



Policies & Procedures Committee Meeting Minutes  
 October 14, 2015 Ten Pin Conference Room

Present

**Board:** Dave Feral

**Staff:** Kelli Reese and Bella Waters

**Member-owners:** Mo Burke, Colin Fiske and John Lucas

Meeting commenced at 3:02pm. Dave Feral welcomed everyone and thanked them for being at the meeting.

Agenda Review.

Minutes. Consensus to approve September 9 2015 minutes.

Review Share Class Ownership/Fair Share work from September meeting. Discussion included:

- Current bylaws Section 2.05 Partial Withdrawal is adequate. No change to this section will be recommended.
- Proposed 3.02 language limits Co-op on which shares can receive dividends. Committee recommends to replace 'No dividends paid on class B shares' with 'Dividends will be determined by the board time to time. Dividends would be a way to reward members for additional investment.
- Members aren't required to be Fair Share members, patronage refunds for non-Fair Share members are returned as B shares, which members can cash out.
- Would like staff to work on a member handbook explaining benefits of membership, including clear description of all the share values.
- Recommend proposed bylaw 3.02 replace current bylaw 2.02 and maintain language recommended for replacing dividend section in 2.02.

Current Bylaw language	Proposed Bylaw language
Section 2.02. <b><u>Share Ownership.</u></b>	Section 3.02 – <b>Share Class and Ownership.</b> The Co-op shall have four (4) classes of shares, with such shares described in the Articles of Incorporation and these Bylaws.
A. Share ownership entitles a member to only one (1) vote in the affairs of the Corporation, irrespective of the total number of shares a member owns, and to all the rights of membership as described by statute, the Articles of Incorporation, and these Bylaws, subject to other requirements of section 1.01 of these bylaws. Pursuant to Subsection (b) of Section 9.03 of these Bylaws, the Directors may declare non-cumulative dividends on any shares other than Class A not to exceed any maximum rate established by statute. No Dividends of any kind may be declared on Class A shares.	<b><u>Class A Membership Shares.</u></b> Subject to the approval of the Board of Directors, the Articles of Incorporation, and any other applicable law, each membership may only hold one Class A Share. Ownership of one Class A share entitles a membership to only one vote in the affairs of the Co-op and to all the rights and privileges of membership as described by statute, the Articles of Incorporations and these Bylaws. No dividends shall be paid on Class A shares.
B. The Corporation is authorized to issue four classes of shares as follows:	<b><u>Class B Sustaining Shares.</u></b> Subject to the approval of the Board of Directors, the Articles of Incorporation, these Bylaws, and any other

<p>Class A - Membership Shares Class B – Sustaining Shares <del>or Fair Share</del> Class C - Co-op Shares Class D - Investment Shares</p>	<p>applicable law, each membership may purchase Class B shares, up to Fair Share Membership Status as defined in Section 3.03 of these Bylaws. Dividends will be determined by the Board time to time. Any patronage refunds not paid in cash may be distributed to the member-owners in the form of Class B Shares or fractions thereof.</p>
	<p><u>Class C Co-op Shares.</u> Subject to the approval of the Board of Directors, the Articles of Incorporation, these Bylaws, and any other applicable law, each Fair Share membership, as defined in Section 3.03 of these Bylaws, may hold a maximum number of Class C Shares as set by the Board. Class C shares and fractions thereof may be issued as a share dividend credit, or patronage refund or upon a share split, reverse share split, or other change affecting outstanding C Shares. The Directors may declare dividends on paid up Class C Shares not to exceed any maximum rate established by statute.</p>
	<p><u>Class D Investment Shares.</u> Class D Shares are defined in the Articles of Incorporation.</p>

Proposed bylaw section 3.03 Discussion included:

- Current proposed language reads that a bank would need to be a member in order to loan the co-op money.
- Benefits included to be clear.
- Shouldn't be creating an obstacle to creating a loan.
- **Consensus reached to remove 'loan money to the co-op' from proposed section 3.03.** Language now reads:  
Section 3.03 – **Fair Share Membership Status Definition.** "Fair Share" Membership Status is attained when a membership purchases one Class A Share plus the number of Class B Shares as designated by the Board of Directors for such status. The Board of Directors shall determine from time to time the minimum number of Class B shares that shall constitute such "Fair Share" Membership status.  
Fair Share Membership status benefits include the eligibility to purchase Class C Shares, receive patronage refund in cash (see section 9.03e), and other benefits that may be established by the board.
- **Consensus reached to recommend that the Board ask staff to write Frequently Asked Questions and a member handbook, which would include pertinent answers to share definitions and determine the feasibility of a YouTube video of the handbook.**
- Kelli noted that staff is working on a member handbook and applications list benefits of membership. Dave would like to see a video about membership, description of all the share values and reminding members that they can make money off a good cause.

Review Code of Ethics. Discussion included:

- origin of document
- concerns with legal issues in the document.
- more advisory code of ethics document
- include language in bylaws on how board will regulate itself.
- New directors should be told of the legal requirements of three duties (loyalty, fiduciary and care). Include in board binder. Something simple that includes state legal requirements and not required to be signed.
- November meeting will work on a simplified code of ethics sheet that gives definitions on legal duties.

**Consensus reached to recommend to the Board that they strike code of ethics document. Consensus reached to recommend to the Board that they develop educational documents telling directors of their legal responsibilities.**

Review rearranged draft Board Policy Manual. **Consensus reached to table until November meeting.**

Agenda items for next meeting.

- Board Policy Manual
- Board meeting follow-up
- Board policy manual order
- Election requirements for candidates
- Bylaw section 4.13 status update and record date flexibility

Next Meeting November 11 2015 3pm to 5pm at Ten Pin Conference Room

Meeting adjourned at 4:40pm by consensus.

Minutes by Bella Waters

Recommendations for Board:

- 1. Recommend that the Board ask staff to write a Frequently Asked Questions and a member handbook, which would include pertinent answers to share definitions and determine the feasibility of a YouTube video of the handbook.**
- 2. Recommend to the Board that they strike code of ethics document.**
- 3. Recommend to the Board that they develop educational documents telling directors of their legal responsibilities.**