

# **SAN LUIS OBISPO NATURAL FOODS CO-OP**



## **BOARD CANDIDATE APPLICATION PACKET**

October 2014

Dear Prospective Board Candidate,

Thank you for your interest in serving on the SLO Natural Foods Co-op Board of Directors! The Board of Directors serves a critical role in overseeing and guiding our Co-op's success. Serving on the Board is the most responsible position that a Member-Owner can assume.

This packet will provide an overview of the expectations and requirements that a Co-op owner needs to know as a candidate, as well as the expectations and requirements of serving on the Board of Directors. If you would like to be considered please submit a complete copy of your Board Candidate Application. We ask that you read over the enclosed information carefully before filling out the attached forms.

After submittal of your candidacy, the Board will review your application documents and a Board member will contact you within a week to discuss further steps.

Please feel free to contact any member of the Board with any questions you may have. Thank you for your interest and we look forward to meeting you!

Sincerely,

Aimee Wyatt  
Board President

# NATURAL FOODS CO-OP

## Board Member Job Description and Preparation

### **TERM:**

The SLO Natural Foods Co-op (SNF) is led by a seven member Board of Directors who serve three-year terms. Directors are either voted in by Co-op Member-Owners at the Annual Members Meeting or by fellow Board members who are then approved by the Member-Owners at the Annual Members Meeting.

### **ELIGIBILITY:**

- Only individuals who are “active owners” of SNF and are in good standing of the Member-Owned Corporation are eligible to serve on the Board. An “active owner” is an owner who is current on his or her payments toward the \$300 “fair share” ownership.
- Additional Household members (non-primary members) are not eligible to serve on the Board.
- Must be a resident of California.
- Only one SNF staff member may serve on the Board at any given time.

### **GENERAL RESPONSIBILITIES:**

- Board members are elected by the Member-Owners of the Co-op to strive to take actions that will fulfill the mission of the Co-op and to insure the continued success of the store so that high quality, nutritious food will be available to owners at the best possible prices.
- The Board of Directors as a whole, and each individual Director, is responsible for conducting the affairs of the organization in a manner that safeguards the interests of the ownership.
- Each Director is required to be honest, loyal, and prudent, and can be sued for any dishonesty, disloyalty, or negligence. To protect against any personal liability, Errors and Omission insurance is provided for all board members.
- Each Director has a duty to:
  - Represent the ownership at large and to act in the ownership’s best interests (not just those of one faction).
  - Direct the affairs of the organization to move toward achievement of objectives established by the By-laws.

### **SPECIFIC RESPONSIBILITIES OF THE BOARD AS A WHOLE:**

- Establish objectives and policies, approve goals and performance standards, annually review achievement of objectives and goals, and provide for sound planning.
- Hire, supervise, and conduct an annual performance review of the General Manager.
- Approve capital and operating budgets, oversee fiduciary matters to safeguard the long-term viability of the Co-op, and safeguard assets.
- Maintain communication with Member-Owners.
- Maintain confidentiality in all matters until there is a general public disclosure or it is clear such information is a matter of public record or common knowledge. Matters related to personnel, real estate transactions, market strategy, and planning or pending litigation are confidential unless otherwise designated.

- Board members are prepared to participate in activities associated with the Co-op's role in the larger community at the direction and within the definition of the Board as a whole.

#### **SPECIFIC RESPONSIBILITIES OF INDIVIDUAL DIRECTORS:**

- Prepare for and attend all regular Board meetings, including the Annual Members Meeting.
- Attend Board training sessions.
- Serve on at least one Board committee (see attached list of committees).
- Become familiar with the Co-op's By-laws, policies, and financial statements.
- Cultivate a respect for other Board members to insure the best functioning of the Board.

#### **ETHICS:**

- Maintain confidentiality.
- Avoid conflicts of interest.
- Do not intervene directly in the workings of the store. If there is an operational issue, bring it to the General Manager or the Board in a closed session meeting.
- Do not undermine the authority of the Board as a whole by taking actions counter to those approved by the Board.
- Do not use Board member status to gain special privileges.

#### **TIME COMMITMENT:**

- **Term:** Board members are elected from among their fellow owners to serve three-year terms.
- **Board Meetings:** The Board meets the second Wednesday of each month at 6:00 p.m.; meetings generally last two to three hours. Directors receive the meeting packet a few days in advance and are expected to review it and be prepared with questions or comments. While it is acceptable to miss an occasional meeting, Directors can be dismissed for missing more than three meetings in a six month period.
- **Committee Meetings:** Each Director serves on at least one Board committee. Frequency varies widely depending on the committee and task.
- **Board Retreats, Training, and Special Meetings:** The Board may meet for occasional planning, training, and information-gathering. In addition, Board Directors may have the opportunity to attend conferences.
- **Annual Membership Meetings:** Board members are expected to attend the Annual Members Meeting held each year. The agenda typically includes a short business meeting and an educational or social event.

#### **COMPENSATION:**

- Board Directors receive a 7% discount while they are on the Board.

#### **HELPFUL KNOWLEDGE, EXPERIENCE AND SKILLS FOR BOARD CANDIDATES:**

- The basic Co-op Principles (see attached), and the purpose, goals, and By-laws of the Co-op;
- The general workings of the Co-op;
- Knowledge of cooperative philosophy and movement;
- Understanding of natural foods and the grocery industry;

- Board-level policy development and decision-making experience;
- Previous experience on a Board of Directors, such as a community organization or business;
- Leadership, facilitation, and meeting management skills;
- Executive personnel management skills;
- Understanding and experience of business financial statements, budgets and profitability assessments;
- Understanding of the Board of Directors' role and responsibilities within the leadership and governance structure of the cooperative;
- Understanding of the roles and responsibilities of an individual Board member; and
- Ability to respect diverse viewpoints.

**RECOMMENDED PRIOR TO APPLYING:**

- Attend a minimum of one Board meeting to meet the members, see how the Board functions, and understand issues facing the Board;
- Read the SNF By-laws (can be found on SNF's website); and
- Request and read the minutes of the most recent Board of Directors meetings.

**CONTACTS:**

For questions regarding the board candidate process, contact: [info@slonaturalfoods.com](mailto:info@slonaturalfoods.com).

A completed Board Candidate Application can either be e-mailed to the address above, or mailed/dropped off at the SNF store. Please be sure to address the packet to the Board of Directors.



# SLO NATURAL FOODS CO-OP

## 2014 Board Candidate Application

Thank you for supporting your Co-operative by offering to serve on the Board of Directors. We, the current members of the Board, appreciate you taking the time to respond to these questions regarding your qualifications, interest, and commitment to serving. We invite you to include any information that you think would help us consider your nomination.

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CONTACTS (Circle the one that you would prefer we use for contacting you)

Home #: \_\_\_\_\_

Work#: \_\_\_\_\_

Cell #: \_\_\_\_\_

E-mail: \_\_\_\_\_

How many years have you lived in San Luis Obispo County? \_\_\_\_\_

How many years have you been a Member-Owner of the Co-op? \_\_\_\_\_

Do you belong to an organization that does business with or competes with the Co-op? \_\_\_\_\_

Please answer the following questions as thoroughly as possible, while keeping your answers to 200 words or less. We encourage you to be concise and thoughtful in each of your responses:

1. Biographical Information

a. Occupation:

b. Education:

c. Other interests:





# SLO NATURAL FOODS CO-OP

## STATEMENT OF AGREEMENT

**IF ELECTED TO BE A BOARD MEMBER YOU WILL SIGN THE STATEMENT OF AGREEMENT AT THE FIRST BOARD MEETING YOU ATTEND AS AN OFFICIAL DIRECTOR.**

### I. Code of Ethics

The Board of Directors of SLO Natural Foods Co-op adopts the following Code of Ethics to clarify any uncertainty regarding the authority of the Board. This Code of Ethics is proposed to create greater unanimity and closer coordination between Directors and among Directors, management, and employees.

To that end, we the Directors of SLO Natural Foods Co-op agree that:

- The **Board's authority** is limited to overseeing the affairs of the cooperative in a manner deemed beneficial to the cooperative as a whole. To do this, we employ a manager to be responsible for the overall and day-to-day management of the business under the direction of the Board and work with management to set the future direction of the Co-op. We are also responsible for carrying out other duties as provided by the By-laws or by general or specific corporate laws.
- Each **Director's authority** is equal only to the rights and authority of any individual owner of the cooperative except when the Board is in formal meeting. No individual Director may take action on behalf of the cooperative alone unless explicitly delegated that authority by action of the Board, and no individual Director has any particular rights to information not made available to all Directors.
- The **authority of the manager** is to manage the affairs of the cooperative. The manager shall employ, supervise, and discharge all employees, agents, and laborers and engage in all negotiations and discussions on behalf of the cooperative as necessary and/or directed by the Board.
- While Directors may **disagree** with a policy approved by or action taken by the majority of the Board, they will support that policy as being the considered judgment of the Board. An individual Director shall have the right to present further evidence and argument to the Board for further consideration in a manner consistent with the Board's practices. The Board shall have the duty to reconsider its actions appropriately.
- All Directors will maintain **confidentiality** as needed to protect the Co-op's interests and financial viability. This means that all Directors shall not discuss disputed or confidential corporate actions, policies, or issues with the Co-op's Owners, employees, or the general public unless all Directors agree that such information is no longer confidential. All issues related to personnel, real estate, market strategy and goals, pending litigation, and details of the Co-op's financial status will be considered sensitive issues subject to confidentiality unless or until full disclosure is approved by the Board as a whole.
- Directors **serve as representatives** of the cooperative. We shall conduct ourselves in a professional manner that fosters confidence and reflects positively on the Co-op, its Owners, and its staff. We respect



the rights of others – Directors, Staff, and Owners – to communicate their ideas free from interruption and without intimidation.

## **II. Code of Conduct**

As a Board Director, I pledge to do my best for SLO Natural Foods Co-op and will:

- Devote my time needed to fulfill the responsibilities of the position.
- Attend and actively participate in the Board’s monthly meetings, training sessions, and annual meeting to enhance Board understanding and cohesiveness.
- Be prompt, attentive, and prepared for all Board and committee meetings.
- Contribute to and encourage open, respectful, and thorough discussions by the Board.
- Consider the business of the Co-op and its Member-Owners to be confidential in nature.
- Disclose any personal or organizational conflict of interest that I may have and refrain from discussing or voting on any issues related to that conflict.
- Be honest, helpful, diligent, and respectful in my dealings with the Co-op, with other Directors, and with the Co-op’s management, staff, and Member-Owners.
- Refrain from becoming financially involved or associated with any business or agency that has interests that are, or could be perceived to be, in conflict with the Co-op's.
- Work for continued and increased effectiveness in the Co-op’s ability to serve its Member-Owners.
- Be a team player and agree to abide by the majority action of the Board, even if it is not my own personal opinion.
- Present the agreed-upon view of the Board of Directors, rather than my own, when I speak for the Co-op to employees, Member-Owners, shoppers, and the general public.
- Refrain from asking for special privileges as a Board member and from interfering with management’s authority.
- Work to ensure that the Co-op is controlled in a democratic fashion by its Member-Owners and that all elections are open, fair, and encourage the participation of all Member-Owners.
- Strive at all times to keep the Member-Owners informed of the Co-op’s status and plans and of the Board’s work, as appropriate.
- Continually seek to learn more about the Co-op and its operations and about my responsibilities as a Board member by pursuing educational opportunities.

## **III. Conflict of Interest**

*I affirm that, to the best of my knowledge, neither I, nor any of my affiliates (hereinafter defined) have any financial or other personal interest, direct or indirect, that is incompatible with the proper discharge of my fiduciary duties as a member of the Board of Directors of the Natural Foods Co-op or would tend to impair my independence, judgment or action in performance of my duties as Director, except as described below. I further affirm that, to the best of my knowledge, neither I nor any of my affiliates is an officer or managing agent of any municipal, state, federal, or private granting or contracting entity that provides or receives funds*

*or other benefits to or from the Natural Foods Co-op, except as described below. As used herein, I understand the term "affiliate" to mean any relative, business or professional partner or associate, or other person or entity (including without limitation any corporation or partnership in which I have a personal or financial interest) with whom I have any significant relationship.*

Conflict Disclosure: (continue on other side if needed)

**As a Co-op Director, I agree to abide by this agreement. I agree that if, in the opinion of the majority of the Co-op Directors, I have violated the letter or spirit of this agreement that I shall resign my position on the Board immediately.**

\_\_\_\_\_  
Printed Name of Co-op Director

\_\_\_\_\_  
Signature of Co-op Director

\_\_\_\_\_  
Date



## SLO Natural Foods Committees

- I. **Planning:** Work with General Manager (GM) on long term facility improvement and capital planning needs.
- II. **HR, Board development & recruitment:** Work with GM to create job descriptions for all positions with specific expectations and goals for each position, including customer service goals. Help with creation of new job descriptions for new hires and interviews. Work with GM for annual reviews for all employees, and 6 month (or sooner) reviews for new employees. Work to develop Board handbook and training on mission, vision and goals development.
- III. **Marketing: Immediate: Get the word out: New staff, store mission, increased options with more space, shoppers feel good about local sustainable healthy products.** Develop publicity schedule & a range of publicity resources (print media ads and articles, radio ads and call-in, flyers, social media, events, phone tree, etc.). Campaign message(s) & branding. Work on developing advertising key messaging: FOOD focused. Determine short description that we can all use consistently in messaging: The Natural Foods Co-op is where people go to know that they are getting the best available options of local, sustainably farmed, organic when possible, non-GMO food and natural supplements.
- IV. **GO LOCAL Business Development:** Find local sustainable Ag partners to showcase. Consider some type of weekly or monthly program to highlight particular products – olive oil, wine, herbs, coffee, juices, etc. Create added value for shoppers and local connections. Help tell a story of the local producers we highlight. (Poza farms, Mt. Olive Organic Farmers, etc).
- V. **Membership:** Help Reach 2014 Members sales goal. Help plan Annual Member-Owners Meeting. Evaluate pros and cons of current and alternative member benefit structures. Current costs of member discounts (see P&L statements), revenue collected from memberships, possible loss of members without % purchase discounts, member benefits that could be created (i.e. free coffee, special functions (cooking classes, CSA's, dinners at the Grange, movie nights...)). Discuss the creation dividend program.
- VI. **Finance:** Review Budgets. Create a template for 2014 reporting that includes Month compared to last year same month and also month compared to budget. Include projections for staff bonuses and other compensation increases.
- VII. **Volunteer:** includes exterior landscaping; soliciting member volunteers or other volunteers; identify volunteer leaders/skills; clarify liability or other conditions for volunteer work; prepare, distribute, and archive a liability waiver for volunteers; oversee scheduling of meetings of volunteer group(s); coordinate with logging of volunteer hours for SLO-Hours or other community exchange program or for Co-op equity membership; logging of volunteer donations (materials, tool use, etc.).

## **7 Cooperative Principles**

Cooperatives around the world generally operate according to the same core principles and values, adopted by the International Co-operative Alliance in 1995. Cooperatives trace the roots of these principles to the first modern cooperative founded in Rochdale, England in 1844.

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

Cooperatives are voluntary organizations, open to all people able to use its 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—those who buy the goods or use the services of the cooperative—who actively participate in setting policies and making decisions.

### **3. Members' Economic Participation**

Members contribute equally to, and democratically control, the capital of the cooperative. This benefits members in proportion to the business they conduct with the cooperative rather than on the capital invested.

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

Cooperatives are autonomous, self-help organizations controlled by their members. If the co-op enters into agreements with other organizations or raises capital from external sources, it is done so based on terms that ensure democratic control by the members and maintains the cooperative's autonomy.

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

Cooperatives provide education and training for members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperative. Members also inform the general public about the nature and benefits of cooperatives.

### **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 communities through policies and programs accepted by the members.