



Policies & Procedures Committee

Meeting Minutes – May 20, 2020

ZOOM Call

Board: Laura Wright, Kirsten Lindquist, James Kloor, Colin Fiske, Roger

Staff: Emily Walter, Margaret Sataua, Sean Nolan

Members:

1. Welcome/Introductions/Agenda review and additions

Meeting commenced at 6:04pm. Laura welcomed everyone, and introductions were made.

2. Approval of minutes

March minutes were approved by consensus.

3. Member comments

None

4. Household Shoppers – reported by Margaret

The committee discussed the issue of allowing multiple household shoppers but not having the capacity to track them in the membership database or SMS. The committee decided that staff need to work on this and if they need board assistance to bring the issue to the July board meeting.

5. Board Qualifications – reported by Laura

- The board submitted proposed Bylaws changes to attorney Van Baldwin. This committee reviewed Van's recommendations after his review.

Recommend to the Board: Include the bylaw revisions as seen in Attachment A on the 2020 election ballot.

Kirsten motioned, 2nd from James, all in favor, motion passed.

6. Annual Member Fee

The PPC committee had previously asked staff to review several options for implementing an annual member fee that would need to be voted on by the membership. Sean reported what staff came up with by combining several of the options. The committee discussed staff's proposal and the feasibility of implementing a fee.

Staff proposal: Implement an annual nonrefundable maintenance fee as set by the board at the beginning of each fiscal year will be charged to and collected from each membership. For fiscal year 2021 the fee will be \$10 to be included in the members first purchase of the fiscal year. Failure or refusal to pay the annual maintenance fee may be cause for expulsion per section 3.03 of the bylaws.

- Enforcement option - prompt on the SMS screen for individual to pay the maintenance fee - will come up until paid.
- Suggested not to include language about collecting at the first purchase of the year. Let the board adjust how it is collected based on changes in technology.
- Suggested to try a fee out with no enforcement.
- Suggested not to have the board set the fee, as that gives the board too much power.
- Question if we need to do this? what is the economy going to look like? is this the right time to do this?

It was decided that this conversation needs to be continued at the next PPC meeting.

7. Annual Report – reported by Sean

The Co-op have a backlog of annual reports we have not sent out. Staff requested advice from attorney Therese Tuttle who gave us a great interpretation of the bylaws and CA Corporations Code to abide by.

- Staff now clearly understand what needs to be included in the annual report.
- A SOP is being created to make sure these reports are completed on an annual basis.
- Staff is creating an action plan to complete the FY20 annual report.
- The committee decided that the boards roll is to review and accept the annual report to ensure that the report is being completed.

8. Employee Directors

The committee discussed Bylaws Section 5.01 that states two and only two employees of the board shall be on the board of directors.

- Roger is proposing to have two seats on the board filled via employee elections and then let all employees run during general election to fill any number of the remaining seats on the board.
- Other sections of the Bylaws may also need updating if a change in the number of employee director's changes.
- If all board members were employees would there be issues with conflicts of interest?
- It was suggested to investigate any legal barriers to having a majority of board members of a member owned co-op as employees. Is there a legal restriction on the number of employees that can serve on the board?

It was decided to continue discussing this topic at the next PPC committee meeting.

9. Hotlist Items

- Consider inserting language into the Bylaws about supporting/spinning off other co-ops.

11. Next Meeting: July 15, 6pm via Zoom

- Household Shoppers Update
- Annual Fee Discussion Continued
- Employee Directors Continued
- Consider inserting language into the Bylaws about supporting/spinning off other co-ops.

Meeting adjourned 8:00pm.

Minutes by Emily Walter

ACTION ITEMS:

- Margaret and Sean will check in with IT about the feasibility and cost of adding 1-3 household shoppers to the membership database and SMS.
- Emily will put Review Annual Report as an item on the board annual calendar

Attachment A

Proposed Bylaws Changes

The Policies and Procedures Committee recommended to the board at their May 2020 meeting to include the following Bylaws changes on the 2020 election ballot for vote by the membership.

Bylaws Section 5.02. **Qualifications.**

- (a) ~~The~~ Directors and candidates for Directors shall of the Corporation shall be members of the Corporation and residents of California.
- (b) Individuals serving in management positions of the corporation shall not serve on the board of directors while they occupy such positions. "Management positions" are will be defined as ~~follows:~~ employees with management and administrative responsibilities that directly report to the General Manager. The General Manager and employees having management and administrative responsibilities and who report directly to the General Manager.
- (c) Any Director of the Corporation must be eligible to vote in the election for which they are a candidate.
- (d) No two directors of the Corporation shall share a single membership nor shall they reside in the same household.