



Policies & Procedures Committee Meeting Minutes

March 15, 2017 Ten Pin Building Conference Room

Present:

Board: Colin Fiske, Ed Smith, Cheri Strong,

Staff: Alanna Cook, Nicole Chase, Alisha Hammer, Melanie Bettenhausen

Members: John Lucas

Meeting commenced 4:10 pm. Colin Fiske welcomed everyone and introductions were made.

Approval of the February 2017 minutes by consensus.

Follow up from Board: The board authorizes Colin Fiske to consult with the Board's attorney to ensure that Proposed changes to Bylaws Sections 1.02, 5.16, 6.01, 10.01 and 10.02 do not present any legal issues, and then return to proposed changes to the Board for the PPC as appropriate.

Approval of Agenda: Colin notes that he has not yet talked with Van about the bylaw changes that were made at last month's PPC. We will table this for the April PPC meeting once Colin talks with Van.

Shareholder Disclosure Document: Colin would like to look at the document and make suggestions for changes. Anyone present is welcome to look it over and give feedback. This will be on the agenda for April.

Hotlist: Bylaw item #6- Concern brought up by Roger-what happens if the level for being a fair share member changes. Are existing members grandfathered in? John Lucas says he feels everyone should be equally vested, but he also understands that once someone has achieved that status it's difficult to make them invest further. Melanie can see all sides. It's not uncommon for businesses to raise rates periodically. It's also not great to have different tiers of membership. It should be equitable for all. Colin feels like once a member achieves this status they should keep it. Alanna asks what the incentive would be for members to pay more to get fair share status if they already had C shares. The PPC looked at the bylaws and it appears that according to the bylaws if you have C shares you must be a fair share member. This bylaw clause would mean that fair share members need to be grandfathered in. Colin says that this is an issue we can leave open and let the board decide at the time they choose to make a change to fair share status. John Lucas brought up the idea of combining B & C shares to achieve fair share status. Melanie says the board could always give members a year notice to achieve fair share. Melanie says we could always put it before the membership to vote on. The general consensus is that we should leave it open and not grandfather in fair share status and that if the board ever considers raising the amount of shares needed to achieve fair share status, it would be best to put it before the membership to vote and justify to the membership the reason or need to increase fair share requirements.

Proposed Bylaw Change:

Section 2.08 in bylaws defines fair share membership. Do we need to add in 30 B shares (\$300)? Or should we leave it open? Melanie pulled up the bylaws on the big screen and made some edits to this section stating that fair share status includes a minimum number of class B shares worth a total of \$300. The committee proposes changing it to:

Section 2.08. **Fair Share Membership Status Definition.** A "Fair Share" membership status is attained when a membership owns one (1) Class A Membership Share and at least \$300 in Class B Sustaining Shares.

Recommendation: Bring this change to board and authorize Colin to talk with Van to look over

BPM Recommended Changes:

Section 1C: Delete entire section (this section is not necessary and is redundant).

Section 2- Shares: This section defines each class of shares. The committee deleted "fair share" from Class B so it just says "Sustaining Shares" instead of "Sustaining Shares or 'Fair Share'". This change was made since "fair share" is not the same as "sustaining share"

Class A – Membership Shares

Class B – Sustaining Shares

Class C – Co-op Shares

Class D – Investment Shares

Section 3B: Loss of membership through expulsion. Need to change first two bullet points so it's clear that members MAY be expelled from membership, but not required to be expelled due to theft or non-patronization. Change to read, "A Member may be expelled by a 2/3 vote of the Board of Directors for any of the reasons specified in the bylaws section 3.03(a). Other justifiable reasons for expulsion may include, but not be limited to, shoplifting at the Co-op, causing damage to the Co-op or harassing or threatening its employees." Committee deleted 4 bullet points and added the paragraph instead.

A. Loss of Membership through Expulsion

A member may be expelled by a two-thirds (2/3) vote of the Board of Directors for any of the reasons specified in Bylaws Section 3.03(a). Other justifiable reasons for expulsion may include but not be limited to shoplifting at the Co-op, causing damage to the Co-op, or harassing or threatening its Employees.

The Committee recommends deleting Section 5C Finance Committee as it is redundant with the FC charter. That would change the rest of the lettering for this section.

Section 5A: Delete (Executive) because not all committees are executive committees; delete "during board retreat" so the sentence reads, "Committee and Committee appointments are identified each year, and voted upon, by the majority at a regular board meeting; The co-op board majority will select at least 2 directors for each executive committee the board authorizes; The co-op board majority must authorize the selection of Executive Committee members."

Section 5 – Directors

A. Standing Committees (Section 5.16)

Standing committees are established by the Board to support ongoing functions necessary for the operations of the Board and/or the Co-op. The Board may also establish an ad hoc committee (or task force) for a specific task or issue; the ad hoc committee would disband once its work is complete.

The Co-op Board, by majority vote, currently authorizes the following Committees:

Finance Committee

Nominating Committee

Member Action Committee

Policies and Procedures Committee (*approved by Board December 3, 2015*)

Environmental Action Committee (*approved by Board April 7, 2016*)

- Committees and committee appointments are identified each year and voted upon by a majority at a regular board meeting.
- All Committee activities have the purpose of enhancing Board decision making and are of value to the general Co-op community.
- The Co-op Board majority will select at least 2 Directors for each executive Committee the Board authorizes. (Section 5.16b)
- All Committee members must be current Co-op Members.
- The General Manager will make Staff Member appointments to Committees.
- Committees receive member input, study problems and/or issues chosen by the Committee or assigned by the Board.
- Committees will establish a charter of purpose and duties, meeting schedule and other relevant guidelines.
- Committees may place items on the Board agenda under Committee Reports.

Section 5C: Finance Committee: Entire section is deleted because it is covered in the charter

Section 5H: under general election results bullet 2 we added that election results will be posted on the website including specific vote counts per candidate or ballot item. Most of the committee agreed that transparency was the best way to go and that members should know the outcome of the elections including how many votes each candidate received.

- NC Chair shall ensure within five (5) days of election closing, the Candidates elected and/or referendum results, including specific vote counts per candidate or other ballot item, are announced and posted in all Co-op stores and on Co-op website.

Lower BPM Priorities:

Section 1A- Membership- Applications for membership are reviewed by the board, or its designee, authorized ..." (take out board committee)

- Applications for Membership are reviewed by the Board, or its designee, authorized by a Board Resolution. (Section 1.04)

Next meeting:

- Shareholder disclosure document
- Updates from Van (re: bylaw changes)
- Completing the BPM and Confidentiality agreement (need document)

Next meeting: April 19 at 4pm

Meeting adjourned 5:54 pm by consensus

Minutes by Nicole Chase

1. The committee recommends that the board accept the change to section 2.08 of the bylaws and authorizes Colin to discuss with Van
2. The committee recommends that the board approve the changes to the BPM as outlined in these minutes.