



# **Eastside Food Co-op Board Candidate Packet**

***for terms beginning Fall 2017***

***Candidate Application due date:  
August 15, 2017***

***Annual Meeting date:  
Tuesday, October 24, 2017***

**Dear Prospective Eastside Food Cooperative Board Candidate,**

Thank you for your interest in serving on the Eastside Food Co-op Board of Directors!

Please read over the enclosed information carefully before filling out the application. In 2017, the election will fill up to four of nine seats:

- Three directors will be elected to a three-year term.
- One director will be elected to a two-year term.

Eastside's owners select board members during an election at each annual meeting (see Bylaws, Section 3.1). All candidates must be members of the co-op.

Candidates must submit their application, brief written responses to the questions, and a high-resolution headshot, by 5 pm on Monday, August 15, 2017, to be included on the formal ballot.

In addition, in order to gain an understanding of the work of the board, candidates are **strongly encouraged** to attend the following:

1. Attend at least one regular meeting of the board of directors in 2017. Board meetings are typically held on the second Monday of each month in the Eastside Food Co-op's community room. Meetings begin with an informal gathering at 5:30 for dinner, with formal business to begin at 5:45. Meetings typically run until 8:30 pm. *Upcoming meeting dates are July 10<sup>th</sup>, August 14<sup>th</sup>, September 11<sup>th</sup> and October 9<sup>th</sup>.*
2. Attend the candidate orientation session, led by current Eastside board members on August 21<sup>th</sup>, 7-8 pm.
3. Attend the regional CBL 101 training for cooperative boards of directors, to be offered by the CDS Consulting Co-op on Saturday, September 23, from 8:30 am– 4 pm in St. Paul.

All candidates must also agree to abide by the Director's Code of Conduct (see page 11), if elected to serve on the board.

Owners who do not submit a formal written application by the Monday, August 15, 2017 deadline have the option of running for the board as a write-in candidate.

***Cooperatively Yours,***

***Eastside Food Co-op Board of Directors (board@eastsidefood.coop)***



*As businesses driven by values not just profit, cooperatives share internationally agreed-upon principles and act together to build a better world through cooperation. Eastside strives to adhere to the 10 cooperative values and the 7 cooperative principles, as identified by the International Cooperative Alliance:*

## **7 Cooperative Principles:**

### **1. Voluntary and Open Membership**

Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

### **2. Democratic Member Control**

Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. People serving as elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are organized in a democratic manner.

### **3. Member Economic Participation**

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. They usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

### **4. Autonomy and Independence**

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

### **5. Education, Training, and Information**

Cooperatives provide education and training for their

members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. They inform the general public—particularly young people and opinion leaders—about the nature and benefits of cooperation.

### **6. Cooperation Among Cooperatives**

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.

### **7. Concern for Community**

While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

## **Cooperative Values**

Basic cooperative values are general norms that cooperators, cooperative leaders and cooperative staff should share; the values should determine their way of thinking and acting. This list of ten values was proclaimed by the International Cooperative Alliance in 1995.

**Self-help**  
**Self-responsibility**  
**Democracy**  
**Equality**  
**Equity**  
**Solidarity**  
**Honesty**  
**Openness**  
**Social Responsibility**  
**Caring for others**

*For more information, visit  
<http://ica.coop/en/what-co-operative>*



## ***Frequently Asked Questions About Serving on the Board***

### **What is the board of directors and what does it do?**

The board of directors is the governing body for the owners of Eastside. It is composed of up to nine people, all owners of the co-op, elected by owners. A maximum of two directors may also be employees of the cooperative. All directors, including employees, represent the ownership at large rather than any special subgroup. Terms for directors may range from one to three years as needed to ensure that no more than three directors' terms are scheduled to expire every year.

The board is responsible for ensuring organizational performance on behalf of all of Eastside's owners. This work includes developing clearly stated expectations through written policies; delegating responsibility for, and authority over, the achievement of stated objectives; and monitoring compliance with written policies. The board uses a system of governance called Policy Governance, described more fully on pages 6-7. The board governs the organization and delegates all operational duties to one employee, the general manager. The board participates actively in strategic planning, financial oversight, owner linkage, board training and development, and community outreach.

As Will Rogers said, "Even though you are on the right track - you will get run over if you just sit there." The board should be strategic and visionary with its view toward the future of our cooperative, rather than focusing solely on the short-term. By devoting time to focus on the big-picture vision of Eastside, the board ensures that we adequately position our organization for the maximum benefit of our owners, as well as anticipate trends and values that may have a critical impact on our relevance and survival.

### **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 the 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?**

Directors must be owners of Eastside in good standing without a substantial conflict of interest resulting from an affiliation with any enterprise that is in competition with the co-op. Once elected, directors must agree to abide by the Code of Conduct and publicly disclose any potential conflicts of interest. As for personal qualifications, previous board experience is helpful, but not a prerequisite for service. More important are: willingness to work closely and cooperatively with the other directors; commitment to providing the time and energy necessary to accomplish the board's objectives and fulfill the required term; the ability to work collaboratively and productively in a collective decision-making process; the ability to learn quickly; and organizational skills.

### **How much time would I need to put into serving?**

The board holds one regular meeting for 2.5 hours each month, at which attendance by all directors is expected. Beyond this regular meeting, the time commitment for a director typically averages out to an

additional two to three hours per week, including preparation for regular monthly meetings as well as special board meetings and participation on at least one committee. In addition, the board holds a mandatory orientation session soon after the elections, providing basic training and giving directors a chance to relax and get to know each other better. The board also holds periodic retreats that all directors are expected to attend. All directors can expect to spend 12-15 hours/month. Directors with leadership roles, and especially the board president, can expect to devote an additional 5-10 hours per month to board service.

### **What compensation is there for serving?**

Each director receives a \$100 monthly stipend, paid in the form of a credit at the register to be used for store purchases. (Board officers receive a \$125 stipend and the board president receives \$150 in recognition of the additional time commitment for these positions.)

### **I'm sure I have the time to commit, and I want to serve Eastside; how else can I make up my mind whether or not to run?**

You may obtain additional information about serving on the board of directors by talking to a member of the current board of directors to get a personal perspective of what service on the board is all about. Owners are always welcome to attend the meetings of the board of directors on the second Monday of each month. You can see how the board functions and meet the current directors. You may gain useful perspectives on the issues currently facing Eastside. Additionally, the board meeting minutes are available upon request; contact us at [board@eastsidefood.coop](mailto:board@eastsidefood.coop).

### **When will elections be held?**

The annual election occurs in the fall, as part of the annual meeting. Our bylaws allow the board to authorize paper and/or electronic balloting for a period prior to the annual meeting, with final, in-person votes cast at the meeting on **October 24th**. The 2017 voting period will begin several weeks before the annual meeting.

### **OK, I've decided to run—now what?**

To help the owners make an informed decision regarding the directors they elect, we ask you to fill out the Board Candidate Application included in this packet **on page 8. You must submit your completed application and a high-resolution photo by August 15th, at 5 pm, to be included in this year's election packet.** (You can either drop off your application at the customer service desk or email it to [board@eastsidefood.coop](mailto:board@eastsidefood.coop).) Your responses to the application questions and your photograph will be published in the September newsletter, online, and through other avenues.

### **It sounds like a big step!**

And worthwhile! As a cooperative, Eastside is only as strong as its ownership. The board traditionally has been a diverse group of people with a wide range of skills who have helped the co-op become a vibrant organization that benefits our owners and serves our community of Northeast Minneapolis and surrounding area.



## Policy Governance

The Eastside Food Co-op board operates using the Policy Governance™ model, which was developed to allow boards to maintain accountability for organizational performance while focusing on providing visionary leadership around our ‘big-picture’ mission. With the recognition that delegation is a significant component of our accountability, the board maintains written documentation of expectations for ourselves, our organization, and our general manager. Our policies are the primary vehicle for recording these expectations, and we actively monitor compliance with these policies on a regular basis.

The relevance of this methodology stems from (1) the fact that a significant volume of information is required to fulfill our fiduciary duties; (2) the need to delegate authority in order to accomplish our organizational purpose; (3) the desire to ensure that our owners and stakeholders are well served by organizational accomplishments.

The Policy Governance model is designed to allow the board to delegate with great clarity by completing three steps:

1. Expressing the expectations of the job being delegated.
2. Assigning the expectations with no ambiguity to the party who is to be held accountable for meeting them.
3. Checking that expectations were met.

We have four general categories of policies that express our expectations for ends to be achieved and the acceptable means by which to achieve them:

- **A – Ends.** Ends policies broadly state the desired organizational outcomes. They describe the ongoing priorities of what should be achieved and for whom. The general manager is responsible for reporting on compliance with Eastside’s Ends policy once each year. Eastside’s current Ends policy states: EFC is at the forefront of a prosperous and fair cooperative economy. We provide access to healthy food, foster positive environmental impacts, cultivate a thriving community in our neighborhood, and educate members for a sustainable future.
- **B – Executive Limitations Policies.** The Executive Limitations delineate job expectations and acceptable constraints within which the GM can act. The GM develops a written report for the board on each of these policies on a regular basis throughout the year, and the board evaluates whether the interpretation was reasonable, and makes conclusions about whether the GM is in compliance. If it is determined that we are not in compliance with our policies, the board discusses the reasons for this result and establishes parameters and expectations for achieving compliance within a set time frame. The board may require additional monitoring of the policy (on a more frequent basis) or even conclude that the policy needs to be revised.

- **C – Board Process Policies.** The ‘C’ policies describe how the board is organized and its process and products. The board evaluates its compliance with these policies throughout the year.
- **D – Board-Management Relationship Policies.** These board-GM policies describe how the board delegates to our sole employee, the GM. The board evaluates its compliance with these policies throughout the year.

Our approach to crafting policies is to begin with broad statements regarding allowable and prohibited behavior, and make increasingly specific policies. For example, a policy that prohibits the GM from violating the law provides a concise statement of expectation (and is a lot easier than trying to think of and then write down a list of all the illegal actions which could be undertaken!). A more specific policy might require that a certain level of insurance be carried to protect Eastside’s property. We limit the level of detail in our written policies to that which is required for the board to accept any reasonable interpretation of those policies. This approach allows for the maximum flexibility and creativity within clearly established boundaries and provides a system for delegation and accountability. (It helps also to have a manageable amount of policies – it would be much more difficult to monitor 200 pages of detailed policies! Furthermore, it keeps us out of the micro-managing realm so that we can focus on the big-picture questions like, “How can Eastside be at the forefront of a fair and prosperous cooperative economy?”)

The advantages of using the Policy Governance model are:

- It enables the board to focus on the future, and provide high-level organizational leadership rather than focusing on day-to-day operational issues. (After all, if the board does not provide this type of leadership, who else could?)
- By deciding on the larger issues about ends and means the board can maintain meaningful control of the organization while allowing others to decide on smaller issues.
- The board can delegate genuine authority to others without failing in its own accountability – the parameters of delegated authority are clearly established by the board, allowing for decisive leadership by others.
- Regular assessment of compliance with policy provides a systematic method for evaluating organizational performance because the board knows what to look for.
- The board and its subordinates (e.g. its committees, the GM) know what is required of them because expectations are clearly articulated. Since the design of jobs has already been decided, the board can distinguish the proper course of action when confronted by questions without having to spend time defining the nature of governance itself.

The board of directors exists for the sole purpose of ensuring, on behalf of our (legal and moral) owners, that the organization performs as it should. We must constantly evaluate our purpose – the impact we want to create for owners, our community, and for the broader world – that justifies our existence. This brings us to the most important question: what difference does having this co-op in the world make to you?

The Policy Governance methodology was developed by John Carver as a means to structure board process to allow for board accountability on a meaningful level and empower the board to lead their organizations at the highest level. The term Policy Governance is registered and protected. Carver’s website address is:

[www.carvergovernance.com](http://www.carvergovernance.com)

**Board Candidate Application**

Thank you for your interest in applying for the board of directors of Eastside Food Cooperative! The co-op’s owners will vote on all candidates and those receiving the most votes will be elected to the currently open terms, effective November 2017. To apply, please provide the following information as well as a high-resolution photo by **5 pm on August 15th**. You can either drop off your application at the customer service desk or email it to [board@eastsidefood.coop](mailto:board@eastsidefood.coop). If you have any questions, please email [board@eastsidefood.coop](mailto:board@eastsidefood.coop).

<b>Name</b>	<b>Address</b>
<b>Email</b>	<b>Phone</b>
<b>Occupation and employer</b>	
<i>Board members must be fully paid member-owners of EFC</i> <input type="checkbox"/> <b>Yes, I’m a fully paid member of EFC</b>	
<b>Please indicate your planned attendance at the following recommended events for board candidates:</b> <input type="checkbox"/> <b>EFC Board Meeting, date: _____</b> <input type="checkbox"/> <b>EFC Board Candidate Orientation Session, Aug 21<sup>st</sup></b> <input type="checkbox"/> <b>Cooperative Board Leadership 101 workshop by CDS Consulting Co-op, Sept. 23</b>	

**EFC Board Candidate Statement – Questions**

This section of the application will not be published. It is meant to help you focus on your skills. Please rate your experience level with the following: 1 indicates no experience, 5 indicates excellent experience:

Financial Acumen	1	2	3	4	5
Team Building	1	2	3	4	5
Visioning	1	2	3	4	5
Collaboration	1	2	3	4	5
Co-ops	1	2	3	4	5
Medium Size Business	1	2	3	4	5
Community Building	1	2	3	4	5
Analytical Skills	1	2	3	4	5

Please provide answers to the following questions, limiting your responses to 400 words (total). Your responses, along with those of other board candidates, will be shared with EFC owners when ballots are distributed for the board elections. Please focus on your skills based on the grid you have completed above.

1. Why do you want to serve on the EFC Board?
2. What kinds of skills, interests, and experience would you bring to the EFC Board?
3. EFC is founded on the 7 International Cooperative Principles, listed below and described more fully on page 3 of this packet. Please choose one of the principles and describe how you think the board can encourage and foster that in a cooperative:
  - Voluntary and open membership
  - Democratic member control
  - Member economic participation
  - Autonomy and independence
  - Education, training and information
  - Cooperation among cooperatives
  - Concern for community
4. Tell us your experience of working with fiduciary responsibilities for an organization.
5. Tell us your experience of collective decision-making.

#### **Responsibilities of Board Members**

*Please read carefully and **check each item** to indicate that you are willing to take on these responsibilities. In general, members of a co-op board of directors have the same duties as the directors of any business. In addition, co-op boards must act on behalf of Eastside's owners (as fiduciaries), meaning that individual directors have to balance individual interests, business interests, and member interests when making decisions. To do this, directors must be able to:*

- \_\_\_\_\_ Uphold fiduciary duty on behalf of Eastside's owners
- \_\_\_\_\_ Adhere to the principle of board holism, which means individuals are expected to voice independent opinions in board discussions but support majority decisions
- \_\_\_\_\_ Exercise due diligence in monitoring Eastside's financial condition
- \_\_\_\_\_ Abide by all items contained in the Code of Conduct and Conflict of Interest policy (see page 10-11).
- \_\_\_\_\_ Maintain confidentiality when required
- \_\_\_\_\_ Faithfully honor all legal obligations that come with directorship, which include the:
  - \_\_\_\_\_ *Duty of care* (make informed decisions in good faith; act as a prudent person; use a good process for decision-making; be honest; ensure adequate record keeping)
  - \_\_\_\_\_ *Duty of loyalty* (always act in the best interest of the cooperative; disclose and avoid conflicts of interest; engage in no self-dealing; maintain confidentiality)
  - \_\_\_\_\_ *Duty of Attention/Diligence* (attend meetings; participate in discussions; be prepared; review materials; ask questions; know and adhere to state laws and the co-op's Bylaws; support board decisions and policies; honor contracts; ensure payment of all tax obligations)

## Expectations of Board Members

*Please read carefully and thoughtfully; **check each item** to indicate you are willing to meet the expectation:*

\_\_\_\_\_ Shop regularly at the co-op.

\_\_\_\_\_ Be prepared for meetings and special meetings when necessary, including carefully reviewing the agenda packet in advance of meetings.

\_\_\_\_\_ Participate fully in board meetings. Attend all monthly meetings, as well as any meetings of committees you may serve. (Total average time commitment is 2-5 hours a week for non-officers). Special projects may require more time commitment.

\_\_\_\_\_ Actively participate in board discussion via e-mail or phone between meetings as necessary.

\_\_\_\_\_ Attend the fall Board Orientation.

\_\_\_\_\_ Attend the annual board retreat (typically scheduled on a Saturday in the winter).

\_\_\_\_\_ Attend the annual meeting, in-store tabling, and other special events.

***Please submit this form along with your application and written responses to questions.***



**NOTE:** Candidates do **not** need to submit this form as part of their application, but all directors will be asked to sign it at the first board meeting following the election.



### **Director Code of Conduct**

*(as found in Board Process Policy C5: Directors' Code of Conduct)*

We each commit ourselves to ethical, businesslike and lawful conduct.

1. Every director is responsible at all times for acting in good faith, in a manner which she/he reasonably believes to be in the best interests of the Cooperative, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.
2. Directors must demonstrate unconflicted loyalty to the interests of the Cooperative's owners. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups, membership on other Boards or staffs, and the personal interest of any director acting as an individual consumer or member.
  - a. There will be no self-dealing or any conduct of private business or personal services between any director and the Cooperative except as procedurally controlled to assure openness, competitive opportunity and equal access to "inside" information.
  - b. When the Board is to decide on an issue about which a director has an unavoidable conflict of interest, that director shall abstain from the conversation and the vote.
  - c. Individual Directors may not enter into any type of contract for services with the Coop until the entire Board has reviewed and formally approved the terms of the employment relationship or contract.
  - d. Any director who is also a paid employee has the same duties and responsibilities as any other director, and has the additional duty of clearly segregating staff and Board responsibilities. Any director who is also a paid employee will resign from the Board if their employment is involuntarily terminated.
3. Directors may not attempt to exercise individual authority over the organization.
  - a. When interacting with the GM or employees, directors must carefully and openly recognize their lack of authority.
  - b. When interacting with the public, the press, or other entities, directors must recognize the same limitation and the inability of any director to speak for the Board except to repeat explicitly stated Board decisions.
4. Directors will respect the confidentiality appropriate to issues of a sensitive nature and must continue to honor confidentiality after leaving Board service.
5. Directors will prepare for and attend all Board meetings and trainings. Exceptions for cause will be made on a case by case basis by the Board. (see bylaw 3.4)

6. Directors will support the legitimacy and authority of the Board’s decision on any matter, irrespective of the director’s personal position on the issue.
  
7. Any director who does not follow the code of conduct policy can be removed from the Board by a 2/3 majority vote of the remaining Board.

\_\_\_\_\_  
***Printed Name of director***

\_\_\_\_\_  
***Signature of director***

\_\_\_\_\_  
***Date***

**Conflict of Interest Disclosure:**

A conflict of interest can occur when the financial or personal interests of a board member are, or may appear to be, inconsistent with the interests of the co-op. In the spirit of full disclosure, I am listing any possible conflicts of interest that may impact my time on the Board.

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\_\_\_\_\_  
***Printed Name of director***

\_\_\_\_\_  
***Signature of director***

\_\_\_\_\_  
***Date***