



Policies & Procedures Committee

Meeting Minutes – July 27, 2022

ZOOM Call

Board: Humnath Panta, Pamela Lee, Roger, Thomas Wehland

Staff: Emily Walter

Members: James Kloor

1. Welcome/Introductions/Agenda review and additions

Meeting commenced at 6:03pm. Humnath welcomed everyone, and introductions were made.

2. Member comments

- Roger – interested in discussing in allowing up to three employee members to serve on the board at one time. There would always be two designated employee seats, with a third that could be held by an employee elected by the general membership, not part of the employee election process.
 - o The committee agreed this could be a future PPC meeting agenda item.

3. Board Stipend

Humnath reviewed questions to help with the discussion of board compensation from the columinate.coop website. The current board stipend amount of \$150/month for general board members and \$300 for the Board President has not been updated since 2005.

- Humnath - I think the expectations for those on the board is more than just as a volunteer. There are lots of documents and materials to review to be prepared for board meetings. I believe with higher compensation people would feel more inclined to be well prepared for meetings and invest more effort into the board.
- Pamela – higher compensation would encourage me to spend more time.
- Thomas – I wouldn't be able to serve on the board without the stipend. Who is not on the board because the stipend isn't higher? Who would we attract with a higher stipend? I think a higher stipend could attract different kinds of members to apply for the board.
- James – keep in mind that the bylaws allow you to offer stipends in different ways. This could include the Co-op offering childcare during board meetings. I think there should be a frequent review of compensation built into the board policy manual, for example every 3 years the Policies and Procedures committee reviews board stipends. Do you have a system of accountability? I think the board should review framework for accountability to remove a director if they aren't meeting expectations.
- Humnath – if a board member is chairing a committee like the finance or nominating committee perhaps, they should have higher compensations, like the President.
- Pamela – because it hasn't been increased since 2005, I'm comfortable with an increase, simply based on inflation.
- James - I propose you stagger it - \$300 for regular members, \$400 for committee chairs, and \$500 for the President.
- Roger – I would like an increase to the stipend to attract more board applicants and keep the Co-op viable. I would like to have an article about this to members.
- Thomas – I like increasing the stipend by \$100 right in accordance with inflation since 2005 and then in 2023 have member votes for an additional increase.

- Pamela – I like Thomas’s idea which allows time to discuss board accountability.

Recommend to the Board: Do an inflation adjustment of the board’s monthly stipend to \$300 for general board members and \$400 for the board President \$400, starting September 2022.

Motion: Pamela, 2nd from Thomas. Motion passed by consensus.

4. **Proposed Bylaw Change** – reported by James

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

The idea behind this proposal is to empower the corporation, via the board, to reduce liability by having the ability to reduce excessive shares. The Co-op doesn’t have a way to voluntarily decrease its exposure to B and C shares. Members must voluntarily choose to have their excess shares repurchased, or if a membership is terminated. The annual cost of C share interest paid out to members is about \$60,000. Is this a benefit to the Co-op? C share sales make sense during a capital campaign but don’t make sense long-term.

- Emily – how would you decide how to repurchase shares? Would you choose an individual to repurchase from or repurchase a set percentage of shares across the board.
 - o James – I imagine we could ask members with large amounts of C shares to volunteer as a start, with a target number of shares to repurchase. The board would need to discuss other strategies of exactly how this bylaw would be implemented if passed by member vote.
- Roger – I’m not sure why we would repurchase B shares.
 - o James – B shares are non-dividend shares, so it wouldn’t be necessary to purchase them, but including them matches the other share language in the bylaws.
- Roger – I would like to ask the attorney about removing B shares from the proposed language.

Recommendation to the Board: Approve Thomas Wehland to contact the board attorney, Vans, to get feedback on the legality of this proposed bylaws language.

Approved by consensus.

5. **Next Agenda Items**

Next meeting to be determined.

Future Agenda Items:

- Share repurchase bylaws language
- Board accountability
- Bylaw change to allow for up to three employees

Meeting adjourned 7:07pm.

Minutes by Emily Walter