

MEETING MINUTES, August 26, 2020
Virtual Meeting via ZOOM

Present: Emmanuel Ajavon, Kevin Birdsey, Marta Ceroni, Rosemary Fifield, Victoria Fullerton, Jessica Giordani (joined the meeting at 6:09 p.m.), Ed Howes, Manish Kumar, Peggy O'Neil, Jessica Saturley-Hall (by phone for the 1st part of the meeting) Allene Swienckowski

Absent: Nick Clark

Employees: Paul Guidone (Interim General Manager), April Harkness (Governance & Community Engagement), Lori Hildbrand (Director of Administrative Operations), Mark Langlois (Director of Finance)

Members/Guests: Ed Fox, Arlene Silva

Allene Swienckowski called the meeting to order at 5:15 p.m.

Consent Agenda: July 22, 2020 Meeting Minutes and July 2020 Share Redemption Requests

MOTION: Peggy O'Neil moved to approve the July Meeting Minutes. Rosemary Fifield seconded the motion.

VOTED: 10 in favor. 0 opposed. The motion passed.

MOTION: Kevin Birdsey moved to approve the July 2020 Share Redemption Requests. Ed Howes seconded the motion.

VOTED: 10 in favor. 0 opposed. The motion passed.

It was noted that the Draft Meeting Minutes from the July 30, 2020 HCCS Special Meeting were not included in this packet for Board approval. Board Secretary Rosemary Fifield will submit the draft minutes for inclusion in the next regularly scheduled board meeting packet.

Member Linkage

April Harkness read an email submitted to the board by Co-op member and Diversity, Equity and Inclusion Committee member, Liz Blum. (Please see Addendum).

Monitoring

EL 5 – Employee Experience

MOTION: Ed Howes moved that EL 5 – Employee Experience monitoring report provided a reasonable interpretation of the policy and sufficient evidence of compliance. Kevin Birdsey seconded the motion.

VOTED: 10 in favor. 0 opposed. The motion passed.

EL 6 – Compensation and Benefits

MOTION: Rosemary Fifield moved that EL 6 – Compensation and Benefits monitoring report provided a reasonable interpretation of the policy and sufficient evidence of compliance. Manish Kumar seconded the motion.

VOTED: 10 in favor. 0 opposed. The motion passed.

(Jessica Giordani joined the meeting at 6:09 p.m.)

Committee Updates

Governance Committee

Governance Committee Chair Jessica Saturley-Hall presented preliminary information regarding a proposed GP that will address board member policy violations and asked for comments and suggestions from the board. She will resubmit to the board after the Governance Committee reviews those comments and suggestions.

Bylaws Committee

Bylaws Committee Chair Rosemary Fifield presented proposed bylaws revisions for board consideration and explained the rationale behind each one. An informal straw poll regarding proposed board member term limits indicated 9 in favor and 2 opposed (Kevin Birdsey and Ed Howes). Rosemary will take board responses back to the Bylaws Committee. Next steps include review by legal counsel, followed by board approval to bring proposed revisions to a member vote in April, 2021.

General Manager’s Report

Paul Guidone provided the General Manager’s Report as submitted and answered a few clarifying questions from the board.

Executive Session

MOTION: Jessica Saturley-Hall moved to enter into executive session at 7:58 p.m. to discuss a personnel matter and to include employee board members and the Interim General Manager. Manish Kumar seconded the motion.

VOTED: 11 in favor. 0 opposed. The motion passed.

Paul Guidone left the meeting at 8:06.

Allene Swienckowski left the meeting at 8:08.

The board came out of executive session at 8:40.

MOTION: Peggy O'Neil moved to authorize Jessica Saturley-Hall to offer the GM position to Paul Guidone. Rosemary Fifield seconded the motion.

VOTED: 9 in favor. 0 opposed. (Victoria Fullerton appeared to have left the virtual meeting at that point and did not respond to the call for a vote.)

Adjournment

The meeting adjourned at 8:42 p.m.

Respectfully submitted,

April Harkness

Governance & Community Engagement

Rosemary Fifield

Board Secretary

Addendum I

Submitted via email: August 26, 2020

To the Board,

I am writing to urge the Board of the HCCS to pass the Executive Limitations that are in the Board Packet. These ELs address issues of diversity, equity and inclusion that the DEI Committee has worked on collaboratively since the beginning of the year. Please consider them for inclusion in the policy manual and make them a reality. The DEI Committee believes that these ELs will improve employment, member and consumer experience and satisfaction and the standing of our Co-operative in our community and the larger Co-op community.

Thank you for your consideration. I regret that I cannot attend tonight's meeting due to an emergency health issue. Therefore, I am sending this letter to be presented during the member comment section of the agenda.

Co-operatively,
Liz Blum

Addendum 2 PROPOSED GP: BOARD MEMBER POLICY VIOLATIONS

When (an) individual board member(s) has not followed the board's own policies, it is the responsibility of the board to respond to that violation in a way that respects the membership and the organization.

Questions this policy seeks to answer:

1. Under what circumstances would disciplinary action be possible/appropriate?
2. What kind of disciplinary action could the Board take?
3. What is the process for the Board to investigate and/or take disciplinary action?

1. CONDUCT LEADING TO POSSIBLE DISCIPLINARY ACTION

Broadly speaking, any violation of the Board Members' Code of Conduct or any Board policy could be deemed worthy of disciplinary action. Conduct worthy of the disciplinary actions outlined below may include but is not limited to:

- breach of confidences
- breach of fiduciary duties
- undisclosed conflicts of interest
- interference with Co-op operations
- improper behavior toward Co-op vendors or employees
- disruption of meetings
- three or more unexplained absences from Board meetings in a Board year

2. DISCIPLINARY ACTIONS

A director in violation of Board policies may be subject to disciplinary action. Outcomes are not limited to those specified below. The board's creative, pragmatic, and strategic problem-solving abilities should be brought to bear in this process such that the most appropriate response is determined. Disciplinary action includes, but is not limited to:

- warning of violation
 - VOTE REQUIRED: majority of directors present
- censure
 - VOTE REQUIRED: majority of directors present
- removal from committees
 - VOTE REQUIRED: majority of directors voting
- request for resignation from the board
 - VOTE REQUIRED: majority of sitting directors
- Recall by vote of the membership:
 - VOTE REQUIRED: 2/3 of sitting directors, per Co-op bylaws

3. PROCESS FOR REQUESTING DISCIPLINARY ACTION

1. Allegation

- a. Allegation may be brought by a board member, a Co-op employee, or a Co-op member.
 - b. Allegation should be brought to the President who will call a Special Meeting & Executive Session or place on the agenda of a regular board meeting. However, if the allegation is against the President, it may be brought to the Vice President who can call a Special Meeting & Executive Session (in this instance). It is also possible for four board members to collectively call a Special Meeting & Executive Session—without approval from either the President or the Vice President—to review an allegation.
2. Notification
- a. Executive session is called, either as part of a Special Meeting or a regularly scheduled Board Meeting.
 - b. In executive session, allegation is presented to board. The accused board member has the right to be present, but their presence is not required in order to proceed.
 - i. The person(s) calling the special meeting must make a reasonable effort to notify the accused board member of the allegation at least 48 hours in advance of the meeting.
 - c. The allegation must clearly state the policy that has been violated.
 - d. The board will discuss the allegation in executive session, at which point the board will 1) vote to end the matter immediately (requiring a vote of 2/3 of sitting directors), 2) resolve the matter immediately with disciplinary action, or 3) investigate the allegation further.
3. Investigation
- a. If the board votes to investigate the allegation further, the board will immediately appoint a committee of three board members to investigate the violation. The committee shall:
 - i. Review the evidence of the violation
 - ii. Endeavor to meet with the director alleged to be in violation
 - iii. Confer with the co-op's legal counsel
 - iv. Present its findings and recommendations to the board for appropriate action
 - v. The committee shall resolve the matter according to the timeline established by the board (see below, section 3b), or will communicate their need for additional time to the board ahead of that deadline.
 - vi. The committee assigned to investigate the allegation will notify the board upon completion of its investigation. An executive session to review the findings must take place within one week of this notification.
 - b. At the same time that the board appoints the investigatory committee, it shall set a deadline for completion of the committee's work, or an update on the committee's work. The committee can request additional time if needed, but

clear expectations about an acceptable time until resolution should be established upon creation of the committee.

4. Decision

- a. The board will meet in executive session to review the committee's findings. The accused board member has the right to be present, but their presence is not required in order to proceed. Once the board has discussed the findings and recommendation, it will determine if disciplinary action is necessary, and vote on a proposed disciplinary action. The level of agreement required to imposed each disciplinary action is specified in the "DISCIPLINARY ACTIONS" section, above.
- b. In addition to deciding an outcome, the board will determine who is responsible for carrying out that outcome.

5. Outcome

- a. If disciplinary action is deemed to be appropriate, the minutes shall reflect the reason for the disciplinary action and the outcome.
- b. The organization's legal counsel will be notified and/or consulted prior to disciplinary action.

Addendum 3

Explanation of Substantive Changes Proposed by the Bylaws Committee 8/26/20

(For specific wording that is proposed, refer to annotated bylaws by Article and Section indicated; for referenced NH statutes see page 3 of this document.)

All Articles in Bylaws:

Change “member” to “member-owner” and “membership” to “member-ownership.”
(For ease of reading, all such proposed changes to the document are shown in annotated bylaws.)

- Purpose: Emphasize ownership of the cooperative as opposed to membership in a club or organization.

ARTICLE III

Member-ownership

SECTION 1.

Becoming a Member-owner.

- Eliminate the three-year deadline for accruing ten shares of stock in order to be a full member-owner. The deadline places an undue burden on the subscriber with no real benefit to the Co-op.

ARTICLE IV

Rights of Member-owners

SECTION 5.

Rights, Responsibilities and Limitations of Member-ownership

- Increase the dollar amount that the board can commit before it requires a member-owner vote.
- Clarify the Co-op’s ability to remove a member-owner for cause as described by NH statute.*

SECTION 6.

Board Candidacy.

- In conjunction with Article V, Section 2, limit the number of terms a director can serve to two consecutive three-year terms. *(See Article V, Section 2, below)*

SECTION 9.

Quorum.

- Provide guidance for board action in response to a lack of a voter quorum.

SECTION 10.

Access to Information

- Clarify the extent of the Co-op’s responsibility to provide financial records to member-owners.

ARTICLE V

Board of Directors

SECTION 1.

Composition of the Board.

- Directors must be 21 in order to hold the required liquor license.
- Specify when a director's term ends, taking into account the possibility of a delay in seating the newly elected directors due to a technicality.

SECTION 2

Term Limits.

- Establish term limits of two consecutive three-year terms.

SECTION 5.

Employees as Directors

- Clarify when directors who are also employees must be excluded from an executive session.

SECTION 6.

Duties and Disqualification

- Specify that directors must meet the board's written policies governing board behavior, responsibility, and process.
- Correct current bylaws to comply with NH state statute** governing removal of directors in cooperatives and corporations.

SECTION 7.

Vacancies

- Clarify how long an appointed director shall serve.
- Clarify how the board shall deal with a vacancy among its own officers.

SECTION 8.

Regular Meetings

- Clarify definition of a quorum to comply with NH state statute.

SECTION 12.

Selection of the General Manager

- Clarify General Manager's responsibilities and benefits as an employee of the Co-op.

ARTICLE VI

Duties of Officers, Committees and General Manager

SECTION 4.

Treasurer

- Update the duties of the Treasurer to reflect current practice.

SECTION 5.

Executive Committee

- Define the circumstances under which the Executive Committee may act.
- Specify expectations for timely reporting to the full board.

SECTION 7.

Election Committee

- Retain the board's ability to modify the committee charter as needed, should a circumstance arise in which it would be in the best interest of the cooperative to choose or prefer candidates (e.g. an attempted hostile takeover by a competitor).

***TITLE XXVII
CORPORATIONS, ASSOCIATIONS, AND PROPRIETORS OF COMMON LANDS**

**CHAPTER 301-A
CONSUMERS' COOPERATIVE ASSOCIATIONS**

Section 301-A:20

301-A:20 Expulsion of Members. – Any member whose activity in the association is contrary to basic consumer cooperation principles or who endangers effective operation of the association may be expelled by the board of directors. Written notice of the charges against him and reasonable opportunity for a hearing shall be provided prior to any such expulsion. His shares shall be repurchased at par value or book value, whichever is lower, if and when there are sufficient reserve funds. He shall have the right of appeal at the next membership meeting and an opportunity to be heard in his own defense, either in person or by counsel.

Source. 1983, 462:1, eff. July 1, 1983.

****TITLE XXVII
CORPORATIONS, ASSOCIATIONS, AND PROPRIETORS OF COMMON LANDS**

CHAPTER 293-A

Section 293-A:8

293-A:8.08 Removal of Directors by Shareholders. – (a) The shareholders may remove one or more directors with or without cause unless the articles of incorporation provide that directors may be removed only for cause.

(b) If a director is elected by a voting group of shareholders, only the shareholders of that voting group may participate in the vote to remove that director.

(c) If cumulative voting is authorized, a director may not be removed if the number of votes sufficient to elect the director under cumulative voting is voted against removal. If cumulative voting is not authorized, a director may be removed only if the number of votes cast to remove exceeds the number of votes cast not to remove the director.

(d) A director may be removed by the shareholders only at a meeting called for the purpose of removing the director and the meeting notice must state that the purpose, or one of the purposes, of the meeting is removal of the director.

Source. 2013, 142:1, eff. Jan. 1, 2014.

Addendum 4
(See attached pdf)