



Policies & Procedures Committee Meeting Minutes
August 12, 2015 Ten Pin Conference Room

Present

Board: Dave Feral

Staff: Melanie Bettenhausen and Bella Waters

Member-owners: Colin Fiske and John Lucas

Meeting commenced at 5:35pm. Dave Feral welcomed everyone and thanked them for being at the meeting.

Agenda Review. No changes

Minutes. Approve July 8, 2015 minutes. **Consensus reached to approve the July 8, 2015 meeting minutes.**

Member Vote Policy. Dave reviewed previous committee work on Bylaw Section 4.13 and the issues the current language poses for the Co-op and potential addition of online voting. Discussion included:

- Current language is direct copy from California Corporations Code, but Code does state that the articles or bylaws can provide voting direction for membership records with multiple people. Committee discussed potential options and determined that another clause is needed in Bylaw 4.13 that determines who the designated voter is. The Co-op needs to be removed from the majority vote issue and it's up to the membership holders to determine the vote for their membership.
- Committee prefers to address this issue now and then move forward with other issues rather than coming back to this one at a later date.
- Bylaws will need to be modified at some point and include reference to Board Policy Manual as that's missing from current Bylaws. There's no clear understanding of hierarchical documents direction and without a link from Bylaws to Board Policy Manual the Board Policy Manual has no power.
- Policies and Procedures Committee Chair should have access to Board designated attorney to make sure documents and policies are legal. Dave would like the Board to determine the attorney for the Committee to work with and set a budget for bylaw work, but feels they won't be able to discuss this until after October.
- Goal of reworking Bylaw 4.13 is to increase member voting turnout by allowing the option of online voting, to be more democratic and remove the Co-op from being in the middle of shareholder disagreements in regard to voting. One member, one vote and if shareholders who share a membership disagree on the vote for that membership one of those shareholders can purchase their own membership.
- Discussed who the designated voting member should be and felt that the person first listed on the membership is the designated voting member. Melanie told the group that a designated member for each membership is important, not just for voting reasons (patronage refunds, address changes, removal/addition of member, repurchases, etc.) and the bylaws should reflect this. Currently no policy specifies who gets to make changes to a membership; Bella simply goes by the first name on the membership. Easy to switch the naming order of the members if both members agree.
- Committee added in an additional line to designate the voting member: *If a Class A Share [membership] stands of record in the name of two or more persons, the person who is listed first on the membership record shall be the person designated to the corporation as the voting member*, resulting in the following as the draft language to replace current bylaw Section 4.13:

Section 4.13. Voting of Members

- a) Each Class A share of the Corporation is entitled to one (1) vote on each matter submitted to a vote of the members regardless of the number of persons listed as owners of the Class A share on the membership records of the Corporation, and regardless of the number of shares owned by that person or persons in any other class or series of shares.
- b) There shall be no proxy voting.

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- c) If a Class A Share [membership] stands of record in the name of two or more persons, the person who is listed first on the membership record shall be the person designated to the corporation as the voting member.
 - d) The record date for determining the members entitled to vote at a meeting or cast ballots is forty-five days before the date of the meeting. Only that person designated to the Corporation as the voting member on a Class A share as of the record date shall be entitled to vote at a meeting or cast ballots.
 - e) Cumulative voting shall not be permitted for any purpose.
- Colin and Dave both felt strongly that more outreach on the issue should be done. Committee had mixed feelings on if revised language will be viewed as controversial. No rights are being taken away, just a simpler voting process. Discussed next steps and **consensus reached to recommend that the Board send draft bylaw section 4.13 to Member Action Committee for review, then PPC look at it again and if both committees are in agreement, send to Board and ask Board to send to attorney of their designation.** Melanie reminded the committee that changing this one thing may correlate to something else in the bylaws and a lawyer should review the change in context of the entire bylaws. The Committee would like to utilize legal counsel for each bylaw section change in a stepwise process, then have full document reviewed in parallel with Board Policy Manual for consistency between the two documents.
 - Record date brought up as a potential issue for online voting if eligible voter list is due prior to 45 days designation. Members could still vote by paper ballot, which resolves the issue. Any policies created to implement the rules will be fine as the rules will be consistent with Articles of Incorporation and CCC.

Board Meeting Follow-up. At August Board Meeting, the Board recommended that the PPC finalize the Committee Chair Job Description. The Committee reviewed current version and added the following to the first sentence "Unless otherwise specified in a committee's charter...". **Consensus reached to recommend revised Committee Chair Job Description to the Board for approval.**

Reviewing Approved Policies.

- Fair Share definition. Committee discussed the issues with an approved policy that is not defined or referenced in the Bylaws or Articles of Incorporation. The definition of Fair Share status needs to be included in Bylaws and referred to the Board Policy Manual, with the Board setting the amount. Discussed the origins of the monetary value of Fair Share status, securities law and if the amount should be included in the Bylaws or in the Board Policy Manual. Committee willing to include definition in Board Policy Manual and recommend that a definition be added to Bylaws. Committee will start with language from 2014 proposed bylaws but request that the Board determine their preferred attorney for further work. **Consensus reached to recommend that the board include the Fair Share definition in the Board Policy Manual, and also recommends that work be done on an additional section in the Bylaws that links the Bylaws to Board Policy Manual, therefor empowering the Board Policy Manual.**

Next Meeting September 9, 2015 3pm to 5pm at Ten Pin Conference Room

Meeting adjourned at 6:30pm by consensus

Minutes by Bella Waters

Recommendations for Board:

1. **PPC recommend that the Board send draft bylaw section 4.13 to Member Action Committee for review, then PPC look at it again and if both committees are in agreement, send to Board and ask Board to send to attorney of their designation.**
2. **PPC recommends the revised Committee Chair Job Description to the Board for approval.**
3. **PPC recommends that the Board include the Fair Share definition in the Board Policy Manual, and also recommends that work be done on an additional section in the Bylaws that links the Bylaws to Board Policy Manual, therefor empowering the Board Policy Manual.**