

How to: Hold Effective Board of Directors Meetings



Introduction

The *Co-operative Corporations Act* provides specific guidance on how to elect directors, what constitutes quorum, and where meetings can be conducted, but there is no guidance on how to call or hold meetings so as to satisfy the Act. This appendix provides helpful hints on how to call and run a board of directors meeting based on best practices.

Why does the Board of Directors need to hold meetings?

The board of directors of a co-operative makes decisions as a cohesive group, and they must come together via regular board meetings to conduct the business of the co-op. The Act prohibits a co-op board from making business decisions on behalf of the co-op unless certain conditions are met – namely that the specified quorum conditions are met (see the **Chapter 3: Governing a Co-op** for more details on quorum), appropriate notice has been given to all directors and meetings are called and held appropriately. Directors also make an official record of the meeting in their minutes, which is an important part of ensuring that the decisions made for the co-op are recorded and all directors are aware of them and can ensure their votes were accurately recorded. Minutes of the prior meetings are approved as part of the proceedings of the current meeting, and this is an important part of good governance procedures.

Requirements of the Act

Calling meetings

The Act requires that a quorum of directors agree to call a meeting to conduct the business of the co-operative, and that directors are given sufficient notice that a meeting has been called. One of the easiest ways to meet these conditions and also ensure attendance at meetings is to have a section at the end of each meeting where the next meeting is set, or to set out all the meeting dates in advance for a 6-month or year period.

It is also possible for a co-op to define additional criteria for calling meetings or providing notice, and this is defined by the co-op in its bylaws. If a co-op does not define another time period in the bylaws, then notice of meetings should be sent to all directors 10 days in advance of the meeting.

Where can board meetings be held?

The Act indicates that the meetings for directors be held at the place where the head office is located – in the same municipality. It is possible for a co-op to indicate in its bylaws that the meetings for the board of directors can or will be held in other locations, including locations in other municipalities or even outside of Ontario. However, the Act is clear that the majority of meetings held in a fiscal year have to be held within Canada, and so a co-op's bylaws cannot contravene this requirement.

A co-op can also specify that board meetings can be held by conference call, web conference or other technological means to allow directors to communicate with each other and be heard. All the directors must also agree to this condition before meetings are conducted in this way.

What does it mean to 'conduct business'?

The board of directors meets to discuss and decide on issues facing the co-op, including:

- Member relations and communication
- Managing the finances and assets of the co-operative
- Meeting the co-op's legal responsibilities
- Hiring and overseeing senior staff of the co-op
- Planning for the future needs of the co-op
- Fundraising or capitalizing the co-op

This is not in the Act. Redo with chair voting. Move to appendix on running to board appendix. Business is conducted through decisions made by a quorum of board members present at a board meeting. Decisions on particular issues are handled as follows:

- A proposal (or a motion) is introduced – usually listed on the agenda and initially introduced by the chair, with necessary comments or information provided by the director or guest responsible for the item
- A proposal or motion is made in relation to the item
- The motion is discussed, and possibly amended to reflect the discussion
- The board makes a decision by voting on the motion

Only one proposal or motion is usually dealt with at a time, except to adjust procedure to make a better decision. It is rare that a meeting starts with debate on a ready-made proposal. The process is usually much more collaborative and involves discussion that covers the background and additional information about the proposal before a motion is developed and ultimately voted on.

Generally, this way of introducing motions and handling voting is fairly standard and part of many standard rules for running meetings or 'rules of order'. Rules of order or rules of procedure manuals are used by many boards or directors or organizations as a way to set up and run their meetings in a standard fashion. It outlines how to discuss business, present and vote on items of business. Roberts Rules of Order is perhaps the most common manual in use, but there are others that can be used as a guide for co-op boards or committees to use, such as Bourinot's Rules.

What does making a motion involve?

Making a motion is a way to formulate an issue so that it can be voted on. A motion must have a 'mover' and a 'seconder' that support the motion. Formal procedure usually dictates that a motion is moved and seconded, and then discussion (called debate formally) begins, which can end up amending the motion as originally stated, and the last step is voting on the motion. Once discussion has finished, then the chair can call for a vote. However, as indicated above, the formal process can often be quite restrictive, and so many groups choose to merely introduce a topic for discussion and spend some time discussing it informally before bringing a motion forward for voting.

Suggested text:

Jane Doe: "I move to approve the agenda for the meeting, as amended."

Robert Martinez: "I second the motion."

Chair of the meeting: "We have a mover and a seconder to approve the agenda as amended. All in favour?"

The members of the board will then vote by saying "Aye" or raising their hand. The chair will then make note of the outcome of the vote and declare if it was carried, and move on to the next item in the agenda. For routine or procedural motions like adopting the agenda or minutes, extended discussion is not usually necessary.

Roles and Responsibilities

Generally the chair or president of the board of directors takes responsibility for facilitating or chairing directors meetings. This includes:

- Making members and guests welcome
- Ensuring that each item on the agenda is introduced briefly by the person responsible, before discussion begins
- Ensuring that everyone who wants to speak on an item has the chance to do so
- Fostering an open and honest atmosphere by encouraging everyone to say what's on their mind
- Focusing discussion by summarizing, asking clarifying questions, and feeling out areas of consensus that can be agreed upon
- Limit discussion to the issue at hand
- Ensure that speakers are contributing new ideas not just repeating points already made
- Keep the meeting moving ahead by reminding people of the time
- Call for a break when needed

In addition to the particular duties of the meeting chair, each director is generally expected to foster open discussion and respect for each other while maintaining confidentiality of particular issues, come prepared to the meeting and participate fully in the discussions taking place.

Structure and Records of Meetings

Who can be present at board meetings?

A quorum of directors is required to be present at each board meeting, and generally, the most senior staff person of the organization (the CEO/GM/Executive Director)is present as well. It is not common for other staff members to be present at board meetings regularly, but may be invited to the meeting to provide information or a report on a particular item of the agenda.

The board may also invite other guests to be present at the meeting, including the auditor, the co-op's lawyers, other contractors or people that will provide information or input into the items outlined on the agenda.

The Agenda

An agenda is a document that outlines the order of events at a meeting and what decisions have to be made or topics have to be discussed. The agenda should be distributed ahead of time (along with any supporting documentation, like current financial statements or information that directors should read in order to be educated about a topic that will be discussed) and used as a guide at the meeting. When an agenda is well-structured and distributed in advance, it can provide the group with set amounts of time to discuss particular items, provide directors with the chance to think about topics and prepare to discuss them, and reminds participants of assignments or actions that they were due to complete before the next meeting.

Are there standard items that get included on an agenda?

Generally, topics that get included on agendas will vary depending on the particular business that a co-operative needs to conduct at that meeting, but there are some common items that should be included on all agendas.

- 1) **The date, time and location of the meeting:** This should be clearly noted at the top of the agenda.

- 2) **Approval of the agenda:** The board is required to make a motion to approve the agenda for the meeting, and the directors present vote to approve the agenda. This is done first and provides the opportunity for other items of discussion to be added for discussion.
- 3) **Updates from members:** This is a way for all members present to provide a brief update on what's been happening with them. Although it is not strictly required from a procedural perspective, it does help to foster a team atmosphere by allowing those present to share information with each other.
- 4) **Adopt the minutes of the last meeting:** Adopting the minutes of the last meeting gives the directors a chance to review the decisions and discussion of the last meeting and ensure that the information was recorded accurately and that it is complete (see the next section of this appendix for more information on meeting minutes). The adoption of the minutes is done through a formal motion and vote of the directors present.
- 5) **Business arising from the minutes:** At each meeting, there are generally items that directors or staff will be assigned to work on before the next meeting and then bring back information or report on the item. These are sometimes referred to as "action items". Once the minutes have been approved, the specific actions assigned at the last meeting should be reviewed, and a status update provided from the person or people responsible for the items.
- 6) **New business:** These are new items for discussion at the meeting that may result in motions. Some organizations will choose to categorize these in ways that allow items that are similar in nature to be discussed around the same time.
 - a) **Financial statements:** The board of directors should generally make a point of reviewing the current financials of the co-op at each meeting, which will be given by the Treasurer and/or the GM/CEO/Executive Director of the co-op.
 - b) **Membership approvals:** The board of directors is responsible for approving all membership applications, and so there should be a part of each meeting devoted to approval of new members.
- 7) **Other business:** This section allows for discussion of items that have come up during the meeting that were not formally added to the meeting agenda at the beginning of the meeting. Items can be deferred to a later date, discussed at that time or other actions taken, as the board feels appropriate.
- 8) **Date and time of next meeting:** Before the meeting adjourns, the directors should decide when the time of the next meeting will be. Some organizations try to standardize their meeting dates (i.e. the 3rd Wednesday of every month) to facilitate scheduling and attendance. However, this does not work for all organizations, so it may be preferable to keep the meeting dates flexible. Scheduling the next meeting at the end of the current meeting is a good way to make sure that all of those present can attend the meeting (thus ensuring quorum) and provided the next meeting is more than 10 days away, setting meetings this way satisfies the notice requirements of the Act.
- 9) **Adjournment:** This formally ends the meeting, and requires a motion from someone at the meeting to adjourn. This concludes the business portion of the meeting and means that the board can no longer discuss business or make decisions.

Minutes

The minutes of a meeting are the written record of the decisions made at that meeting. Minutes are required by the Act for both board meetings and members meetings and should include:

- The date, time and place of the meeting.
- If it is a board meeting, general members meeting or annual general meeting.
- A list of all those present at the meeting, including any guests that are present.
- The names of the chair and minute taker.

- A note that there was quorum, and a confirmation that all directors received the appropriate notice (either by being present when the last meeting date was set or in another way that satisfies the requirements of the co-op bylaws and Act)
- A record of each decision made and how each agenda item was dealt with. In the case of recording decisions, the minutes should detail:
 - The motion presented
 - Names of the mover and seconder
 - Outcome of the vote (carried, defeated or withdrawn)
- In some cases there will be items that are presented as information or for discussion only, and a motion is not required. The minutes should provide a brief outline of the item as discussed.
- Any action items that arise from the discussion or decisions and who is responsible for the action.

The recording secretary of the meeting is usually one of the directors, and usually the official Secretary of the co-op's board. However, the Board can ask someone else to take on the responsibility of the minutes, who can be another director, staffperson or a volunteer. If the person taking the minutes is not a director, the board may wish to have them sign a confidentiality agreement.

Minutes should be distributed to the board as quickly after the meeting as possible, and once they are approved at the next meeting, they should be signed and dated by the Secretary and placed in the minute book to become part of the co-op's official records.

In camera or confidential items

At some meetings it may be necessary for a board to discuss items that are considered confidential, such as:

- **Staff or personnel issues:** anything related hiring, terminating, disciplining, salary negotiations, member complaints and problems between staff and members
- **Contracts:** Anything related to contract negotiations of any kind until they are finalized and the lawyers of the co-op agree that the issues are no longer confidential
- **Other issues identified by the co-op's lawyers.**

These issues may only be discussed at board meetings and the board cannot discuss them with anyone outside the co-op other than their lawyer. If the board must discuss a confidential matter at a board meeting, and there are guests present that are not part of the board, the board may choose to take the meeting "in camera". This is accomplished with a motion from one of the directors to move the meeting in camera. This means that anyone that is not a member of the board must clear the room, and any minutes taken during this section of the meeting must be kept separate from the other minutes and official records of the co-op, in a locked room or cabinet.
