

TPSS Board of Representatives Meeting

Date: September 18, 2011

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

Present: David Walker (DW), Tanya Whorton (TW), Robert Corbett (RC), Emily Townsend, Steve Dubb (SD), Bill Rodgers (BR), Mary Rooker (MR)

Absent: Nelson Graves (NG)

Others Present: Mark Sherman (MS)

Minutes Submitted by: Solveig Mortensen

RESOLUTIONS:

- The Board resolved to table the topic of the Product Selection Guidelines Committee.
- The Board agreed to end the Board meeting to go into Executive Session and discuss the topic of the GM Search and then to reconvene to complete the Board meeting.
- The Board agreed to add the items of Policy Register and GM Search to the agenda; to replace the agenda item Member Benefits: Proposed Policy MC-7 with the item Co-opoly; and, to move the order of the agenda item Open Member Forum.
- The Board resolved to table the agenda item of the Annual Budget and to table the agenda of the Silver Spring Lease, but to vote on the SS Lease through email.
- The Board approved the July 2011 and August 2011 Board meeting minutes with amendments.
- It was resolved that AG would draft a two-tiered policy for TPSS management that would address: free-speech and solicitations that do *not* involve the exchange of money and solicitations that do involve the exchange of money on store grounds—and the appropriate vetting for each type.
- The Board resolved to move forward with the GM search that was originally agreed to by the Board in January of 2011 and start the GM search process now.
- The Board resolved that the Board and Co-op will know a completion date for the GM search to end based on the recommendations of the GM Search Committee.
- The Board agreed that ET, MR, and TW would be the participating Board members for the GM Search Committee and Dan Robinson would be the community representative for the GM Search Committee.
- The Board agreed to put the Co-opoly and the resolution for the \$500 allocation for participation with it on the consent calendar for October 2011.

Emotional Check-in: During the emotional check-in portion of the meeting, one Board member shared concern about there being many issues at the Co-op in general. The Board reflected on this. DW shared that he learned through the Takoma Food Advisory group that there is a professional historian interested in doing a historical piece on TPSS. He was excited about this prospect, and noted that there seems to be some growing synergy within various sub-groups and committees working on Co-op goals: i.e., the Expansion Committee meeting every two weeks and the Membership Committee orchestrating a meeting for all the Co-op committee heads to come together.

Open Agenda Review and Action Item Review: TW had information on the policy register to add to the agenda; it was moved first to after the item of the Consent Calendar and then to after the Open Member Forum. ET raised the previously discussed Product Selection Guidelines Committee as a potential agenda item; she and MR both wanted to be on it. She recalled that the reason behind it was to determine if there were anything re: product selection that the Board wanted to give input on at the Board policy level. She noted that it had been awhile since this particular Committee had been discussed, and so, reactivating it might warrant a new Board vote. TW suggested that this be an agenda item for October 2011. MR wondered why the topic of GM search was not on the evening's Board agenda; she recalled that staff had requested it as an agenda item. It was clarified that this topic would be discussed within the Executive Session and would then be shared with staff and members. MR conveyed her concern that the one staff person who had emailed the Board re: the GM search was not receiving a clear reply from them about the options that the Board was considering in re: to performing the search. DW and TW shared that they had continued to communicate with this particular staff at the time she had had her question.

The Board resolved to end the open session Board meeting at this point, 6:25pm, and go into Executive Session to discuss the objectives and plans re: a GM search. The Board reconvened and resumed the Board meeting at 7:45pm.

The Board added the item of GM Search to the agenda. The Board moved the agenda item Open Member Forum to after preliminaries. The Board resolved to table the Annual Budget agenda item. The Board also resolved to table the agenda item of the Silver Spring Lease for the evening; the Board did not yet have all the pertinent documents for review of this topic and would need to vote through email. The Board resolved to replace the agenda item Member Benefits: Proposed Policy MC-7 with the item Co-opoly. The Board discussed the action item of management to complete a report re: the cash handling policy (L.4.6.1) in relation to the theft at SS. The Board President clarified that he was looking for a written report that addressed compliance in the circumstances where store money is not immediately taken to the bank, or not taken to the bank for several days in a row. DW passed out a page of quote from Mary Parker Follett that had been shared at the Expansion Committee meeting.

Open Member Form: MS asked if the Co-op had a policy in regards to permitting groups to raise money or support on Co-op grounds. He explained that he was curious about a group, which claimed to advocate about international issues that had solicited for two days in front of the Co-op. He noted that he entered their name into a search engine and found information that said they were a fraudulent

group. He wondered if the Co-op had a policy that entailed vetting groups who make solicitations and if any Co-op staff person or representative signed-off on a permission to allow solicitors to be on the premises. The Board President noted that within the history of the Co-op there had been a policy governing free-speech for the area in front of the store. One of the previous GM's did some policy work on the issue, when the Green Party was set-up very near the store to get signatures. At the time, the Board agreed that management should develop the policy. DW then confirmed that there is no Board policy establishing free speech rights, so management has the right and ability to say who can do what on the property. However, he noted that the Co-op can and should control commercial speech on store grounds; for instance, no external vendors should be allowed to sell goods outside of the store. BR thanked MS for checking the group's credentials, noting that that particular group had been there numerous times over the years. AG noted that in regards to process the outreach department at the Co-op is supposed to be contacted about these types of groups; he was not in the store the week that they were present.

MS suggested the Co-op create a two-tiered policy that addresses: 1) free-speech and solicitations on store grounds and 2) solicitations that entail sales, donations, or any exchange of money on store grounds. He suggested that the appropriate level of vetting for both types of solicitation be delineated in the policy. He also noted that an entity has to be registered with the Attorney General's office with the state if they plan to fundraise, and that groups can be verified with the AG's office. SD stated that even if a group or entity is reputable, he would rather not see any solicitations involving the exchange of money occur on store grounds. It was resolved that AG would draft a two-tiered policy for Sherri and TPSS management that would address: free-speech and solicitations that do *not* involve the exchange of money and solicitations that do involve the exchange of money on store grounds—and the appropriate vetting for each type.

Policy Register: TW announced that in the Board's work with staff to update the policy register, some stylistic changes that were needed within the policy register became apparent. She explained that the word "board" needed to be capitalized in several places within the document, a date needed to be added to the Financial Conditions Policy, and some policy numbering needed to be corrected for policies G-10, G-11, and G-12.

GM Report: AG announced that Zoe McDonald has been promoted to the position of Store Manager at the SS store. He explained that all the supervisors are being trained on how to evaluate staff. AG reported that he attended the NCGA meeting for several days and benefited from the opportunity to build networks with other GM's-including Weaver's Way. It was noted that NCGA has not done any promotional advertisement for the Co-op as of late. AG noted in his report that he learned that out of thirty-seven Co-ops that submitted second quarter 2011 data, 22 were out of NCGA compliance on sales growth. SD emphasized that this was another reason he wanted to get the Co-co fist comparative numbers, because despite a poor economy with the push for Co-ops, local foods as one example, he would expect the industry to be performing better overall. AG informed the Board on why the TPSS data was not yet in the Co-co fist reporting. The Board requested that AG contact TPSS Co-op's

NCGA contact to get the Co-op's list access reactivated. DW noted that TPSS received some favorable attention at the meeting on the basis of its loan to Mariposa Co-op.

AG reported on the issues with the Co-op's phone company, C-beyond, and Verizon, the owner of the phone lines. There were two phone outages that affected the performance of the store: the first resulted from Hurricane Irene, but the second appears to entirely be the responsibility of these phone companies. The Co-op is looking into its options.

There was Board discussion re: the plans for a generator. The Board President noted that there were several issues to contend with: investing in a generator that fit the store's present capacity, investing in one that fit the store's anticipated capacity after the expansion, or buying two generators. The Board also noted they needed to find out if the neighborhood would have to approve a generator due to noise ordinance issues. The landlord of the retail space at SS is to talk to them about having a generator there.

Finance Committee Report: RC asked the Board to review the TPSS Co-op Quarterly Financial Monitoring Report with him and explained that it is one of the reports that governance policies utilize to determine compliance or non-compliance and alert the Board to the financial health of the Co-op: whether TPSS is out of compliance. This particular report was for the fiscal year-end of June 2011. He stated that both the TP and SS stores were in non-compliance with the Profitability Policy. The SS store was in non-compliance with the Sales Growth Policy. He shared that both stores had an overall growth rate that was less than the rate of inflation. He reported that TP is compliant with the Liquidity Policy and is above the benchmark for that ratio, but the SS store was non-compliant with the Liquidity Policy, having a ratio below the benchmark. He reported that SS is struggling with its solvency and is non-compliant with the Solvency Policy as well.

There was discussion about the imminence of TPSS's situation, given these outcomes. DW shared that this report integrated the financial state of the Co-op for twelve months. He noted that the Co-op did have a profitable fourth quarter and pointed-out that SS had a profitable 4th quarter due to insurance reimbursements. He also noted that for the first two months of the fiscal year SS made some money, so its financial health improved a bit. He emphasized that that trend needed to continue. He also noted that the Co-op is actually ahead of budget on a number of items or right on budget. RC echoed that it has been a challenging FY 2011 and the Finance Committee and Co-op are looking for a better FY 2012. He explained that the Co-op is working on controlling its expenses and that the Board would hear more recommendations from the Finance Committee on that aim.

RC shared that in an effort to help chart the Co-op's future, DW completed an average of the last 5 years for each store individually and collectively for net and gross income. DW's analysis revealed that in gross sales and income TPSS's numbers had been fairly constant. In fact, he elaborated, the Co-op's gross and net sales were fairly constant until 12-14 months ago. RC commented that this showed that the Co-op has a strong base of constituents. Furthermore, he said, when the recession hit the Co-op's sales decreased but they did not dip horribly. RC pointed-out that he was surprised to see the sales going up by double-digits within that five-year period. SD was interested in seeing the sales increase

figures for the last five years for both the SS and TP. RC noted that the Finance Committee would be putting other monitoring tools in place.

Nominations Committee: DW and TW shared that they created an elections Wiki for anything that the future Board candidates needed to know, and for current Board members to post needed information to in the event that candidates had inquiries. DW assembled the packet of materials for potential Board nominees and asked the Board for feedback. MR thanked DW for working on the forms/documents for the nominees and asked him if he would review the changes he had made from the former packet. DW explained that this packet was actually all a new materials that he had assembled, pulling together information from the TPSS by-laws and TPSS policies. He noted that much of the Nominations Solicitations page quoted directly from the By-laws and policies. SD had written the included *Frequently Asked Questions*. MB also did some editing to the packet.

The Board reviewed how they would alert the public and members to the fact that the Co-op is now accepting nominations: email and signs at the cash registers. SD encouraged fellow Board members to personally contact people they viewed as candidates. It was noted that it would be raised at the Membership Committee as well.

GM Search: TW recounted how the Board decided in early 2011 that the Board would post the position for the GM and open the position to any interested applicants. She explained that after having the Executive Session earlier that evening, the Board decided that they are committed to that process and feel that they want to start the process now. She stated that because this variable was raised-of whether AG would stay on as the GM or find a different role at the Co-op—they wanted to settle the question now, and not let the issue continue to gnaw at everyone. The Board hoped to bring more stability to the Co-op by performing the GM search and resolving the issue. It was agreed that TW would write an official statement to members and staff about the Board decision to proceed with a GM search right now and within that piece she would note that AG is being strongly encouraged by the Board to apply for the position. DW agreed to put that announcement into the Board report for the newsletter. The Board President also recommended that the GM Search Committee give the Board and Co-op a time when the search will be completed.

Co-opoly: SD explained that the Board could look at options with Co-opoly and he recommended allocating \$500 to participate in it. SD shared that a decision was needed by Nov.1st. The Board discussed putting it on the consent calendar for October. TW pointed-out that the first version was about a worker's Co-op, but this was different from TPSS.

SD agreed to draft a resolution re: the allocation \$500.00 for the Co-opoly.

Meeting adjourned 9pm.

Next Meeting: October 16, 2011

BOARD MEMBER TALLY ATTENDANCE:

Term 2011:

<u>Member:</u>	Dec	Jan	Feb	Mar	Apr17	Apr 30	May	June	July	Aug	Sep
Rooker	*	*			*	*	*	*		*	*
Graves	*	*	*	*	*	*	*	*	*	*	
Townsend (since Apr '10)	*	*	*	*		*	*	*	*		*
Quesenberry (since May 10)	*	*	*	*	*	*		*	resigned July		
Rodgers	*		*	*	*	*	*		*		*
Dubb (since Dec '10)	*	*	*	*	*	*	*	*	*	*	*
Whorton (since Dec '10)	*	*	*	*		*	*	*		*	*
Horty (since Dec '10)	*	*	*				resigned June				
Walker	*	*	*	*	*	*	*	*	*	*	*
Corbitt (since Feb' 11)			*	*	*		*	*	*		*