



Policies & Procedures Committee
Meeting Minutes – December 7, 2022
ZOOM Call

Board: Roger, Thomas Wehland, Laura Jones, Brenda Harper, Kirsten Lindquist

Staff: Emily Walter

Members:

1. Welcome/Introductions/Agenda review and additions

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

2. Member comments

None.

3. Approve July 2022 PPC Minutes

Approved by consensus.

4. Board Stipends

The committee continued the discussion about board stipends that started at the July PPC meeting. Topics included increasing stipends and having different tiers of stipends based on offices held or committee chairs held.

- Brenda – I feel like all board members should be prepared for meetings. What if a board member is going to all the meetings and technically participating more than a committee chair. What if a chair gets a bigger stipend but doesn't actually hold meetings or do much.
- Roger – If I look at how many hours I actually spend doing things for the board and if I got paid \$25 hour, I could then say based on my stipend that I should be investing a certain amount of hours per month "working" for the co-op.
- Thomas – I'd rather have board members choose to be on chairs based on what they're interested in and not because a certain position gets a larger stipend.
- Laura – I think \$300 for directors, \$400 for committee chairs and \$500 for President works for me.
- Brenda – I understand the concept behind paying chairs more but it's not a guarantee that the chair will actually do more work than other board members.
- Roger – I think stipends should remain even. All board members should be ready to help out with any committee.

(Kirsten joined the meeting)

- Thomas – I agree with Roger and do think that the President should continue to get a larger stipend. The role of President takes on more and can be called upon in an emergency.
- Kirsten – we're talking about stipends. We don't need to count every hour each month that we are working as a board member.
- Roger – I think board members should pick up extra work or research in times when we aren't spending much time on board related matters.
- Thomas – I feel like the last couple of years have been highly influenced by Covid. And now we can really start thinking about the stores and what we want to see happening. This current board has great potential.

- Emily – it was discussed at the July meeting to add language into the Board Policy Manual to have the board review the board stipend policy every so often, so that it can be adjusted as deemed necessary.

Recommend to the Board: Add Section J 12 in the Board Policy Manual that the board review the board stipend every three years.

Motion: Kirsten, 2nd from Brenda. Motion passed (5/0/0).

5. Share Proposal – reported by Thomas

The committee reviewed a response from the Board’s attorney regarding the following bylaws proposal.

The corporation by majority vote of the board may cause the purchase of any excess B/C/D shares of members.

The proposal is designed to give power back to the Co-op to buy back C shares, but it leaves a lot of questions of how we could do it. It would likely be easier to simply contact members either individually or in a broader statement to the membership.

- Thomas – if we want to phase out all C shares then we need to discuss how to update the bylaws.
- Kirsten – My understanding is that we are not trying to get rid of C shares but that we simply no longer want to increase the amount of c shares. We are okay with them slowly dwindling. And we likely won’t sell c shares again until we have a capital campaign.
- Emily – I believe it’s been discussed that future capital campaigns would use D shares and they would be designed so be repurchased after a defined number of years.
- Roger – we could also look at all members having a small investment in the Co-op beyond their A shares. Like all members being B share members.

6. Employee Board Seats

- Roger – I propose that we maintain having employees elect two board seats on the board and that if an additional board seat could be held by an employee elected in the general election.
- Thomas – there are times when we don’t get many candidates, and it could be easy to find a co-op employee to fill an empty slot. But having three employees on the board is a big block where the employees are in charge of their boss and vice versa. This could cause potential problems. Three employees create a voting block that only needs on additional vote to oust a General Manager. If we had a way to enforce the Code of Ethics, I might feel better about three. I think two employees is great representation for staff.
- Kirsten – I agree with Thomas. It’s a tricky line to be an employee and board director. I’d like to think that nobody would take advantage of it. I do think there are some people that think being on the board brings them power.
- Thomas – the board in general doesn’t have a lot of power, although at the same time we have the power to do a lot of bad things to the Co-op. I think it’s great that we have two employee members with a big interest in making sure the Co-op stays in business, so we continue to receive pay checks. It’s also great to have former employees on the board.
- Laura – when did C shares start?
 - o Roger – I think it was when people didn’t want to put their money in banks and also the Co-op was floundering, and people wanted to make sure it stayed in business.
- Roger – for a long time I recall that it’s often that the employee board members would often be overvoted, 5 to 2. I feel like this proposal could be an opportunity that would allow employees

that are interested in serving on the board to do so, and not be limited by two seats, and would still be the minority on the board.

- Emily – this isn't a new thought, but without getting a third employee on the board, there are ways the board could try to get more employee involvement with the board outside of board meetings.
- Thomas – I'm not completely against this idea if there is a mechanism to remove any board members if, for example, they aren't following the code of conduct, etc.
 - o Emily – not too long ago this committee worked for quite a while and did contact the Board attorney about board qualifications and how to hold board members responsible for actions. That ended with a change to the bylaws with an update to qualifications, but it was also made clear that it's still quite difficult to remove a board member simply based on bad behavior or lack of participation.

ACTION: Emily will look into past board attempts to find mechanisms of removing board members.

7. Next Agenda Items

Next meeting to be determined.

Meeting adjourned 7:19pm.

Minutes by Emily Walter