

TPSS Board of Representatives Meeting

Date: April 17, 2011

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

Present: David Walker (DW), Preston Quesenberry (PQ), Mary Rooker (MR), Nelson Graves (NG), Steve Dubb (SD), Bill Rodgers (BR)

Others Present: Abdi Guled (AG), Claretta Daniels (CD), Deb Friedman (DF)

Absent: Tanya Whorton (TW), Emily Townsend (ET), John Horty (JH), Robert Corbitt (RC)

Minutes submitted by: Solveig Mortensen (SM)

RESOLUTIONS:

- The Board approved the meeting's agenda with the following amendments: moving the GM Committee topic, CCMA, and the SS store to the April 30th meeting; moving the consent calendar item to after the open member forum.
- The Board approved the February 20, 2011 meeting minutes as amended.
- The Board tabled the approval of the March 2011 meeting minutes until the April 30th meeting.
- The Board resolved to adopt the amended G-12 policy-incorporating ET's modifications-for the Staff representation and the Staff Representative Committee.
- The Board approved the proposed charter for the Staff representation and Staff Representative Committee, explicitly clarifying that it is a staff committee which, therefore, allows for an explicit waiver of 1.4, 1.8, and 1.9 of policy G.7; and the charter was also approved for a maximum term of 1 year.
- The Board resolved to not require AG to attend the April 30th Special Topics meeting, as the meeting was only recently planned and AG had prior obligations.
- The Board formally accepted the L.1 and L.7 Executive Limitations Policies as submitted by John Kidney with no further action.

Consent Calendar: DW moved to approve the revised G-12 policy, incorporating the recently submitted amendments by ET, SD seconded it; the policy was passed by consensus.

DW presented the proposed SRC Charter with a revised listing of the number of representatives: Wellness Department (1 rep) Front end (1 rep) Produce (1 rep) Grocery (1 rep) Downstairs (1 rep) SS store (2 reps total).

He explained that the Staff Representative Committee (SRC), as a board chartered committee, would be governed by the G-7 policy which essentially states that all board committees will have a board member on them, and therefore he believed it was necessary to distinguish the SRC as a staff committee and not a board committee, so by law G71.2 would not apply. He pointed-out that there is a legitimate GM Committee and the GM has the ability to create the charter for his or her own committee, so likewise staff would be allowed to create a charter and maintain their own committee without a GM or a Directors presence/oversight.

DW moved that the Board approve the charter and waive G7:1.4, 1.8, and 1.9 of the governing policy G-7 and NG seconded this and it was passed by consensus. DW explained that the authorization of the charter was for a maximum term of 1 year.

DW further elaborated that 1.8 of policy G-7 states that board standing committees will post advance meeting times and minutes for the Co-op, and, again, due to its being a committee for staff, this would not apply to the SRC. However, he noted, the Board would imagine the SRC itself would of course, notify its

constituents of meeting times, create minutes, etc.

DF thanked the Board for their efforts in supporting the creation of the SRC.

Membership Committee Report: SD shared the agenda for the upcoming membership meeting on May 15th: Michele Levy would speak at the beginning; shortly after, the Expansion Task Force would report and the Finance Committee would explain patronage dividends; more specifically, at 3:00pm there would be a session called the Silver Spring brainstorm to address the SS store; at 3:30pm there would be a Q&A session; and finally, food and music would start before 4:00pm. The Board acknowledged all the work that ET performed to get event flyers handed-out.

SD reported that as a result of the SS store meeting in March about 40 people signed-up for the Membership Committee and that he emailed those individuals and approximately 10 of them showed at the SS Advisory Group meeting. He reported that there would be another membership meeting on May 1st and that they were attempting to start a Silver Spring Task Force Committee as well.

He noted that committee members and participants were posing ideas, such as, creating lawn signs to get interest in the store. He also shared their suggestion that the fall/October membership meeting occur at the school across from the SS store. NG noted that contact needed to be made with the fire department to confirm the occupancy limit in the SS store, as the current plan is to meet there again in June 2011. CD reiterated how the SS store patrons saw the value in and expressed appreciation in holding board meetings at the SS location, so the Co-op would want to send a change-of-location email update as soon as possible, if a different venue were necessary.

GM Report: AG reported that the Co-op did receive a check for \$54,000 for the losses in August and December. DW explained that the Co-op essentially received back .80 cents on the dollar on the first claim and an even higher percentage to the dollar on the second claim. AG shared that both stores had made gains in the months of March and February 2011.

Silver Spring Store Lease: AG reported that he spoke with the leasing agent of the SS store about the lease and found that the Co-op is currently paying \$26 per sq. ft., but he noted that Co-op management hopes to pay \$24 per sq. ft. in the future. He also shared that there is a possibility for the Co-op to buy a generator. It was pointed-out that the Co-op pays rent and for the common maintenance areas, and so this should be a generator for the whole shopping center; TPSS might want to propose that the landlord acquire a generator to service all the storefronts in the plaza. AG shared the terms of lease to be 2-5yrs or 5-10yrs, and confirmed that the leasing agent would allow the SS store to terminate with some advance notice. He also noted that the Co-op is paying 14% in trash expenses, but that they hope to negotiate it to 11%.

Finance Committee Report: DW explained that on this report a loss showed for \$249,000; however, he reported this loss would be offset by the recently received \$54,000 in re-couped insurance money. He also noted that the insurance company has not yet informed the Co-op of the value of the amount that would then be moved from the category of costs sold out of margin to the category of loss, so in effect there could be an additional \$40,000 recaptured, making a total of \$94,000 recoverable. He explained that in that event, the actual loss that the Co-op would be carrying would only be \$123,000.

DW went on to explain that MM did a study of the Co-op's December inventory process. He explained that the Co-op has more than 7,800 products in the TP store and approximately 5,500 products in the SS store and that the Co-op is at this point, attempting to get the value for that inventory: the Co-op is attempting to compile a database of what it is paying for items, and, right now, the involved staff have the basis for about 50% of those items. He stated that Josh is currently working on processing and that if the Co-op overestimated inventory value it would be realized as a loss and if the Co-op underestimated

inventory value it would be realized as a gain. He explained that the Finance Committee (FC) is not assembling data on how the GM performed during the 3rd quarter, but is getting an evaluation on the inventory--this shift in margin will indicate Co-op performance. He stated that the FC will follow-up with the Board on how the outcome will affect TPSS's third quarter results, as ultimately, buying prices likely rose; while, commensurately, retail prices likely did not or did not consistently rise.

DW noted that eventually the FC would be working with the Board to determine the best format for sharing these outcomes with staff and members. DW passed around hand-outs to the Board and proposed that the FC generate similar financial statements to post in the store for staff. He pointed-out that the FC had some ideas on how to best communicate this information to staff and that they would like to discuss it at the April 30th meeting. NG suggested that DW or Brenda Tilery or RC attend the first SRC meeting and explain the FC information there; he stated that the SRC would invite them.

Monitoring: DW explained to follow-up on discussion after the retreat, he wanted to see the Board edge away from the concept of monitoring and instead move towards oversight and returning to checking the policies, so not so much about judging the GM, but more about learning the Co-op. He stated that with the monitoring reports, the new financial conditions are very explicit about looking at the data to determine if the Co-op is in compliance or not. Additionally, he shared that the older financial data had been sent to AG and it has been concluded that that data is not going to be useful for looking back retrospectively and the Co-op needs to look towards what it's doing going forward.

SD reiterated that the oversight purpose is to evaluate the performance of the store not the GM and queried regardless of policy, what the management plan would be for the next 12 months to determine progress. He wondered if NCGA or some other Co-op organization would have common cooperative statements that the Board could use for comparison re: issues like customer service, etc.

DW suggested that the Board needs to look at each policy and determine what the benchmarks would be and that the Board needed to look at each item and ask the GM how they think it might work out. He noted that the Co-op could be in compliance on policies, but not necessarily be in good shape.

There was Board discussion regarding the best approach to manage oversight. There was expressed interest in having the Board/a board committee do the policy reform work as one view held that it was an unproductive use of managerial time and a conflict of interest for management to do this work; and, furthermore, a task force or evaluation committee could do the work using the tools it usually requires and could take some of the burden off the GM and add objectivity.

NG shared an example of one of the policies/outcomes that he monitors and noted some need for revision to the questions, etc. He explained that he could see a GM Committee as a unit that actually did this report, so it would be a group of people who assembled it and presented to the GM and the Board.

Other directors voiced the viewpoint that they would rather ask the GM/management for recommendations for store policies, and felt it needs to be management that takes the lead and informs the Board what the reasonable indicators are for different items.

DW stated that to unify these viewpoints the Co-op needed useful policies, because policy is a place for interpretation. He stated that the GM needs to have their own policy register and interpretations could be kept there; where the Board sets the top level policy and the GM sets the implementation of the policy.

DW noted that previously the problem had been with the fluidity of interpretation, because the GM could reformulate policy interpretation each time. He stated when the GM issues interpretation that is policy making and needs to be kept in record. SD suggested a process where management could propose amendments to the policy and the Board could consider them.

DW emphasized that he believed it was important for the Board to give specifics, for example directing

the FC to look at particular data, but that the monitoring could become routine.

DW reiterated that the Board should be aiming to build cooperative relationships, as it has been one way thus far with the Board giving policy and not gaining input.

GM Committee Discussion: It was pointed-out that policy G-10 is in effect until June 2011 due to the amendment passed last month. SD stated that he would like to talk about forming a proposal for the GM Committee. He noted that the Board has a 60 day extension from this point, extending the GM committee three months from March 2011 to June 2011 with the amendment. He noted that the Board could do a work group or study group or form a task force until June. The topic was scheduled as agenda item for the meeting on April 30th.

DW summarized the agenda items that would be added to the April 30th meeting: financial statements and status communication/disclosure to staff and members, Membership Information Drive, CCMA, G-10, GM Committee discussion and a discussion on GM recruiting, retreat follow-up, Mary Courteau's information (HR surveys).

DW also reminded Directors of the process for informing the Board of their intention to attend CCMA: submit a statement regarding why they should be sent and what they would accomplish while there. He noted that he is planning to attend.

DW proposed to adjourn and BR seconded this.

Meeting adjourned at 8:05PM

BOARD MEMBER TALLY

ATTENDANCE: Term 2011:

<u>Member:</u>	Dec	Jan	Feb	Mar	Apr17
Rooker	*	*			*
Graves	*	*	*	*	*
Townsend (since Apr '10)	*	*	*	*	
Quesenberry (since May 10)	*	*	*	*	*
Rodgers	*		*	*	*
Dubb (since Dec '10)	*	*	*	*	*
Whorton (since Dec '10)	*	*	*	*	
Horty (since Dec '10)	*	*	*		
Walker	*	*	*	*	*
Corbitt (since Feb' 11)			*	*	

Next Meeting: April 30th 2011