

Introduction to Board of Directors Membership

Viroqua Food Co+op
2017 Prospective Board Member Packet
Last Revision: May 2017





609 N Main St. Viroqua, WI 54665

May 2017

Dear Prospective Board Candidate,

On behalf of the Viroqua Food Cooperative's Board of Directors, thank you for expressing an interest in becoming a Board candidate. The VFC has experienced steady growth, positive financial success and a continued impact on the community's access to healthy, nutritious food. As our success continues, challenges and opportunities present themselves to improve the Co-op. As a Board, we are charged with directing and guiding the Co-op's path into the future. To complete the tasks ahead, we need committed, purposeful candidates to provide the will and foresight to take on these challenges.

The three major opportunities to be met in the coming years include:

1. completing the planned store expansion,
2. issuance of a new series of stock to help fund that expansion, and
3. continuing our mission of excellent performance while undergoing these efforts.

The process requires that you turn in your statement of interest, including answering the brief questionnaire on the back of this packet, by June 30th. Your answers will be inserted in our Autumn quarterly newsletter publication. Ballots are then distributed, and the vote concludes after 30 days at the Annual Owners Meeting on September 7th.

Please feel free to contact me directly to discuss any questions you may have regarding your interest, your potential role and duties as a VFC Board Member, or the time line for this process.

The Board looks forward to welcoming you to a Board meeting where you can meet the current members of the Board, see the Policy Governance model in action, and get a feel for the work that the Board of Directors undertakes.

Yours in Cooperation,

Michael Link
for the VFC Board of Directors
[mlink922@yahoo.com](mailto:mink922@yahoo.com)

Viroqua Food Co+op

2017 Prospective Board Member Packet

Thank you for expressing interest in becoming a candidate for the Board of Directors of the Viroqua Food Cooperative!

Now celebrating our 21st year, the VFC continues to benefit from the talents and dedication of many folks who serve as Board Members. Each autumn, the owners of our Cooperative elect two or three Board Members who are hardworking, skilled, and dedicated to the needs of the Co-op. These are people with the desire and enthusiasm to provide leadership for our valuable community project.

This packet includes information about the duties, responsibilities, and expectations of the VFC Board Members. Specifically, it includes the following:

- Board Requirements, Compensation & Workload
- Sample of Policy Governance Monitoring Schedule/Board Meeting Calendar
- Sample of Board Meeting Agenda
- Sample Financial Statement from FY 2015-16
- Board of Directors – Candidate Questionnaire *-This form is filled out by all 2017 Prospective Board Candidates, turned into the Co-op, and posted in the store as well as on the ballot.*

Becoming a Board Member is a serious undertaking. The Board provides leadership, vision, and guidance for our Cooperative. It ensures that the needs of the members are being met. We encourage anyone who is interested in serving on the Board to give it careful consideration. Prospective Board Candidates should consider the following information:

BOARD PROCESS & EXPECTATIONS

Board meetings are run by the President, or in her/his absence, the Vice President. Decisions are made with the greatest agreement possible, but as a democratic organization, a majority vote is occasionally necessary.

The Board uses Policy Governance to ensure con-

sistent accountability. This governance structure requires the Board to create policies that define the roles and responsibilities of the Board, the relationship of the Board to the General Manager, the limitations on the General Manager, and the purpose, mission, and strategies of the organization. We monitor performance relative to these policies. The system requires attention, practice and a small learning curve. Successful application allows the Board to better use its time focusing on ‘big picture issues.’

Personnel matters and certain business matters, like potential real estate purchases, discussed by the Board are confidential. Board Members are expected to maintain confidentiality. The Board deliberates with all voices at the table, and speaks with “one voice” once decisions are made; individual Board Members are expected to honor this when discussing matters with Co-op Owners or the public at large.

Board Members need basic financial knowledge to study the Co-op’s finances carefully. The knowledge is not a pre-requisite, however. If Board Members do not come in with this information, training is provided. The Board supports continuous improvement through development and training. We participate in the Cooperative Board Leadership and Development (CBLD) Program offered through Cooperative Development Services (CDS). New Board Members are required to attend one of their training sessions within the first year of their term. VFC is an active member of National Cooperative Grocers (NCG), a service co-op for retail food cooperatives.

Board structure, involvement, and duties vary greatly from organization to organization. We would like Prospective Board Members to have a fairly clear idea of what we do and what we don’t do. Please review the following list and contact Mike Link, VFC’s Board Vice President, with questions you may have.

BOARD REQUIREMENTS

- 3-year term commitment
- VFC membership paid in full and listed in candidate's name
- Work within framework of Policy Governance
- Do homework; come to meetings prepared
- Be respectful of others at meetings

The VFC Board does not:

- Sell or recommend services or products to GM or any other employees
- Direct or critique any VFC employees. Although the Board, as a unit, is the GM's Supervisor, no individual Board Member has any authority over the GM or any other employee
- Guide or otherwise participate in any operational functions, including goal setting or other planning

We encourage you to:

- Look over this entire packet
- Ask questions
- Observe a minimum of one Board meeting prior to election

BOARD COMPENSATION

Board Members receive a monthly stipend gift card to the Co-op. Current benefits are as follows:

- President: \$125/month
- all other Directors: \$100/month

BOARD WORK LOAD

Workloads vary from month to month, depending on assignments, committee projects, and work related to the office one holds, but expect to commit anywhere from 6-10 hours each month. We also hold a board retreat for one or two days each year and host the Annual Owner's Meeting in September or October.

Along with reviewing this packet, we encourage you to talk with current Directors and attend a Board meeting when considering running for the Board. While we take our position very seriously, we also strive to maintain a cheerful approach to our work.

Thank you for your interest in serving on the Board for the Viroqua Food Co-op!

Current VFC Board of Directors



Terms Ending 2017

Curt Brye, President
Michael Link, V. President

Terms Ending 2018

Eric Newman, Treasurer
Peter Bergquist, Secretary

Terms Ending 2019

Larry Homstad
Eric Snowdeal
Karen Mischel

What Makes a Co-op, a Co-op?

ABOUT COOPERATIVES

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise.

COOPERATIVE PRINCIPLES

Cooperatives operate according to seven basic principles. Six were drafted by the International Cooperative Alliance (ICA) in 1966, based on guidelines written by the founders of the modern cooperative movement in England in 1844. In 1995, the ICA restated, expanded and adopted the 1966 principles to guide cooperative organizations into the 21st Century.

1. VOLUNTARY & OPEN MEMBERSHIP

Co-operatives are voluntary organisations, 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

Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organised in a democratic manner.

3. MEMBER ECONOMIC PARTICIPATION

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members 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 their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

COOPERATIVE VALUES

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

4. AUTONOMY & INDEPENDENCE

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

5. EDUCATION, TRAINING & INFORMATION

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public – particularly young people and opinion leaders – about the nature and benefits of co-operation.

6. COOPERATION AMONG COOPERATIVES

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

7. CONCERN FOR COMMUNITY

Co-operatives work for the sustainable development of their communities through policies approved by their members.

Source: International Co-operative Alliance (ica.coop)

About the Viroqua Food Cooperative

OUR MISSION

The Viroqua Food Cooperative combines a commitment to natural foods, superior customer service and building a Cooperative business. We emphasize organic and local foods and products to promote the long-term health of individuals and the environment. As owner-members and as a center for community, we offer the opportunity to create together a work of enduring value.

OUR VISION

The Viroqua Food Cooperative is a successful, vibrant cooperative dedicated to its membership and community by providing products and services that promote diverse values.

OUR ENDS POLICY

Ends Policies are highest-level statements. They describe the desired outcomes that result from the Co-op's activities and give purpose to the entire organization. It creates a framework for management's development of measurements that provide the VFC community with a tangible way to see the value that our Co-op brings us. Progress towards achievement of the Ends is necessarily incremental and forward-looking, as they are conceived of as farreaching ideal states. With Ends, success is seen as a series of purposeful steps which are inevitably driven by long term plans.

OUR HISTORY

The Viroqua Food Co-op began as a natural foods buying club organized by a small group of individuals who worked together to provide their families with healthy foods. In the fall of 1995 we opened our first store in a rented space at 303 N. Center St. in Viroqua. Despite the limited space and out-of-the-way location, our little Co-op began to grow and thrive. In 1999 we renovated our modest space and expanded the retail space to 920 square feet to meet the needs of our growing membership. Just 10 years later, with an ever-growing membership, we completed construction of our current store at 609 N. Main St. with a retail space of 4,400 square feet, more than four and a half times greater! VFC now has more than 3,600 owners and employs 62 people.

While over 70% of sales come from our committed owner-members, everyone is welcome to shop at the Viroqua Food Co+op. The VFC strives to be an active partner in our community. We work to strengthen ties within the community and to provide healthy food buying options for Viroqua. We support dozens of local growers and producers by providing a retail outlet for their products. VFC contributes to our community by sponsoring educational events and donating to local organizations. We recognize that practicing good business citizenship supports the mission of our Co-op and will help raise the overall level of social and economic well being in our community.

VIROQUA FOOD CO-OP GLOBAL ENDS POLICY: VFC exists so that our community is empowered.

Our community:

- e1- has access to socially and environmentally responsible products and services and
 - e1.1- has access to healthy food.*
- e2- is knowledgeable about nutrition, consumer issues, and cooperative principles.
- e3- has a flourishing cooperative economy.
- e4- has a sustainable environment.

**VFC Board of Directors identifies e1.1 as the highest priority end.*

Balance Sheet	6/30/2016
Cash	420,617
Inventory	295,561
Other Current Assets	107,746
Total Current Assets	\$823,924
Property and Equipment, Net	1,474,711
Other Assets	198,424
Total Assets	\$2,497,059
Current Liabilities	623,188
Long-Term Debt	706,170
Total Liabilities	\$1,329,358
Owner Equity	1,196,304
Retained Earnings	-186,749
Retained Patronage	117,802
Additional Paid-in Capital	40,344
Total Equity	\$1,167,701
Total Liabilities & Equity	\$2,497,059

POLICY GOVERNANCE

The Board uses the Policy Governance model of organizing its efforts. This governance structure requires the Board to create policies that define the roles and responsibilities of the General Manager, and the purpose, mission and strategies of the organization. The task then becomes how to adequately monitor the performance of the Board and GM relative to these policies. This system requires attention and practice, and the VFC Board is working to improve, which will

free the Board to better use its time toward big picture issues – what the ownership wants, and how to make that happen responsibly. Individual Directors do not direct the operation of the store, supervise staff members, or speak for the Cooperative as a whole, except when the Board has authorized a Director as spokesperson.

Download our Board Policy Governance Manual at: www.viroquafood.coop/board-of-directors/board-minutes

VFC BOARD OF DIRECTORS POLICY MONITORING SCHEDULE

Last Revised January 2017

JANUARY

CBLD 101 Board of Directors Training
Discussion of GM Bonus

Policies to monitor:

L.1 – Treatment of Owner-Members & Customers

FEBRUARY

Annual Staff Party

Policies to monitor:

L.4.9 – Net Income Q2
G.6 – Committee Principles
M.2 – Delegating to GM

MARCH

Annual P6 Spring Tailgate Event
Board Budget for next Fiscal Year (FY)

Policies to monitor:

L.2 – Staff Treatment
M.1 – Speaking with One Voice
M.4 – Monitoring GM Performance
G.7 – Cost of Governance

APRIL

GM RFP on Compensation
Class C Dividend Declaration Language in the Minutes

Policies to monitor:

G.5 – Agenda Planning

MAY

GM Evaluation

Policies to monitor:

L.4.9 – Net Income Q3

JUNE

Policies to monitor:

L.3 – Financial Planning & Budgeting
L.7 – Compensation & Benefits
M.5 – GM Personnel Policies

JULY

New Fiscal Year Begins
Candidates Assembled
Summer Picnic
Complete & Compile BoD Self-Evaluation Results

AUGUST

BoD Review of Self-Evaluation
Ballots: Candidates &/or Bylaw Deadline
Annual P6 Summer Tailgate Event
Patronage Declaration w/Preliminary FY Numbers

Policies to monitor:

L.5 – GM Succession
L.6 – Asset Protection

SEPTEMBER

VFC Annual Officer Reports Due
Board Election Begins
Patronage Declaration
Annual Owners Meeting (if not in October)

Policies to monitor:

L.4 – Financial Condition & Activities
L.4.9 – Net Income Q4
M.3 – Accountability of GM

OCTOBER

Annual Report Published
New Board Member Orientation
Board Officer Assignments
Annual Owners Meeting (if not in September)

Policies to monitor:

L.8 – Communication & Support to Board
G.1 – Governing Style
G.8 – Board Relationship to Owner-Members

NOVEMBER

Board Retreat 2016, 2017, 2018
Extra Meeting Time for Ends Reporting

Policies to monitor:

L.4.9 – Net Income Q1
G.2 – Board Job Description
G.3 – Code of Conduct
G.4 – Role of Board Officers

DECEMBER

Winter Celebration Dinner
Board, GM, Management Team & Guests

Policies to monitor:

E.1 – Ends Policy



Present:
 Phoned In:
 Absent:

Time & Amount	Topic / actions	Related Document(s)	Desired Outcome	Presenter
6:00pm 30mins	Light Dinner – and beverages served at 6pm		Eat, drink, and enjoy!	
6:30pm 10mins	Welcome to guests / visitors: BoD Candidate attends meeting	Candidate profile	Visitors, guests have a few minutes to introduce themselves and the intent for their visit, make a brief presentation	
6:40pm 5mins	Check in - Go around on state of mind; affirmation of preparedness to act		Everyone has a sense of the state of mind of others present and have affirmed they came prepared and ready to act	Curt
6:45pm 2mins	Review Agenda – add any consent items to agenda that need discussion at this time		All present understand flow of meeting	Curt
6:47pm 3mins	Consent items: 1. Approval of August minutes o Action Items reviewed	1. August 2016 DRAFT minutes	<i>Items needing discussion get moved into new business</i> 1. Action items are confirmed completed, minutes approved	Curt
6:50pm 30mins	FYI: Update from GM	GM FYI report	BoD and GM has opportunity to converse on key issues	
7:20pm 20mins	BoD Learning Initiative and Expansion Project Preparedness Reading Mission and Ends Study Topic – 1. CDS , Creating a Development Budget – Sources and Uses 2. Re-Cap of LW's monthly teleconference	SharePoint>VFC Policy Governance>Mission, Ends, Vision, Goals 1. Find the link on SharePoint 2. Word document in <u>SharePoint</u>	To link Board work with our stated objectives 1. View the video in <u>SharePoint</u> for learning, discussion and information 2. Summary of main points discussed by Leslie, Jan & Curt	Curt
7:40pm 10mins	Executive Limitations monitoring – GM 1. L.4 Financial Condition & Activities 2. L.4.9 Net Income Q4 & Total Year	1. L.4 Policy Report 2. L.4.9 Policy Report	Board decides whether: -GM's interpretations are reasonable -There is data to determine compliance -If the data indicates compliance -Board agrees with GM's assertions of compliance	Jan



Present:
 Phoned In:
 Absent:

Time & Amount	Topic / actions	Related Document(s)	Desired Outcome	Presenter
7:50pm 5mins	Governance Process monitoring – BoD M.3 Accountability of GM	M.3 Policy	Board decides if its own performance is in line with its expectations for itself expressed in policy	Curt
7:55pm 15mins	Old Business 1. Expansion Policy approval 2. CBL 101 2016 BoD Self-Evaluation Survey and responses from open ended area.	1. VFC Expansion Policy draft in <u>SharePoint</u> 2. n/a Survey results in <u>SharePoint</u>	1. Board reviews & approves draft Expansion Policy 2. Peter & Karen M. to attend CBL 101 board training in Minneapolis, Sept. 24, 2016. 3. Review summary of OE responses. BoD members/GM each take a section to briefly summarize and identify area of focus for improvement. <ul style="list-style-type: none"> • Teaming • Accountable Empowerment • Strategic Leadership • Democracy 	Curt/Jan Curt Curt <ul style="list-style-type: none"> • Curt/Leslie • Mike/Luke • Eric/Larry • Peter/Jan
8:10pm 15mins	New Business 1. Patronage Declaration FY15-16 2. Annual Owners Meeting: Agenda, BoD roles, Reports, Expansion Update 3. P6 Tailgate Event August 27,2016 VFC table at Vernon Co. Fair	1. GM FY15-16 Recommendation 2. AOM Agenda 3. n/a n/a	1. BoD acts on FY15-16 Patronage Recommendation from GM. 2. BoD reviews meeting agenda, assigns roles, & report deadlines for AOM on Oct. 5, 2016. 3. Board members re-cap results. VFC information table at Vernon Co. Fair – Sept. 17-20, 2016	Curt/Jan Curt Curt Curt
8:25pm 5mins	Member communication	• Pea Soup author assignment Winter issue:	• BoD reviews what's needed for member communication in Newsletter Review themes for Newsletter issue (none needed for this meeting)	Curt/ President's Report to Owners
8:30pm	Closed Session		None scheduled	
8:30pm	Adjournment Thank you			

BOARD OF DIRECTORS – CANDIDATE QUESTIONNAIRE

Please answer the following questions and email your responses to the VFC Board of Directors Vice President Mike Link at: mlink922@yahoo.com
Your answers will be shared with the membership both in store and on the ballot.

Name: _____

Why are you interested in serving on the VFC's Board of Directors?

What skills and experiences would you bring to this job? Be sure to note any relevant business background, financial skills, co-op experience and/or leadership experience you possess.

What do you feel are the biggest challenges facing the Viroqua Food Co+op in the next 2 years?

What is your favorite thing to buy at the VFC?