excited to announce a new General Manager (GM) who brings a lot of grocery industry experience.

Mediation is now behind us. It was stressful and long. We feel fairly good about the outcomes. It's not perfect and still brings challenges. All the parties agree to keep what happened in mediation confidential.

Many thanks to a great Board - navigating the Junction, two interim GMs and a hiring a new one. And many thanks to the community which has been such an integral support in the last year. We aren't done with the development and will need community to stay engaged.

Thank you for the patience as we found a new GM.

Please keep shopping and tell others to shop here.

It's a great store and it is strong despite everything happening in the grocery industry.

Update from new General Manager, Mike Houston (MH):

MH got into health food in Brooklyn at small but busy health food store, with a similar feel to TPSS. He moved back to DC in 2012 to work at Dawson's Market in Rockville. Loves independent markets – community partners, local food, hiring practices, diverse and inclusive workplace. Finance, HR, Marketing, Purchasing, Cooked a catering, fixed the plumbing.

TPSS is a unique and wonderful store. High sales per sq ft. We raised the minimum wage and have outstanding benefits and PTO policies. Very impressed by the workers working with IWW.

Looking for input as to how to use the City lot in fun ways. Next Sunday Mike Tabor is holding an apple celebration in the parking lot.

A few successes by the numbers:

Added 591 new members to the Co-op last year.
Increased the number of local vendors to 180.
Diverted 11,000 lbs of compost from the landfill (~200 lbs per week)

Update on Mediation by Fred Feinstein (FF):

We have a cooperative agreement and a joint statement. The agreement is on the city's website.

Some of the things the Co-op got:

- Priority use of the layby until 9:30am.
- Lot is leased to the Co-op until construction begins.
- Also agreed to allow the Co-op delivery trucks that will fit to receive deliveries in the underground parking lot.
- Negotiated the use of the loading dock down the alleyway and use of the layby for trash and recycling trucks.
- The Co-op reserved the right to comment on material changes to the reconfiguration of the junction.
- NDC is obligated to build the layby first.

There are still concerns. The Co-op faces all the competitive challenges other grocery stores do in this market. The Co-op will work with the City, with NDC, and the community to try to make it work. We hope to stay in the junction as long as we can.

Update from Board Treasurer, Adam Frank (AF):

Finances are positive.

\$9.7M sales, which is steady with last year.

\$333K net income, which is down slightly from last year. Hussein offered a steady hand in the interim, but the Co-op didn't have a GM thinking about the future. And there have been lots of consultant fees in the last year.

The Co-op has a good amount of cash on hand, which has been saved for expansion and will help through the development process.

Huge thanks to the staff for keeping the finances and the store in good order through everything.

Meet Board Candidates:

Candidates running for the Board, Julia Eddy, Bob Gibson, Sat Jiwan "SJ" Ikle-Khalsa, Sawa Kamara, Greg Ross (absent), Katea Stitt, were introduced and given 3 minutes for remarks.

Member Comments and Q&A:

Q: I helped form the Co-op 30 years ago when there wasn't healthy and organic food. The

landscape has changed. I would like to see leadership from this group that can help change the way Takoma Park deals with climate change and collaborates with the Montgomery County Ag reserve.

MH: There is more local and organic food in grocery stores these days. There are environmental reasons to shop locally. I'm very proud of what we are doing, and we can do more. The Co-op wants to be a part of supporting local makers. Always looking for new vendors. Nice to have a single source for a product for the whole season. Any ideas about collaboration with the Ag Reserve welcome.

FF: Come to a membership meeting and/or communicate with us your ideas about how TPSS can be more of a leader.

Q: One of the ways to "resist" is to make comments on Federal regulations, encourage individuals and organization to do so. Also wondering about solar panels on the Co-op?

MH: I am in the process of looking into solar. We would obviously need to get approval from owners of the building.

Q: Lots of different models of co-ops. Is worker-ownership something that could be in our future for this co-op?

AF: Right now we are organized under the consumer co-op statute under Maryland law. Our model is written into our Bylaws and Articles of Incorporation. And there is something great about being owned by the members, by the community.

Q: Back in the day, we used to have a practice of always having two employees on the Board.

RH: We haven't had any staff run for the Board in a while.

AF: And we can't require employees to sit on the Board.

Q: Is NDC bound by contract to what was agreed?

FF: Yes, there is a contractual obligation.

Q: Where will trash be stored?

FF: This is something we still need to figure out. And was always going to be the case during construction.

MH: We are looking into a cardboard baler since the majority of the Co-op's waste is cardboard. We are committed to not giving up any parking spots on the Sycamore lot.

Q: What is the estimated cost of the elevator that the Co-op will need to fund in the NDC space?

MH: It is written into the agreement that our costs should not exceed \$150K.

Q: What are the reserves? And is that where the money for the elevator would come from?

MH: We have about \$2.5M in reserves and we have some grant funding that can be used to pay for the elevator (matching state grant).

Q: If the Co-op were to move, how would the Co-op recoup the cost of that elevator?

FF: There is no provision about that in the contract. We are also not responsible for ongoing maintenance.

Q: What about liability insurance for that elevator if something were to happen there?

MH: It would not be our responsibility.

Q: If we want to do something in the lot, do we ask the Co-op or the City? Also who is responsible for snow removal on the lot?

MH: The City will remove snow for free as long as we keep parking free. It is new that we have control of all uses on the lot. City or community groups would ask the Co-op to use it. We want events in the lot - music, food trucks, etc... Management is working on some guidance related to activities on the lot from the Board.

Q: What is the rent to lease the lot?

MH: The rent is the same amount we were paying to the city. We had an insurance policy but not for the whole lot, so that went up a nominal amount. Also, we now pay 1/3 of the taxes which is new.

Q: When does the lease run out?

FF: The lease ends when construction starts.

Q: In terms of goodwill, I recommend talking to other junction businesses about the free parking.

MH: I have gone around personally to all the businesses to let them know.

Comment: The City is getting rid of inventory tax for businesses and looking at raising commercial property tax rate to offset that. Sometimes even businesses that rent have to pay those taxes. Mayor had talked about exemptions for business owners. Hopes this doesn't affect the Co-op.

Q: I am very concerned about the strategy of long term survival at the Junction. I hope the new website advertises opportunities for community members to get involved. I'm originally from Minnesota, home of cooperatives, and have seen communities hold off Whole Foods at times. We don't have a ton of examples of strong co-ops in this area. I encourage Mike and the Board to visit other co-ops that have gone through different stages of growth and been leaders in the community.

MH: Actually just came back from NCG conference in MN. There are lots of resources out there to work collaboratively with co-ops nationally, great staff training.

DC: from the board perspective, there is a lot to learn from other co-ops. Now with more free time, I'm excited to learn more about how other co-ops engage their members.

Q: How many employees are at the co-op?

MH: 48 employees.

Q: Just want to sincerely thank the Board for all the hard work and receiving all the community feedback over the last year.

FF: I would flip it around because we really couldn't have done this without the community.

Meeting ended at 4:15pm.