



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

Present

Board: Dave Feral

Staff: Melanie Bettenhausen, Kelli Reese and Bella Waters

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

Meeting commenced at 3:03pm. Dave Feral welcomed everyone and thanked them for being at the meeting.

Agenda Review. No changes

Minutes. **Consensus to approve August 12 2015 minutes.**

Board Meeting follow-up. Committee Chair Job Description document, Board requested PPC consider suggestion to rearrange wording of first two sentences and consider removing “and a sense of humor” from last bullet. Committee revised the document as follows:

- First two sentences revised to read: Committee chairs will ensure the integrity of the committee and its process. Unless otherwise specified in a committee’s charter committee chairs will...
- Last bullet point revised to read: Provide leadership and commitment. Removed a “sense of humor”

Consensus reached to send revised Committee Chair Job Description to the Board for approval.

Therese Tuttle Fair Share Definition. Committee discussed definition, interest in referencing the California Corporations Code to establish exemption from securities, reducing confusion in terms of using share letters and/or names by using consistent terminology, possibly add definition section in bylaws. Need to maintain the distinction between Class B ‘Sustaining Shares’ and the Fair Share status. Committee would like bylaws to include benefits of Fair Share status. Committee reviewed sections from the 2014 proposed (defeated) bylaws and suggested modifying the sections below with the changes noted in red:

- 1) Section 3.02 – **Share Class and Ownership.** The Co-op shall have four (4) classes of shares, with such shares described in the Articles of Incorporation and these Bylaws.
 - a. Class A Membership Shares. 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 and these Bylaws. No dividends shall be paid on Class A shares.
 - b. Class B Sustaining Shares. Subject to the approval of the Board of Directors, the Articles of Incorporation, these Bylaws, and any other applicable law, each membership ~~shall own~~ **may purchase a specified number of** Class B Shares, ~~as set by the Board,~~ up to Fair Share Membership Status as defined in Section 3.03 of these Bylaws. No dividends shall be paid on Class B shares. Any patronage refunds not paid in cash may be distributed to the member-owners in the form of Class B Shares or fractions thereof.
 - c. Class C Co-op Shares. 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.
 - d. Class D Investment Shares. ~~Subject to the approval of the Board of Directors, the Articles of Incorporation, these Bylaws, and any other applicable law, each member may hold a maximum number of Class D Shares as set by the Board. Class D Shares and fractions thereof may be issued as a non-cash portion of the patronage refund.~~ Class D Shares are defined in the Articles of Incorporation.
- 2) Section 3.03 – **Fair Share Membership Status Definition.** ~~A~~ "Fair Share" Membership Status is attained when a membership purchases one Class A Share plus the number of Class B Shares ~~as designated~~ **as necessary** by the Board of Directors for such status. The Board of Directors shall determine from time to time the minimum number of **Sustaining (Class B)** shares that shall constitute such “Fair Share” Membership status.

continued...

Fair Share Membership status benefits include the eligibility to purchase Class C Shares, receive patronage refund in cash (see section 9.03e), loan money to the Co-op and other benefits that may be established by the Board of Directors.

- 3) Section 3.04 – **Partial Repurchase.** A member-owner owning a number of Class B shares in excess of Fair Share Membership status may cause the Co-op to purchase his or her excess shares upon written request to the Board of Directors. Subject to Section 2.05 of these Bylaws, the Board shall make the purchase in cash or other shares or both.
- 4) In current bylaw section 2.02 Share Ownership, Class B – Sustaining Share or Fair Share, remove reference to Fair Share to decrease confusion regarding name of Class B shares.

Consensus reached on changes. Changes reflect the Committee’s desire to maintain the membership’s ability to determine the cost of membership, not requiring members to obtain Fair Share status, include current benefits of Fair Share status, leave option for D shares to be used at a future date, and allow Board to set Fair Share level. If D shares were to be used, they would be included in the Securities Permit. Board Assistant will keep track of the numbering between the current and the proposed (defeated) bylaws. Board will be asked to approve the language, which will then be sent to legal counsel for review, then back to PPC with a final package of all bylaw changes submitted to the Board for approval in Summer 2016 and then to membership in Fall 2016. Melanie reminded all to keep in mind why something was changed and how to explain those changes to the membership and the board. Changes from this meeting will be included in PPC’s October meeting packet for further review by PPC.

Reviewing Approved Policies. Due to timing the Code of Ethics and Officer policies were tabled.

Potential Policies.

- Board linkage policies have already been discussed and added into the Board Policy Manual.
- Newsletter policy from 1990 was reviewed and discussion included pros and cons of having a newsletter policy, creating a newsletter purpose statement and starting from scratch. **Consensus reached to recommend that the board ask the General Manager to create a newsletter policy and submit it to PPC for review.**
- Committee membership is handled in committee charters, so no further action is necessary from PPC.
- Review Facilitator. Committee reviewed revised Board President and Meeting Facilitator Responsibilities document. Discussion included: patronizing policy, attempt to define the word ‘preside’, concerns with institutionalizing the role, some people feel the need for a facilitator, and no way to govern if the president has conflict of interest in topics. Committee Chair Dave would like to table discussion until more Board input, even if that means bringing it to a new board. Discussion will happen after new officers are elected.

Next Meeting October 14, 2015 from 3pm to 5pm at Ten Pin Conference Room

Meeting adjourned at 4:56pm by consensus.

Minutes by Bella Waters

Recommendations for Board:

- 1. Recommend Board approval of Committee Chair Job Description as presented.**
- 2. Recommend that the Board ask the General Manager to create a newsletter policy and submit it to PPC for review.**