

TPSS Board of Representatives Meeting

Date: February 24, 2013

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

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

Absent: Erin Gabrielson, Dan Robinson

Others Present: Abdi Guled (AG), Joseph Klockner, Shelia Nugent, Raduoane

Minutes submitted by: Solveig Mortensen (SM)

RESOLUTIONS:

- The January 27, 2013 Open Session meeting minutes were approved as amended by consensus.
- The Board accepted the “TPSS Member Privacy and Data Security” Protocol submitted by the Membership Committee; KF moved, MH seconded, and approved by consensus.
- The Board supported a plan for the Expansion Committee to choose one of the proposed consulting companies for the feasibility study at their next meeting and then recommend to the Board that they vote on that choice electronically.
- The Board requested that the GM produce a combined TP/SS 2013 budget with a notation for the (4-5) key assumptions which informed it and altered it from the previous year’s budget, as well as, any big anticipated items for the upcoming year’s budget.
- The Board voted unanimously for the GM to modify his report on the Executive Limitations Policy L6, Asset Protection to incorporate the co-op's response to the material weaknesses found in the auditors' report for the current (2013) year as well as the strategies that Abdi has outlined to remedy these non-compliances in the coming year, for the March 2013 meeting.
- The Board approved a \$40 registration fee and the cost of incidental traveling expenses for the BA to a leadership conference in March 2013.
- On the days of Feb. 25 and 26th 2013, the Board voted (electronically) in favor of the Co-op’s not providing patronage rebates for the FY 2012 they supported the following statement: “ in light of TPSS Co-op’s present expansion plans and capital improvement needs, the Board of Representatives determined that it is in the best interests of TPSS Co-ops to retain profits earned in FY 2011-2012 and therefore not issue patronage rebates this year to member-owners.” Votes in favor: SD, TW, DR, KF, MH, ET, EG. Abstained: KY

Board education: The Board recounted the impetus for this agenda item: Bloomingfood’s Co-op includes it and TPSS Co-op Board members had asked for more education time at the meetings. They reviewed the article “Measuring Ends, Telling Our Story,” by Michael Healy; and discussed the idea of incorporating indicators like the ones in the article, into the Co-op’s ends statements.

Expansion Committee: KF reported that the Expansion Committee (EC) has received two expansion project proposals; although, the first company is now submitting a revised proposal and estimate. AG added that he received the visibility piece and will share it at the next meeting. For disclosure purposes, KF relayed that both consultant/design-build companies have a former association with the Co-op. He shared that one company employs Robert Corbitt, a former Board rep. and EC Chair; and the second used to collaborate with Joseph Klockner, a current member of the EC, as well as, a former Board rep. who had worked on acquiring renovations for the TP store years ago.

The Board discussed a plan for EC participants to discuss the two proposals at the next EC meeting and, unless a significant objection warrants another option, make a choice for one of the companies at that time. The Board further agreed that after the EC chooses the company, they recommend it to the Board and ask for a ratifying electronic vote.

The EC Chair pointed out that completing a feasibility study now should help the Co-op learn the potential strengths and weaknesses of the project—for instance, the advantages and disadvantages of the lot--in advance of entering into negotiations.

There was discussion about the anticipated need for a project manager and/or other paid staff for the expansion; the Board considered the appropriate time to proceed with hiring and how, procedurally, the EC will recommend that the GM hire a project manager. The EC Chair suggested that once the feasibility study is finished and more current unknowns are answered, the Co-op can consider a project manager/etc. because project constraints will be more apparent. JK reiterated that the Co-op needs to know if the expansion is a feasible project first. The EC Chair added that he believed whichever company performs the feasibility study could also give the Co-op a job description for a project manager.

KF reflected on how the current hurdle for the expansion is the issue of purchasing property from two different entities. The Board noted the challenges that have come up to date. SD emphasized the strategic need to do an expansion and how the membership had voiced their support. AG reported that other co-ops in the midst of expansion are looking for another project manager and made note of all the internal readiness that has occurred thus far.

One Board rep. wanted to respond to a question put forth by the GM re: Board support for the expansion effort. Board reps. each voiced their position on the Co-op expansion: ET relayed support for it; KY stated that she was in favor of expanding the TP store in this location, but not necessarily elsewhere; SD supported it; BR stated that he was undecided; KF expressed support for it, adding that he was okay with expanding the TP store, moving it on the next door lot, or moving it somewhere else in the immediate community. He elaborated that he thought it was extremely important for the store to stay in this area because there are local people that do not have access to motorized transportation for shopping. He also shared that he wanted a larger store for greater product selection to serve more people. TW described her support for the

expansion, stating that she is interested in representing the membership's interest. She and MH both expressed that they are in favor of it, unless or until something proves it unwise to be so; MH reiterated that he is for it in as much as the membership is for it.

In Final, KF announced that the next EC meeting will be the first Tuesday in March and that all future EC meetings will be held on the first and third Tuesday in the month.

Membership Committee: SD introduced the newly completed "TPSS Member Privacy and Data Security" protocol, MC-6-A, which provides more specifics about what the Co-op and Co-op staff do to ensure member privacy, etc.

GM Report: AG shared that the Co-op did get the plans for the generator and is just waiting for the permit; the generator provider estimated eight weeks for the full process. He also shared that the HR Manager created a co-op newsletter for staff communication. The Board discussed the status of the Employee Assistance program.

The GM reported that he spoke with the consultant, Mel Braverman; they went over the plan for the SS store, which the Co-op will implement in February for March. AG shared one of the consultant's recommendations: do not hold good, but un-sold products on the shelf for longer than a month; write them off.

AG shared that he had a meeting with the City about the parking lot: the City will stripe it at the end of March and the Co-op will have total enforcement for 16 two-hour parking spaces. Currently, the Co-op can call the police about parking issues.

Budget: Board reps. gave feedback re: the submitted budget; one rep. requested a single, combined TP/SS budget. The Board President observed that the presented budget did include a good number of annotations. There was discussion about management's going back to June and July. SD expressed an interest in still gaining some of the reasoning on the choices at that time, for the sake of the record. He asked that the Board receive the key assumptions (4-5) that informed the current budget and altered it from the previous fiscal year's budget, as well as, any big anticipated items for the upcoming year's fiscal budget.

Policy Compliance: Monitoring for Executive Limitation Policy L6: The Board gave feedback re: this report: the control issues that came up in the audit should be reflected within it and including the \$500,000 limit is not general practice. The GM agreed to modify the monitoring report to reflect McGladrey's current audit findings and the Co-op's strategies to address them.

FAC Committee/Financials: TW reported that the recent FAC meeting entailed a lot of discussion re: the SS store and its losses. TW pointed out that the GM is working closely with the consultant to ensure that every recommendation is implemented.

In response to inquiry by new Board reps., it was confirmed that discussions re: the SS store happened not only at the FAC meetings, but also at the Board level. The Board planned for new reps. to receive a tour of the SS store.

SD suggested that management/operations possibly compose a pie chart or visual that revealed the areas of strength at the SS store. He commented that if the Co-op can identify those strengths, possibly it can build upon them. There was discussion about why the SS store is still losing money. AG talked about how the Co-op just mailed out the coupons for the SS store and how the coupons should make a difference in the third quarter.

One attending member described how in his interactions with SS customers outside of the SS store, he got the impression and formed the opinion that the margin was high for the products at the SS store. One rep talked about how the margin is ultimately too low at the SS store and the advantage of bulk buying discounts.

Schedule of Policy Monitoring and Board Self-Monitoring for remaining Board term: The Board President relayed that she and SD had spoken with the CBLD consultant, Art Sherwood, re: the Co-op's policy register and how the Board has not always monitored all the Co-op policies, but focused its attention on reviewing the ends statements. She shared that AS definitively affirmed that the Co-op/Board is responsible for monitoring all the policies it keeps, including the Board policies; so, the Board should begin to review each policy to determine if it needs to be scheduled for revision or elimination. It was pointed out that relegating this task to a committee was not preferable because all reps. are busy; there was discussion about each rep, individually, reviewing a policy. The process would entail looking at what the Co-op wants from the policy, what the related best practices are, what if any changes are needed, and whether it is already covered within the ends and/or needs to be removed. TW commented that she hoped this could happen monthly.

The Board discussed the example of Policy L-I as being ineffective in its vagueness; TW pointed out that the Board could reach out to the listserv to see another co-op's version. SD suggested that he would like to see policies, such as L-1, become pro-forma notice policies; so, management does not have to spend time doing regular reports on standard Co-op functions and can instead just notify the Board at a subsequent meeting, when/if there is a problem. He elaborated about whether the limitations policies altogether could move from an annual reporting to an "as needed" reporting and described this idea as a bit non-routine for co-ops.

SD planned to put together a proposal for discussion on simplifying L-1 through-L-3 and L-7 through L-9; and at the next meeting, the Board planned to further divvy up those policies amongst individual reps. to provide due diligence and supplementary review. It was noted that the review of L-4 through L-8 needs to occur by the Finance Committee.

There was discussion re: revising policy G-1. ET noted that she did not observe any language in it that would preclude what the Co-op is trying to do. The Board also discussed how G.3.2.3 had not been monitored and could go on the consent calendar.

Meeting adjourned 8:31pm

Term 2013:

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