



Policies & Procedures Committee Meeting Minutes
December 9, 2015 Ten Pin Conference Room

Present

Board: Colin Fiske

Staff: Alisha Stafford, Nick Tyner and Bella Waters

Member-owners: John Lucas

Meeting commenced at 3:05pm. Colin Fiske welcomed everyone and reviewed the consensus decision making process.

Agenda Review. No changes discussed

Minutes. **Consensus to approve December 9 2015 minutes.**

Board Meeting follow-up. Discussion included:

- Bylaw section 4.02 and 5.05 were tabled at the board meeting until an attorney has been designated. The Board has formed an ad hoc committee to find an attorney.
- Committee reviewed revised Bylaw section 4.02. Based on feedback Colin has received from various people he suggested a few additions to the language: reinsert 'October' to designate which month the Annual Membership meeting will be held, include timeframe for when the meeting can be held in relation to the closing of the election and preserve the option for voting at the Annual Membership Meeting.
- Committee reviewed revised Bylaw section 5.05. John has some concerns tying board terms with the annual membership meeting. Perspective is that the bylaws are legal documents, expensive to change and should be concise as possible. Detail work can be in the Board Policy Manual, where it's easier to change. Colin felt that the terms of board members should be included in bylaws and appropriate to tie annual membership meeting to terms.

	Current Bylaw Language	Proposed changes:
Section 4.02: Regular Annual Meetings	A regular meeting of members shall be held annually in October for the purpose of transacting any proper business, including the election of Directors, that may come before the meeting. The board of Directors shall determine the date and location of the regular membership meeting.	A regular meeting of members shall be held annually in October for the purpose of transacting any proper business, including the election of Directors that may come before the meeting. The board of Directors shall determine the date and location of the regular membership meeting. When a regular annual election is held by written ballot outside of a meeting, the date of the regular membership meeting shall be no sooner than 8 days and no later than 15 days after the close of the election. If voting is held open for an additional seven (7) days pursuant to Section 4.17(d) of these Bylaws, the allowable range of dates for the regular membership meeting shall be calculated with reference to the originally scheduled close of the election.
Section 5.05: Terms of Office	The terms of office for all Directors shall be three years. Directors will be elected such that terms are staggered and will serve no more than three consecutive terms as a director. Each director shall hold office until the expiration of the term for which he or she is elected and until the election of a qualified successor. Director terms begin on the first day of November of each year.	The terms of office for all Directors shall be approximately three years. Directors will be elected such that terms are staggered and will serve no more than three consecutive terms as a director. Each director shall hold office until the expiration of the term for which he or she is elected and until the election of a qualified successor. Director terms begin and end at the Annual Membership Meeting

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- Discussed holding Annual Membership Meeting during another month due to the busyness of October. Board may want to weigh in on changing the meeting month but committee was in agreement to maintain October.
- Colin proposes reach tentative agreement on this language pending review by attorney, hopefully in January. Not final till kicked up to the board. John would find comment from an attorneys helpful. Not opposed, just general concerns and prefers the idea of fixed terms.
- Bylaw section 4.13 is on hold until reviewed by an attorney.

Review draft Code of Ethics/Conduct. Discussion included:

- Few changes to Colin's proposed language: directors could be appointed, not just elected. Include a disclaimer that the information in the packet doesn't constitute all of their legal obligations.
- Removed reference that the director agrees to perform their duties in the best interests of the members of the North Coast Co-op as well as the public at large. Some committee members were uncomfortable including 'the public at large' and some uncomfortable with leaving it as just the members, considering what the Articles of Incorporation say.
- Document will be called Code of Conduct and reads:
I have read and understand Sections 12370-12377 of the California Corporations Code on Standards of Conduct for Directors of consumer cooperative corporations, as well as the Bylaws and Articles of Incorporation of the North Coast Co-op. I understand that these are not the only laws or documents relevant to my service as a Director of the North Coast Co-op, and that I am responsible for knowing and following all applicable laws and regulations. I also understand that the North Coast Co-op is guided by the 7 Co-operative Principles and the 10 Co-operative Values. I agree that as a Director I will abide by these principles and values, and I will perform my duties accordingly.
- The Code of Conduct statement and packet will be presented in advance of candidacy but only required to be signed when a member is elected or appointed to the board.

Consensus reached to recommend that the board replace its current Code of Ethics and Requirements and Expectations for Potential Candidates with this Code of Conduct inclusive of the packaged documents that board members be required to sign upon being elected or appointed and that it be provided informational to candidates beforehand.

Continue reviewing approved policies. Discussion included:

1. Election Requirements for Candidates. Committee continued discussion of requirements.
 - a. Has the candidate been convicted of a felony? Bylaws allow for a Director to be removed if they are convicted of a felony while in office, but doesn't discuss what if conflicted prior to being on the board. Kelli C was asked to provide her thoughts on how the Co-op could be affected and she noted that the board president, vice president and treasurer are all required to be finger printed. Could affect the ABC licensing, potentially other licenses with the state and organic certification. Committee will ask attorney when one is designated.
 - b. No record of shoplifting at the Co-op. Committee would like to know current processes. Concerned with discriminating against someone who hasn't actually be accused of shoplifting.
 - c. Overriding conflict of interest. Committee concerned on what constitutes a conflict of interest and an overriding conflict of interest and who decides that. Committee agreed that conflicts should be listed on application and the board should be able to review that information, particularly if the candidate contest not being approved. Felt that the Nominating committee should not approve a candidate if there's a conflict of interest. Committee agreed to the following change for this requirement: *If there is any actual or potential conflict of interest, such conflict is disclosed, and potential candidates with overriding conflicts in the judgement of the Nominating Committee are excluded from candidacy, provided that the full Board may reconsider the exclusion should the potential candidate choose to contest it in a timely manner*
 - d. Candidate is a member of the Co-op at time of submitting their application for candidacy. Committee in agreement.

Will continue discussion at January meeting when more information is available on felony and shoplifting sections.

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2. Shares policy. Discussed decision to give half of available C shares to new investors vs current investors. Committee had no problems with prorating policy. **Consensus reached to recommend that the Board readopt the share policies pertaining to C Share Investment Cap and Dividend Proration:**

C Share Investment Cap: The Board of Directors hereby sets a \$50,000 C Share investment limit per co-op membership. C-Shares currently owned in excess of this amount shall remain, but any redeemed from a membership exceeding the cap shall not be subject to repurchase. Members who currently own C Shares at or above this limit shall not be eligible to purchase additional C Shares. As C Shares come available, half shall be reserved for sale to members who do not currently own any C shares and half to those who are current C share investors on a waiting list maintained by the Membership Coordinator. Current non-C share owners shall have 45 days from the date of availability to purchase available shares. *Approved by Board January 24, 2013*

Dividend proration: Move to approve the Finance Committee's recommendation to prorate C shares dividends to the value at the time based on the purchase date, effective in 3rd quarter with proper notice. *Approved by Board August 23, 2012*

Agreement on next steps for Bylaw section 3.02/2.02 revised language and new bylaw section 3.03. Discussion included:

- Section 3.02 will be replacing 2.02 and will be called 2.02 from this point forward.
- Section 3.03 will be called 2.08 from this point forward

Other new business.

- Bella noted that staff would like to plan a purge of the membership but needs clarification on what the requirements are due to conflicting information: Bylaws state \$50 patronage requirement while membership applications have stated \$50 purchase, purchase of a B share or by being a Fair Share member. Committee discussed if the PPC is the proper committee for this to originate from. John would like the PPC to take a stand. Colin feels there are larger implications but there is clear criteria in the bylaws and asked staff to bring a list to the board of who would be purged. Would be important for board to have some discretion in purge process. Topic to be continued at January's meeting.

Agenda items for next meeting.

- Revisit attorney issue with discussed bylaws
- Candidate requirement policy with more information
- New business from hotlist, including 1.09
- Active Membership qualifications

Next Meeting: Correct meeting dates are as follows: Jan 20, Feb 17, and March 16 @6pm

Meeting adjourned at 5:05pm by consensus.

Minutes by Bella Waters

Recommendations for Board:

1. Recommend that the board replace its current Code of Ethics and Requirements and Expectations for Potential Candidates with this Code of Conduct inclusive of the packaged documents that board members be required to sign upon being elected or appointed and that it be provided informational to candidates beforehand.
2. Recommend that the Board readopt the share policies pertaining to C Share Investment Cap and Dividend Proration.