



## **Friendly City Food Co-op Potential Board Candidate Packet**

1. Welcome Letter
2. Election Timeline
3. Application
  - a. Conflict of Interest Statement
  - b. ABC Eligibility Requirements
4. Bylaws
5. Ends Statement
6. Frequently Asked Questions
7. Overview of the Carver Policy Governance Model
8. Taking Policy Governance to Heart



## **Section 1: Welcome Letter to Prospective Board Candidate**

Dear Prospective Board Candidate of Friendly City Food Co-op,

Thank you for your interest in serving on the Friendly City Co-op Board of Directors. Please feel free to contact the board with any further questions you may have. We look forward to meeting you.

The owners of Friendly City Food Co-op elect Board members during an election season in the fall of each year. Each year, three spots are up for election, either with incumbent board members or new candidates. Once elected, each board member serves a 3-year term (November – October). We seek a wide variety of talent in new candidates and work to orient any new board members prior to their first full meeting.

The Board of Directors plays a critical role in ensuring the continued success and health of this vital organization. The Board of Directors guides the Co-op by establishing the vision and ensuring the long term vitality of the Co-op. We ensure the store operates within our value system while empowering staff to manage day-to-day operations of the store.

The Board seeks member input on the goals and vision of the organization and reports periodically to the owners on the board's activities, decisions, and compliance with Board policies. We operate under Policy Governance, a board operating system that emphasizes values, vision, and the empowerment of both board and staff. More information on policy governance can be found later in the packet.

Please review the following description and expectations as well as the Friendly City Food Co-op website at [www.friendlycity.coop](http://www.friendlycity.coop). As you consider this important role, our current board members welcome any questions you may have. Their contact information can be found on our website. We ask that you notify Julie Jenkins, Board Secretary, of your acceptance or decline of candidacy at [julie@friendlycity.coop](mailto:julie@friendlycity.coop).

### **Board Job Description & Expectations**

*Included in and attached to this packet is additional information. Please review and contact Julie, [julie@friendlycity.coop](mailto:julie@friendlycity.coop) with further questions.*

#### **Expectations/Requirements:**

- Whole-heartedly embraces the mission and vision of the FCFC;
- Brings special skills that the coop needs to govern productively;
- Agrees with the governance/policy model of board leadership;



- Assumes legal liability for the organization to the extent required by law for board directors; and
- Participates as an active member-owner of the cooperative.

Preferred:

- Brings experience serving on boards; and
- Brings experience as a co-op member and shopper.

Agrees to:

- Read and ask questions about the orientation materials;
- Attend monthly board meetings;
- Become familiar with the bylaws, including those governing the removal of board members;
- Attend major co-op events and annual member meetings;
- Participate in board trainings and retreats, and commit to nourish the health of the board and the vitality of other board members;
- Take on committee leadership and/or tasks to be carried out on behalf of the board (choose an assignment on at least one board committee);
- Promote a positive image of the cooperative and encourage community people to join as member-owners and/or shop at Friendly City;
- Represent the interests of the member-owners on the board of directors;
- Carry out the three “deliverables” of the Policy-Governance Model: 1) assure the systematic linkage between the organization and the owners; 2) provide written policies to govern the organization and guide the staff; 3) assure organizational performance via the board’s Ends and Executive Limitations policies;
- Commit to lead (and not control) the organization, for the greater benefit of the community at large;
- Assist the organization and provide leadership in searching for investment capital when new capital needs arise;
- Serve for a minimum of 1 term (3 years); and
- Carry out responsibly the board duties defined below in the areas of Planning, Organization, Operations, and Audit.

**Duties**

Planning

- Approve Friendly City Food Co-op's philosophy (vision, mission, values, goals) and review management's performance in achieving it;
- Annually assess the environment and approve Friendly City's strategy (annual plan) in relation to it;



- Annually review the Institution's plans for profitability;
- Annually review the Institution's budget;
- Review Friendly City's long-term strategic plan – program, operations and financial goals; and
- Approve major policies.

### Organization

- Hire, monitor and evaluate, advise, support, reward, and, when necessary, change Friendly City's top management (without micro-managing);
- Assure that management succession is properly being provided;
- Be assured that the status of organizational strength and staffing is equal to the requirements of the long-range goals;
- Monitor appropriate compensation and benefit policies and practices;
- Serve on Board Continuation, Member Linkage, Personnel, and/or other committees; participate in the orientation and development of new board members;
- Annually approve the Performance Review of the GM and establish his/her compensation based on recommendations of the Personnel Committee and Chair of the Board;
- Annually review the performance of the board and take steps to improve its performance;
- Assure that the general member-ownership of the cooperative is informed and updated on the state of the cooperative; and
- Maintain professional ethical standards and confidentiality relating to board, employee and membership interests.

### Operations

- Review the results achieved by management as compared with Friendly City's philosophy, annual and long range goals, and the performance of similar cooperatives;
- Be certain that the financial structure is adequate for its current needs and its long-range strategy;
- Provide candid and constructive criticism, advice, and comments to top management; and
- Approve major actions, such as capital expenditures and major program and service changes.

### Audit



- Be assured that the board and its committees are adequately and currently informed - through reports and other methods - of the condition of the cooperative and its operations;
- Be assured that published reports properly reflect the operating results and financial condition of the cooperative;
- Ascertain that management has established appropriate policies to define and identify conflicts of interest throughout the cooperative, and is diligently administering and enforcing those policies;
- Appoint independent auditors and report audit results to the general member-ownership; and
- Review compliance with relevant material laws affecting the cooperative.



## **Section 2: Election Timeline**

Return candidate application: September 10, 2016

Election period: TBD

Annual Meeting: TBD

Upcoming Board Meetings: July 14, 2016, August 11, 2016 and September 8, 2016

Annual Board Retreat: TBD



### **Section 3: Board of Directors Application**

**Friendly City Food Co-op**  
**Board of Directors Election Year 2015**  
*Three-Year Term: November 2016– October 2019*

**Name:** \_\_\_\_\_ **Member Number:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Email:** \_\_\_\_\_

**Phone (day):** \_\_\_\_\_

**Phone (evening):** \_\_\_\_\_

**Current Occupation:** \_\_\_\_\_

1. **Share a little about yourself. *A few sentences about your hobbies, interests, family and/or career.***
  
2. **Why would you like to serve on the board of Friendly City Food Co-op?**
  
3. **What particular skills, knowledge, and/or life experience do you bring to Friendly City Food Co-op that enables you to support and advance its mission?**
  
4. **Friendly City ignites my passion for...**
  
5. **The item I can't live without at Friendly City is...**

Please type your initials beside each statement below as your act of confirmation:

- I have read, understand and commit to the mission and goals of Friendly City.
- I have read, understand and commit to the bylaws of the Friendly City.
- I have read, understand and commit to the job description and expectations of the Friendly City Food Co-op board of directors. \_\_\_

---



Please complete this application and return by end of day **Saturday, September 10, 2016** to Board Secretary Julie Jenkins at [julie@friendlycity.coop](mailto:julie@friendlycity.coop).



### **Section 3a: Conflicts of Interest Disclosure Statement**

Per the Friendly City Food Co-op Bylaws, our Conflict of Interest statement reads as follows:

Conflicts of Interest. No transaction with the Cooperative in which a director has a direct or indirect personal interest shall be void or voidable solely because of the director's interest in the transaction if: (i) the material facts of the transaction and the director's interest are disclosed or known to the Board of Directors or a committee of the Board of Directors, and the transaction is authorized, approved or ratified by the affirmative vote of a majority of the directors on the Board of Directors, or on the committee, who have no direct or indirect personal interest in the transaction; provided, however, that a transaction shall not be authorized, approved or ratified by a single director; or (ii) the material facts of the transaction and the director's interest are disclosed to the shareholders entitled to vote, and the transaction is authorized, approved or ratified by the vote of a majority of the shares other than shares owned by or voted under the control of a director who has a direct or indirect interest in the transaction; or (iii) the transaction is fair to the Cooperative.

### **Section 3b: ABC License Eligibility Requirements**

Friendly City Food Co-op is in the process of applying for an ABC license. Per ABC regulations, because no shareholder owns more than 10 percent of the corporation, all officers and directors are required to complete the following.

Do you currently have financial interest in any business selling alcoholic beverages? Yes No

If Yes, provide:

(license number) \_\_\_\_\_ (trade name) \_\_\_\_\_ (location)

\_\_\_\_\_

Have you ever had any type of alcoholic beverage license refused, revoked or suspended? Yes

No

If Yes, provide:

(trade name)

\_\_\_\_\_ (address) \_\_\_\_\_ (date)

\_\_\_\_\_

Have you ever been convicted of any of the following:

- motor vehicle violation(s) (not including parking tickets)? Yes No
- driving while intoxicated? Yes No
- other criminal offense(s)? Yes No

If Yes to any of the above, provide the following information (using additional sheets of paper if necessary):



(date) \_\_\_\_\_ (location) \_\_\_\_\_ (offense)

\_\_\_\_\_  
(date) \_\_\_\_\_ (location) \_\_\_\_\_ (offense)

Are you an elected or appointed official of the Commonwealth of Virginia or any political subdivision thereof? Yes No

If Yes, provide:

(title) \_\_\_\_\_ (location) \_\_\_\_\_

Failure to disclose ownership interest in your business or falsification and/or misrepresentation of information may result in refusal of your license and/or criminal charges, which may include the Class 5 felony of perjury



#### **Section 4: Friendly City Food Co-op Bylaws**

The Friendly City Food Co-op operates according to a set of Bylaws, created and managed by the Board of Directors and approved by member owners. Please see attached for an updated copy of the Friendly City Food Co-op Bylaws.



### **Section 5: Friendly City Food Co-op Ends Statement**

Friendly City Food Co-op exists so that the Shenandoah Valley has:

- A vibrant, local economy;
- Fair and friendly relationships;
- Healthy, informed consumers and producers;
- And a healthy environment.



## **Section 6: Frequently Asked Questions**

### **What is the Board of Directors and what does it do?**

The board of directors provides direction to management and accountability to ownership for the performance of the organization, and board membership represents the most committed level of governance involvement for a Friendly City Food Co-op member owner. Becoming a director involves not only attending the monthly meetings but also undertaking a regular share of board committee and policy development work, as well as keeping current with developments in the theory and practice of cooperative governance.

An open call for candidates is extended each summer for election of three member owners to the board.

### **What does the Board of Directors NOT do?**

The Board of Directors does not make decisions about, become involved with, or take part in any of the day-to-day activities or decisions regarding the operation of Friendly City Food Co-op. The Board's sole official connection to the operations of the cooperative is through the General Manager.

### **What are the requirements for running?**

Minimum eligibility requirements for becoming an elected or appointed director are as follows:

- Must be a fully vested Friendly City member owner
- Must be regularly available for monthly Board meetings and other scheduled events requiring Director participation, and for committee and other work outside of scheduled events
- Must be willing to work

### **How much time does it take to serve on the Board of Directors?**

Time commitment expected of directors includes a minimum of five hours monthly for preparation and attendance at scheduled board meetings, with committee work requiring another twenty or more hours a year (for those serving on additional committees); directors are also encouraged to attend gatherings such as the national CCMA (Consumer Cooperative Management Association) three-day conference, held in June of each year, as an ongoing learning and networking commitment. New directors are encouraged to attend training with CBLD (Cooperative Board Leadership Development).

### **Is there any compensation for serving?**

At this time each Director receives a 10% store discount.

### **Does "legal liability" mean that I could lose my house if someone sues the co-op?**

The co-op does have Directors and Officers insurance protection, along with Employment Practices Liability Protection, which covers this liability.





## **Section 7: Overview of the Carver Policy Governance Model**

*Adapted by Bluff Country Co-op from a document prepared by Ginny Jaramillo of Northland College, January 2000*

### **The Job of the Board**

The board of an organization is responsible for knowing who the “owners” of the organization are, and who the “customers” are. The board’s duty, then, is to concentrate on the goals and visions (or desired “ends”) of the owners, ensuring that the organization is responsible for achieving those ends. Once the board’s policies are in place, the board does not focus on customer issues, because that is the job of the staff. People who come to the board in the role of a customer are referred to the general manager, who represents the staff. This means that the staff deals with the daily operation of the organization, and the board deals with four major areas of its job description:

1. Link with the owners to determine the ends of the organization.
2. Create policies which give direction to the general manager as to what the ends of the organization are, and within which limitations he or she can operate (executive limitations).
3. Monitor the progress of the organization and the general manager in meeting the organizational ends and staying within the executive limitations.
4. Monitor itself as a board.

### **Board Policies**

There are four different categories of board policies, and all board policies must fall into one of these categories:

1. ENDS (The intended results for the customers) Ends policies all deal with ends, while all other categories of board policies deal with means
2. EXECUTIVE LIMITATIONS (The limitations put on the general manager) Executive limitations policies all deal with means, but they are written IN THE NEGATIVE, telling what means the general manager SHALL NOT USE, instead of what means the general manager SHALL USE to accomplish the organizational goals (this avoids the two extremes of “micro-managing” and “rubber-stamping.”)
3. BOARD-STAFF RELATIONSHIPS (How the board will interact with the general manager) Board-staff relationship policies all deal with means that the board will use to interact with the staff THROUGH THE general manager.
4. GOVERNANCE PROCESS (How the board will govern itself). Governance Process policies all deal with means that the board will use to govern and monitor itself throughout the year.

### **Key Features of the Model**

1. The board generates ends policies that come from linkage with the community.



2. The board directs the general manager as to what the goals of the organization are, but it is up to the general manager to determine how to get there, AS LONG AS EXECUTIVE LIMITATIONS ARE MET.
3. The board does not deal with customer issues or staff issues. Its primary work is linkage with the community.
4. The board, not the general manager, creates the long-term goals of the organization.
5. The board determines how much control it should exert over the general manager by determining the scope of executive limitations policies.
6. Board policy requires the entire board to work as one, without “splintering” into different factions.
7. Board meeting agendas include ONLY POLICY ISSUES. Board meetings are, therefore, typically brief and efficient.

### **Some Advantages of this Model over the “Conventional” Approach**

1. It is a well-researched model of democracy in action, with clear guidelines, not a guessing game.
2. Policies are readable, streamlined, and addressed regularly, not put on a shelf in a big book.
3. The roles of the board and the staff are clearly defined and easily understood, and do not overlap.
4. The board is freed from staff and customer issues, to allow time to concentrate on community linkage.
5. It discourages people who have “private agendas” from serving on the board, and encourages people to be on the board if they have a true desire to serve the entire community.
6. It reduces the typical stress caused by splintered boards, “micro-managing,” or “rubber stamping”





### **Section 8: Taking Policy Governance to Heart**

Please see attached for an article entitled, "Taking Policy Governance to Heart" from the March/April 2009 issue of *Co-op Grocer*. This article will help to further explain Policy Governance and its role at our Co-op