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POLICY A: ENDS

The mission of the Willimantic Food Co-op, as a community-based, member-owned retail consumer cooperative is to provide nutritious, local, high quality, affordable foods and other products. The Willimantic Food Co-op is committed to the promotion of cooperative principles and enterprises.

POLICY B: EXECUTIVE LIMITATIONS

The General Manager will not cause nor allow any practice, activity, decision or organizational circumstance that is either unlawful, imprudent, or in violation of commonly accepted business and professional ethics, or that violates our cooperative values and principles.

POLICY B.1: STAFF TREATMENT AND COMPENSATION

The General Manager will not treat staff in any way that is unfair, unsafe, or unclear.

The General Manager will not:

1. Operate without written personnel policies that:
 - a. Clarify rules for staff.
 - b. Provide for fair and thorough handling of grievances.
 - c. Are accessible to all employees.
 - d. Inform staff that employment is neither permanent nor guaranteed.
2. Cause or allow personnel policies to be inconsistently applied.
3. Provide for inadequate documentation, security and retention of personnel records and all personnel related decisions.
4. Establish compensation and benefits that are internally or externally inequitable.
5. Change the General Manager's own compensation and benefits, except as his or her benefits are consistent with a package for all other employees.

POLICY B.2: FINANCIAL PLANNING

The General Manager shall not cause or allow business planning and budgeting, for any fiscal year or the remaining part of any fiscal year to deviate materially from the Board's Ends priorities, risk financial jeopardy, or fail to be derived from a multiyear plan.

The General Manager will not cause or allow plans that:

1. Risk incurring those situations or conditions described as unacceptable in the Board policy "Financial Condition and Activities Policy B.3."
2. Omit credible projection of revenues and expenses, owner investment and return, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
3. Provide less for prerogatives or initiatives set forth by the board.
4. Are not updated annually.

POLICY B.3: FINANCIAL CONDITION and ACTIVITIES

With respect to operating the cooperative in a sound and prudent manner, the General Manager may not jeopardize the long-term financial health of the cooperative. The General Manager shall not cause or allow the development of fiscal jeopardy or material deviation of actual expenditures from Board priorities established in Ends policies.

The General Manager will not:

1. Allow sales to decline or be stagnant where we believe the market has potential for growth.
2. Allow operations to generate an inadequate net income
3. Allow liquidity, or the ability to meet cash needs in a timely and efficient fashion, to be insufficient.
4. Allow solvency, or the relationship of debt to member/owners' equity, to be insufficient.
5. Incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.
6. Acquire, encumber or dispose of real estate.
7. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
8. Allow late payment of contract, payroll, loans or other financial obligations.

9. Use restricted funds for any purpose other than that required by the restriction.
10. Allow financial record keeping systems to be inadequate or out of conformity with GAAP.

POLICY B.4: ASSET PROTECTION

The General Manager will not cause or allow the cooperative's assets to be unprotected, inadequately maintained, or unnecessarily risked.

Accordingly, the General Manager will not:

1. Allow equipment and facilities to be inadequately insured or otherwise be unable to be replaced if damaged or destroyed, including coverage for any losses incurred due to business interruption.
2. Allow unnecessary exposure to liability or lack of insurance protection from claims of liability.
3. Allow inadequate security of premises and property.
4. Allow data, intellectual property, or files to be unprotected from loss, theft or significant damage.
5. Allow improper usage of members' and customers' personal information.
6. Allow uncontrolled purchasing or purchasing subject to conflicts of interest.
7. Allow lack of due diligence in contracts.
8. Allow damage to the Cooperative's public image.
9. Make capital expenditures, sell capital assets or enter into leases exceeding \$20,000 in value without Board approval. If an emergency situation requires an unplanned purchase of assets above the said amount, the General Manager will report it at the next regularly scheduled Board meeting.

POLICY B.5: COMMUNICATION AND COUNSEL TO THE BOARD

With respect to providing information and counsel to the Board, the General Manager may not cause or allow the Board to be uninformed or misinformed.

Accordingly, the General Manager may not fail to:

1. Make the board aware of relevant trends, public events of the organization, or internal and external changes that affect the assumptions upon which Board policy has previously been submitted.
2. Provide accurate, timely and understandable monitoring reports and related data.
3. Report actual or anticipated non-compliance with Ends or Executive Limitations policies.
4. Advise the board if, in the General Manager's opinion, the board or one of its members is not in compliance with the board's policies on Board process or Board/General Manager Relationship.

POLICY B.6: EMERGENCY MANAGEMENT SUCCESSION

To protect the Board from sudden loss of General Manager Services, the General Manager shall not have less than one other manager sufficiently familiar with Board and General Manager issues and processes to enable her/him to take over with reasonable proficiency as an interim successor.

To ensure this, the General Manager will not fail to:

1. Maintain an updated emergency succession plan and notify the board of any changes to the plan.

POLICY B.7: CUSTOMER SERVICE AND VALUE

The General Manager will not fail to offer good value in our products and services.

Accordingly, s/he may not fail to:

1. Provide high quality products as inexpensively as possible.
2. Provide education and information concerning nutrition and agricultural practices with the aim of supporting alternative patterns of production, consumption and use.
3. Ensure that all merchandising and marketing practices be honest.
4. Provide a safe and pleasant shopping experience for our customers.
5. Establish and operate a system for soliciting and considering customer opinion regarding preferences, product requests, complaints and suggestions.

POLICY B.8: MEMBERSHIP

In order to promote a vital membership program that builds a sense of ownership and invites participation among members, the general manager will not:

1. Fail to ensure maintenance of accurate and current member records including name, addresses, equity payments and eligibility for benefits and voting.
2. Allow unauthorized use of membership information.
3. Change the membership equity requirement or the membership benefits.
4. Fail to provide opportunities for members to participate in the cooperative.
5. Fail to make adequate membership information and application materials readily available.
6. Fail to publish a quarterly newsletter.

POLICY B.9: BOARD LOGISTICAL SUPPORT

In order to support the board in fulfilling its duties and responsibilities, the GM shall not fail to:

1. Provide adequate information and notice to members concerning Board actions, meetings, elections, activities and events, as directed b the Board.
2. Maintain an updated and current copy of the Board Policy Register and Bylaws at the same store location and on-line for viewing by Coop members.
3. Provide support for board meetings, retreats, member/annual or special meetings:
 - a. Arrange for a meeting location sufficient to comfortably and safely accommodate meetings.
 - b. Assist the Board in procuring a volunteer scribe from the membership.
4. Assure that all official board records are safely archived for a period consistent with legal requirements.

POLICY C: BOARD-GENERAL MANAGER RELATIONSHIP

The Board's official connection to the operational aspects of the Cooperative, its achievements, conduct, and staff will be through the General Manager.

POLICY C.1: UNITY OF CONTROL

Only officially passed motions of the Board are binding on the GM.

1. Decisions or instructions of individual directors, officers, or committees are not binding on the GM except in rare instances when the Board has specifically authorized this power.

2. In the case of directors or committees requesting information or assistance without Board authorization, the GM can refuse any requests that, in the GM's opinion, may disrupt operations or that require too much staff time or resources.

POLICY C.2: ACCOUNTABILITY OF THE MANAGER

The General Manager is the Board's only link to operational achievement and conduct.

1. The Board will view GM performance as identical to organizational performance so that the Cooperative's accomplishment of Board-stated ends and avoidance of Board-proscribed means will be viewed as successful GM performance.
2. The Board will not instruct or evaluate any employee other than the GM.

POLICY C.3 DELEGATION TO THE MANAGER

The Board delegates authority to the GM through written Ends and Executive Limitations policies.

1. As long as the GM uses any reasonable interpretation of the Board's Ends and Executive Limitations policies, the GM is authorized to establish all further policies, practices and plans for the cooperative.
2. The Board will respect and support the GM's choices as long as those choices are based on reasonable interpretations of Board policies.
3. If the Board changes an Ends or Executive Limitations policy, the change only applies in the future.

POLICY C.4: MONITORING MANAGER PERFORMANCE

The Board will systematically and rigorously monitor and evaluate the GM's job performance. Monitoring is how the Board determines the degree to which the GM is following Board policies. Information that does not directly relate to Ends or Executive Limitations policies is not monitoring information.

1. The Board will acquire monitoring information by one or more of three methods: (a) by internal report, in which the GM discloses interpretations and compliance information to the Board; (b) by external report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies; or (c) by direct Board inspection, in which a designated director or committee assesses compliance with the policy criteria.

2. In every case, the standard for compliance will be any reasonable GM interpretation (as described by operational definitions and metrics) of the Board policy being monitored. The Board is the final arbiter of reasonableness but will always judge with a “reasonable person” test rather than with interpretations favored by individual directors or by the Board as a whole.
3. The GM is compliant with a policy if he/she presents a reasonable interpretation and adequate data that demonstrate accomplishment of that interpretation.
4. The Board will monitor all policies that instruct the GM. The Board can monitor any policy at any time by any method but will ordinarily follow the schedule outlined in the Board Annual Calendar.
5. The Board’s annual evaluation of the General Manager, based on a summary of monitoring reports received from *January 1* through *December 31*, will be completed by *April 1*. The Board will make its decisions concerning the evaluation and the employment contract no later than *April 1*.
6. The Board will complete the GM compensation review process no later than *October 1*.

POLICY D: BOARD PROCESS

The Board of Directors act as trustees on behalf of the members’ ownership interest in the Cooperative and shall assure that the purpose, mission and principles of the Cooperative are properly carried out on behalf of the membership. The Board has fiduciary and legal responsibility to the members.

POLICY D.1: GOVERNING STYLE

We will govern in a way that emphasizes empowerment and clear accountability. In order to do this, we will:

1. Focus our vision outward and toward the future
2. Observe the 10 Policy Governance principles
3. Maintain group discipline, authority and responsibility
4. Clearly distinguish Board and General Manager roles
5. Encourage diverse viewpoints
6. Obey all relevant laws and bylaws.

POLICY D.2: THE BOARD’S JOB

In order to govern successfully, we will:

1. Create and sustain a meaningful relationship with member-owners.

2. Hire, compensate, delegate responsibility to, and hold accountable a General Manager. (See C. Board GM Relationship Policies)
3. Have expectations in the form of written governing policies that realistically address the broadest levels of all organizational decisions and situations. We will write these policies in the form of Ends, Executive Limitations, Board Process, and Board-Management Relationship, as described in the Policy Governance principles.
4. Monitor operational performance in the areas of Ends and Executive Limitations, and Board performance in the areas of Board Process and Board-Management Relationship.
5. Perpetuate the Board's leadership capacity using ongoing education, training and recruitment.

POLICY D.3: AGENDA PLANNING

We will follow an annual agenda that focuses our attention upward and outward.

1. Our annual governance cycle will run from *January 1* to *December 31*. We will create, and modify as necessary, an annual calendar that includes the items mentioned in this policy, membership meetings, Board training schedule, monitoring schedule, and the GM evaluation and compensation decisions as outlined in our Board-Management Relationship policies.
2. Throughout the year, we will attend to consent agenda items as expeditiously as possible. We will limit the amount of meeting time taken up by monitoring reports, discouraging discussion unless the reports indicate policy violations, or the policy criteria themselves need review.
3. When possible, announcement of the executive session should be on the published agenda.

POLICY D.4: BOARD MEETINGS

Board meetings are for the task of getting the Board's job done.

1. We will use Board meeting time only for work that is the whole Board's responsibility. We will avoid committee issues, operational matters and personal concerns.
2. Meetings will be open to the membership except when executive session is officially called.
3. We will use Robert's Rules of Order.
4. The meeting agenda will be determined by the Board president, and may be modified at the meeting by a majority vote of the Board.

POLICY D.5: DIRECTOR'S 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. A director who applies for employment must first resign from the Board.
 - 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 and when their employment ends.
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.
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 shall resign from the Board if requested to do so by a 2/3 majority vote of the remaining Board.

POLICY D.6: OFFICER'S ROLE

We will elect officers in order to help us accomplish our job.

1. No officer has any authority to supervise or direct the GM.
2. Officers may delegate their responsibilities, as outlined in the bylaws, but will remain accountable for seeing these responsibilities carried out.
3. The president ensures the Board acts consistently with Board policies.

- a. The president is authorized to use any reasonable interpretation of the provisions in the Board Process and Board-Management Relationship policies.
 - b. The president will chair and set the agenda for Board meetings in collaboration with the General Manager.
 - c. The president plans for leadership (officer) perpetuation,
 - d. The president may represent the Board to outside parties.
4. The vice-president will perform the duties of the president in her/his absence.
 5. The treasurer will lead the Board's process for creating and monitoring the Board's (not the Cooperative's) budget in addition to all responsibilities outlined in bylaws.
 6. The secretary will:
 - a. Make sure the Board's documents are accurate, up to date, and appropriately maintained in addition to all responsibilities outline in bylaws.
 - b. Provide Board Members with an updated copy of the Policy Register and the Bylaws.
 - c. Ensure that a notice of upcoming Board meetings, including their time and place, is prominently displayed within the store not less than 10 days before each meeting.
 - d. Ensure that a set of Board meeting minutes from the last 12 months is available in a prominent store location.
 - e. Prepare and provide a copy of the Board-meeting packet to all Board members.

POLICY D.7: BOARD COMMITTEE PRINCIPLES

We will use Board committees only to help us accomplish our job.

1. Committees will reinforce and support the wholeness of the Board.
2. Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes.
3. The Board will establish, regularly review and control committee responsibilities.

POLICY D.8: GOVERNANCE INVESTMENT

We will invest in the Board's governance capacity.

1. We will make sure that Board skills, methods and supports are sufficient to allow us to govern with excellence.
2. We will incur governance costs prudently, though not at the expense of endangering the development and maintenance of superior capability.
 - a. We will use training and retraining liberally to orient new directors and candidates for membership, as well as to maintain and increase existing directors' skills and understanding.

- b. We will arrange outside monitoring assistance as necessary so that the Board can exercise confident control over organizational performance.
 - c. We will use outreach mechanisms as needed to ensure our ability to listen to owner viewpoints and values.
 - d. We will use professional and administrative support.
3. We will develop the Board's annual budget in a timely way so as to not interfere with the development of the Cooperative's annual budget. In no case will we complete this work later than October 1.

APPENDICES

1. Annual Calendar
2. Bylaws
3. GM Performance Evaluation Form
4. Policy Governance Source Document
5. 10 Principles of Policy Governance
6. Board Contact Information
7. Potential Board Candidate Application / Questions
8. Potential Board Candidate Cover Letter

**Willimantic Food Co-op
Board Calendar**

<p align="center">January</p> <ul style="list-style-type: none"> • Board Policy C.1 • GM Policy: Staff Treatment and Compensation • Find candidates to run for Board • CBDL Retreat 	<p align="center">February</p> <ul style="list-style-type: none"> • Board Policy C.2 • GM Policy: Financial Condition (4th 1/4, year end) • Generate candidate bios and ballots for Board election • Co-op Birthday 	<p align="center">March</p> <ul style="list-style-type: none"> • Board Policy C.3 • GM Policy: Ends • Plan Annual Meeting • GM Review • Develop new Board packets and plan orientation
<p align="center">April</p> <ul style="list-style-type: none"> • Board Policy C.4 • GM Policy: Asset Protection • Hold Annual Meeting • Schedule Board retreat 	<p align="center">May</p> <ul style="list-style-type: none"> • Board Policy D.1 • GM Policy: Financial Condition (1st 1/4) • Elect Officers • Establish Board meeting schedule • Plan Board retreat 	<p align="center">June</p> <ul style="list-style-type: none"> • Board Policy D.2 • GM Policy: Emergency Management Succession
<p align="center">July</p> <ul style="list-style-type: none"> • Board Policy D.3 • GM Policy: Customer Service • Board Retreat 	<p align="center">August</p> <ul style="list-style-type: none"> • Board Policy D.4 • GM Policy: Financial Condition (2nd 1/4) • Board Budget (to be completed by October 1st) 	<p align="center">September</p> <ul style="list-style-type: none"> • Board Policy D.5 • GM Policy: Membership
<p align="center">October</p> <ul style="list-style-type: none"> • Board Policy D.6 • GM Policy: Board Logistical Support and Communication and Counsel to the Board 	<p align="center">November</p> <ul style="list-style-type: none"> • Board Policy D.7 • GM Policy: Financial Condition (3rd 1/4) • WAIM Walk for Warmth 	<p align="center">December</p> <ul style="list-style-type: none"> • Board Policy D.8 • GM Policy: Financial Planning

WILLIMANTIC FOOD CO-OP, INC.
BY-LAWS
June 1, 2008

Revised and Amended from the June 25, 2006 Version by a Vote of the
Membership

Article I: Organization

Section 1.1: Purposes

As more fully stated in its amended and restated certificate of incorporation, the purpose of the Co-op is to operate a retail food cooperative for the primary and mutual benefit of the members of the co-op as patrons of its goods and services. The co-op is organized and shall be operated exclusively on a nonprofit and cooperative basis.

Section 1.2: Cooperative Principles

The Co-op shall be operated in accordance with cooperative principles, including the following:

- (a) open and voluntary membership without artificial restriction or arbitrary discrimination;
- (b) democratic governance with equal voting rights among members and opportunity for participation in important decisions affecting the Co-op;
- (c) strictly limited monetary return on member-provided capital;
- (d) earnings equitably applied to development of the business or provision of common services;
- (e) education of members and the general public in the principles of cooperation; and
- (f) active cooperation in every practical way with other cooperative organizations.

Section 1.3: Operating Year

The operating year of the Co-op shall coincide with the calendar year.

Section 1.4: Principal Office

The principal office of the Co-op shall be at 91 Valley Street in Willimantic, Connecticut.

Article II: Membership

Section 2.1: Admission

Membership in the Co-op shall be voluntary and open to any individual who is in accord with its purposes, will use its services, and is willing to accept the responsibilities of membership.

Applicants will be admitted to membership upon submitting required information, paying an initial fee and paying, or agreeing to pay in installments, the issuing price of a Member Capital Certificate. In case of doubtful eligibility, membership shall be subject to approval by the Board of Directors.

Section 2.2: Rights

Each member shall be entitled to make purchases from the Co-op on terms generally available to members, to participate in the governance of the Co-op as set forth in these by-laws and to receive a copy of these by-laws. Members may also contribute labor or service to the operational needs of the Co-op and thereby be entitled to receive discounts on their purchases. All issues involving major policies, fundamental changes and financial rights and interests of members must be decided or approved by members.

Section 2.3: Inactive Status

A member who becomes delinquent by three months in meeting his or her capital payment obligation, or who fails to keep the Co-op advised of his or her current address as evidenced by two successive meeting notices having been returned by the post office as undeliverable, shall be placed into inactive status. A member in inactive status may attain active status upon resuming regular payments and paying a reinstatement fee, if any, as determined by the Board or by resuming communication with the Co-op and providing correct contact information. Reference in these by-laws to the rights and entitlements of members, other than the right to redemption of capital funds, shall be understood to refer only to active members.

Section 2.4: Access to Information

Members shall be provided reasonably adequate and timely information as to the organizational and financial affairs of the Co-op. Members shall, in accordance with applicable law, be provided access to records and reports of the Co-op during regular business hours pursuant to a request made in good faith and for a proper purpose, provided that the request describes with reasonable particularity the purpose, the records to be inspected, and the connection of the records to such purpose. Information that is sensitive may be provided in a manner that best safeguards its sensitive character.

Section 2.5: Settlement of Disputes

In any dispute between the Co-op and any of its members or former members which cannot be resolved through informal negotiation, it shall be the policy of the Co-op to prefer the use of mediation whereby an impartial mediator may facilitate negotiations between the parties and assist them in developing a mutually acceptable settlement. No party with a grievance against the other shall have recourse to litigation until the matter is submitted to mediation and attempted to be resolved in good faith.

Section 2.6: Termination

Membership may be terminated voluntarily by a member at any time upon notice to the Co-op. Membership may be terminated for cause by the Board of Directors provided that the member is given opportunity to respond to the charges in person or in writing. Upon termination of membership for any reason, all rights and interests in the Co-op shall cease except for rights to redemption of capital pursuant to Article VII of these by-laws.

Article III: Meetings of Members

Section 3.1: Annual Meeting

An Annual meeting of members shall be held, whenever practicable, during the second quarter of the operating year at any place convenient to members. The time and place of the meeting shall be determined by the Board of Directors. The purpose of the meeting shall be to hear reports on the operations and finances of the Co-op, to elect directors and to conduct such other business as may properly come before the meeting.

Section 3.2: Special Meetings

Special meetings of members may be called by the Board or by the President. A special meeting shall be called within fifteen days of receipt of petitions signed by at least five percent of all members which state any proper business to be brought before the meeting.

Section 3.3: Notice

Written notice of the time and place of any meeting of members, together with a statement of the purposes of such meeting, shall be mailed to each member not less than ten nor more than fifty days before the date of the meeting. At a special meeting of members, no other business than that stated in the notice shall be transacted.

Section 3.4: Quorum and Voting

The presence of twenty-five members shall be necessary and sufficient to constitute a quorum for the transaction of business at any meeting of members. Each member shall have one vote on each matter submitted to a vote of members. Proxy voting shall not be permitted. Unless otherwise required by law or by these by-laws, issues shall be decided by two-thirds majority vote or, in the case of the election of directors or where two or more options are presented on a single issue, by plurality vote. Meetings of members shall be conducted in conformity with generally-accepted rules of parliamentary procedure.

Section 3.5: Balloting by Mail

The Board of Directors may authorize balloting by mail in conjunction with a meeting of members through procedures that are designed to assure fairness of the process, secrecy of ballots, and convenience to members. In such event, the notice of the meeting shall include a ballot and a full description of the issue to be voted upon. Ballots shall be returned either by mail or in person at the store during the month proceeding the date of a meeting of members. Submission of such a ballot shall be equivalent to presence in person at a meeting of members with respect to the issue covered by the ballot, and votes cast by ballot shall be counted together with votes cast in person at the meeting.

Section 3.6: Issues Submitted by Members

Notices of a meeting of members shall include any proper issues submitted by petition of not less than fifty members. Petitions must be received at the principal office of the Co-op not less than two months before the date of the meeting.

Article IV: Board of Directors

Section 4.1: Powers and Duties

Except as to matters reserved to members by law or by these by-laws, the business and affairs of the Co-op shall be directed and controlled in the interests of members by the Board of Directors (sometimes referred to in these by-laws as “the Board”). The powers and duties of the Board shall include, but not be limited to, engaging store managers and monitoring and evaluating their performance, overseeing the operations of the Co-op, establishing budgets and fiscal controls, securing good conditions of employment and assuring that the purposes of the Co-op are properly carried out.

Section 4.2: Classification, Election, and Terms

The Board shall consist of not less than five nor more than eleven consumer directors, one management director and one staff director. All directors shall be members of the Co-op. Consumer directors may be nominated by the Board, or by petition of not less than ten members. Consumer directors shall be elected at the annual meeting of members to serve for terms of three years or until election of their successors. Terms of consumer directors shall be staggered so that as nearly as may be possible, one-third of such terms shall expire in each year. The management director shall be nominated and elected by managerial employees from their number and the staff director shall be nominated and elected by non-managerial employees from their number. Terms of management and staff directors shall be one year or until election of their successors.

Section 4.3: Standards of Conduct

Directors are responsible at all times for discharging their duties in good faith, in a manner which they reasonably believe to be in the best interests of the Co-op, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.

Section 4.4: Contracts for Profit

Except for employment contracts in the case of management and staff directors, no director shall, during her or his term of office, be a party to a contract for profit with the Co-op differing in any way from the business relations accorded each member or upon terms differing from those generally current among members.

Section 4.5: Conflicts of Interest

Directors shall be under an affirmative duty to disclose the existence and nature of, and all material facts concerning, any actual or potential conflicts of interest they may have in any matter under consideration by the Board or by a committee exercising any authority of the Board. Such matter shall be made a matter of record in the minutes of the meeting. Directors having such an interest may not participate in the decision of the matter nor in discussions leading to decision of the matter.

Section 4.5A: Indemnification

In order to attract and retain qualified persons to serve as directors and officers, the Co-op shall indemnify its directors and officers as required by Connecticut law and may indemnify its directors and officers as permitted by Connecticut law, subject to its amended and restated certificate of incorporation. Indemnification payments shall be made on a priority basis but only in such increments and at such times as will not jeopardize the ability of the Co-op to pay its

other obligations as they become due. All indemnification payments shall be reported to members at the next-scheduled meeting of members.

Section 4.6: Committees

The Board may designate standing or special committees and appoint committee members to advise the Board and to exercise such authority, as the Board shall designate. Such committees shall consist only of members of the Co-op and shall, whenever practicable, include at least one director.

Section 4.7: Termination

The term of office of a director may be terminated prior to its expiration in any of the following ways: (1) voluntarily by a director upon notice to the Co-op; (2) automatically upon termination of membership in the Co-op or upon termination of employment in the case of management and staff directors; and (3) involuntarily, with or without cause, by the members entitled to vote for the election of such person or, in the case of a director appointed by the Board, by the Board, provided in either case that removal is at a meeting the notice for which states that the purpose, or one of the purposes, of the meeting is to remove the director. A Director who fails to attend three consecutive Board Meetings, unless excused by the Board, shall be presumed to have resigned.

Section 4.8: Vacancies

Any vacancy among directors occurring between regularly scheduled times for election of directors shall be filled for the balance of the unexpired term by the Board in the case of consumer director positions, by managerial employees in the case of the management director position, and by non-managerial employees in the case of the staff director position.

Article V: Meetings of the Board

Section 5.1: Meetings

A regular meeting of the Board of Directors shall be held, without any other notice, immediately after the annual meeting. The Board may determine the times and places of additional regular meetings. Special meetings shall be called upon request of at least three directors. Meetings of the Board should, whenever practicable, be held at least once every month.

Section 5.2: Notice

Meetings called by the Board shall require no further notice than the decision of the Board. All other meetings shall require written or oral notice to all directors. Written notice shall be delivered not less than ten days before the date of the meeting and oral notices in person or by telephone shall be given not less than three days before the date of the meeting. Notices of meeting of the Board shall also be posted in a timely manner and in a conspicuous place at the principal office of the Co-op, but an inadvertent failure to do so shall not affect the validity of the meeting.

Section 5.3: Quorum

The presence in person at the opening of the meeting of a majority of directors shall be necessary and sufficient to constitute a quorum for the transaction of business at any meeting of the Board.

Section 5.4: Decision-making

Directors shall strive to reach consensus on all issues. If after diligent efforts, the majority is of the opinion that consensus cannot be reached on a particular issue, resort may be taken to majority voting.

Section 5.5: Action Without a Meeting

Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a written consent to the action is signed by all directors and filed with the minutes of meetings.

Section 5.6: Referendum

At the request of three or more directors, a decision of the Board shall be referred to a meeting of members. A decision referred to members will stand until annulled or modified by members. Modification of members shall not impair rights previously acquired by third parties.

Section 5.7: Open Meetings

Meetings of the Board of Directors and of all committees shall be open to all members of the Co-op, and members are encouraged to attend and share their concerns about issues on the meeting agenda. Sessions of a board or committee meeting may be closed only as to issues of a particularly sensitive nature. Such closed session shall be for purposes of discussion only and no decisions shall be made in closed session.

Article VI: Officers

Section 6.1: Designation

The officers of the Co-op shall consist of President, Vice president, Treasurer, Secretary, and such other officers or assistant officers as may be determined by the Board. The President, Vice President and Secretary shall be directors.

Section 6.2: Election, Term, and Removal

Officers shall be elected by the Board of Directors. Officers shall serve for terms of one year or until election of their successors. Officers may be removed by the affirmative vote of no less than a majority of all directors at any time whenever the best interests of the Co-op would thereby be served.

Section 6.3: Duties

Officers shall have the following duties and such additional duties as are determined by the Board:

- (a) The President shall coordinate the activities of the Board, shall present a report to the annual meeting on the organizational affairs of the Co-op, and shall, as authorized by the Board, sign formal documents on behalf of the Co-op.

- (b) The Vice President shall oversee the maintenance of membership records, shall perform the duties of the President in her or his absence, and shall, as requested, assist the President in the performance of her or his duties.
- (c) The Treasurer shall monitor the financial affairs of the Co-op and the filing of all required reports and returns, shall present a report to the annual meeting on the financial affairs of the Co-op, and shall, as authorized by the Board, sign formal documents on behalf of the Co-op.
- (d) The Secretary shall oversee the issuance of required notices and the keeping of minutes of Board and member meetings, shall be responsible for maintaining and authenticating records of the Co-op, and shall, as authorized by the Board, sign or attest to formal documents on behalf of the Co-op.

Article VII: Member Capital Certificates

Section 7.1: Issuance

To evidence capital funds provided by members, the Co-op shall issue Member Capital Certificates. Certificates shall be issued only upon full payment of their issuing price, as determined by the Board of Directors. They shall be subject to assessment for the reasonable capital needs of the Co-op, as determined at a meeting of members upon the recommendation of the Board. Certificates shall represent no proprietary interest in the income or property of the Co-op. They shall be non-transferable and shall be entitled to no dividend or other monetary return.

Section 7.2: Accounting

Proceeds from the issuance of Member Capital Certificates shall be credited on the books of the Co-op to capital accounts in the names of contributing members. To the extent practicable, the Co-op shall segregate the proceeds for use only in acquiring capital assets or discharging related liabilities.

Section 7.3: Redemption

Member Capital Certificates shall be redeemed following termination of membership when replacement capital is received from other members. Such certificates shall be redeemed at their carrying value on the books of the Co-op or their net book value, if lesser. No redemption shall be made when the Co-op is insolvent or when such payment would jeopardize the solvency of the Co-op. The certificates shall at all times, be subject to being offset by amounts otherwise due and payable to the Co-op. Re-application for membership following redemption of capital certificates shall be subject to repayment of redemption proceeds or a waiting period or both.

Article VIII: By-laws

Section 8.1: Severability

In the event that any provision of these by-laws is determined to be invalid or unenforceable under any statute or rule of law, then such provision shall be deemed inoperative to such extent, and shall be deemed modified to conform with such statute or rule of law without affecting the validity or enforceability of any other provision of these by-laws.

Section 8.2: Amendment

These by-laws may be amended or replaced only at an annual or special meeting of members, provided that the proposed amendments are stated or fully described in the notice of the meeting at which the amendments are to be adopted.

General Manager Annual Review Form

EMPLOYEE'S NAME:

JOB TITLE: General Manager

PERFORMANCE REVIEW COMPLETED ON ___/___/___

Per Policy C: Board General Manager Relationship of the policy register, rate the General Manager on each of the following responsibilities using the rating scale below. Any rating of N (Needs Improvement) or R (At Risk) should be accompanied by specific goals to make improvements.

E	<p>Exceptional – Rated as Exceptional on many factors; no ratings below successful</p> <ul style="list-style-type: none"> • Achievements have significantly impacted profitability, or changed the way the business is run. • Employee is widely recognized as a leader that initiates and drives change through individual and group efforts. • Employee is considered a candidate for expanded opportunities either in present or new position.
O	<p>Outstanding – Rated as Outstanding on many factors; no ratings below successful</p> <ul style="list-style-type: none"> • Achievements have driven improved efficiency or profitability of our business. • Employee is widely recognized as highly skilled and knowledgeable in her/his function or area of expertise.
S	<p>Successful – Rated as Successful or better on most factors</p> <ul style="list-style-type: none"> • Achievements have positively impacted the efficiency or profitability of our business. • This employee may be highly skilled and knowledgeable in her/his function or area of expertise. • The majority of employees typically receive this rating.
N	<p>Needs Improvement – Rated as Successful or better on some factors and Needs Improvement or At Risk on two or factors</p> <ul style="list-style-type: none"> • While employee may be recognized as skilled or knowledgeable, performance improvement is needed in one or more areas to earn a successful rating. • Repeated annual ratings at this level are unacceptable.
R	<p>At Risk – Rated as Needs Improvement or At Risk on multiple factors</p> <ul style="list-style-type: none"> • Continued performance at this level is unacceptable

Ends Policies:	Rating	Comments/Examples
<p>The mission of the Willimantic Food Co-op, as a community-based, member-owned retail consumer cooperative is to provide nutritious, local, high quality, affordable foods and other products. The Willimantic Food Co-op is committed to the promotion of cooperative principles and enterprises.</p>		

Executive Limitations Policies:		
The General Manager will not cause nor allow any practice, activity, decision or organizational circumstance that is either unlawful, imprudent, or in violation of commonly accepted business and professional ethics, or that violates our cooperative values and principles.		
B1 Staff Treatment and Compensation		
B2 Financial Planning		
B3 Financial Condition and Activities		
B4 Asset Protection		
B5 Communication and Counsel to Board		
B6 Emergency Management Succession		
B7 Customer Service and Value		

B8 Membership		
B9 Board Logistical Support		

POLICY GOVERNANCE®

SOURCE DOCUMENT

Why a Source Document?

A “source” is a point of origin. A source document is a “fundamental document or record on which subsequent writings, compositions, opinions, beliefs, or practices are based.” (Websters)

Without a simply expressed clear point of source, interpretations, opinions, writings and implementations may intentionally or unintentionally diverge from the originating intent and ultimately be undifferentiated. The point of source (“authoritative source”) is John Carver, the creator of Policy Governance, with Miriam Carver his fellow master teacher.

Without a simply expressed clear source document, Policy Governance is not reliably grounded and not transferable as a paradigm of governance. It is left vulnerable to interpretation, adaptation and impotence. This document has been produced by the International Policy Governance Association and approved by John and Miriam Carver as being true to source.

What Policy Governance is NOT!

1. Policy Governance is not a specific Board structure. It does not dictate Board size, specific officers, or require a CEO. While it gives rise to principles for committees, it does not prohibit committees nor require specific committees.
2. Policy Governance is not a set of individual “best practices” or tips for piecemeal improvement.
3. Policy Governance does not dictate what a Board should do or say about group dynamics, methods of needs assessment, basic problem solving, fund raising, managing change.

4. Policy Governance does not limit human interaction or stifle collective or individual thinking.

What Policy Governance IS!

Policy Governance is a comprehensive set of integrated principles that, when consistently applied, allows governing Boards to realize owner-accountable organizations.

Starting with recognition of the fundamental reasons that Boards exist and the nature of Board authority, Policy Governance integrates a number of unique principles designed to enable accountable Board leadership.

Principles of Policy Governance

1. **Ownership:** The Board connects its authority and accountability to those who morally if not legally own the organization—if such a class exists beyond the Board itself—seeing its task as servant-leader to and for that group. “Owners,” as used in the Policy Governance model, are not all stakeholders, but only those who stand in a position corresponding to shareholders in an equity corporation.
2. **Governance Position:** With the ownership above it and operational matters below it, governance forms a distinct link in the chain of command or moral authority. Its role is commander, not advisor. It exists to exercise that authority and properly empower others rather than to be management’s consultant, ornament, or adversary. The Board—not the staff—bears full and direct responsibility for the process and products of governance, just as it bears accountability for any authority and performance expectations delegated to others.
3. **Board Holism:** The Board makes authoritative decisions directed toward management and toward itself, its individual members, and committees only as a total group. That is, the Board’s authority is a group authority rather than a summation of individual authorities.
4. **Ends Policies:** The Board defines in writing the (a) results, changes, or benefits that should come about for specified (b) recipients, beneficiaries, or otherwise defined impacted groups, and (c) at what cost or relative priority for the various benefits or various beneficiaries. These are not all the possible “side benefits” that may occur, but those that form the purpose of the organization, the achievement of which constitutes organizational success. Policy documents containing solely these decisions are categorized as “Ends” in describing the Policy Governance model, but can be called by whatever name a Board chooses, as long as the concept is strictly preserved.
5. **Board Means Policies:** The Board defines in writing those behaviors, values-added, practices, disciplines, and conduct of the Board itself and of the Board’s delegation/accountability relationship with its own subcomponents and with the executive part of the organization. Because these are non-ends decisions, they are called “Board means” to distinguish them from ends and staff means. In describing the Policy Governance model, documents containing solely these decisions are categorized as Governance Process and Board-Management Delegation, but can be called by whatever name a Board chooses, as long as the concept is strictly preserved.
6. **Executive Limitations Policies:** The Board makes decisions with respect to its staff’s means decisions and actions only in a proscriptive way in order simultaneously (a) to avoid prescribing means and (b) to put off limits those means that would be unacceptable even if they work. Policy documents containing solely these decisions are categorized as “Executive Limitations” in describing the Policy Governance model, but can be called by whatever name a Board chooses, as long as the concept is strictly preserved.

7. **Policy “Sizes”:** The Board’s decisions in Ends, Governance Process, Board-Management Delegation, and Executive Limitations are made beginning at the broadest, most inclusive level and, if necessary, continuing into more detailed levels that narrow the interpretative range of higher levels, one articulated level at a time. These documents—which replace or obviate Board expressions of mission, vision, philosophy, values, strategy, and budget—are called policies in describing the Policy Governance model, but can be called by whatever name a Board chooses, as long as the concept is strictly preserved.
8. **Delegation to Management:** If the Board chooses to delegate to management through a chief executive officer, it honors the exclusive authority/accountability of that role as the sole connector between governance and management.
9. **Any Reasonable Interpretation:** In delegating further decisions—beyond the ones recorded in Board policies—the Board grants the delegatee the right to use any reasonable interpretation of those policies. In the case of Ends and Executive Limitations when a CEO exists, that delegatee is the CEO. In the case of Governance Process and Board-Management Delegation, that delegatee is the CGO (chief governance officer) except when the Board has explicitly designated another Board member or Board committee.
10. **Monitoring:** The Board monitors organizational performance through fair but systematic assessment of whether a reasonable interpretation of its Ends policies is being achieved and a reasonable interpretation of its Executive Limitations policies is being avoided. If there is a CEO, this constitutes the CEO's evaluation.

All other practices, documents, and disciplines must be consistent with the above principles. For example, if an outside authority demands Board actions inconsistent with Policy Governance, the Board creatively uses the consent agenda or other device to be lawful without compromising governance.

Policy Governance is a precision system that promises excellence in governance only if used with precision. These governance principles form a seamless paradigm or model. As with a clock, removing one wheel may not spoil its looks but will seriously damage its ability to tell time. So in Policy Governance, all the above pieces must be in place for Policy Governance to be effective. When all brought into play, they allow for a governing Board to realize owner accountability. When they are not used completely, true owner accountability is not available.

Policy Governance Boards live these principles in everything they are, do and say.

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Board of Directors
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Updated May 2014

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(860) 450-2468 (C)
ujwalker@gmail.com

Andrea Epling – Scribe

Candidate Application

Name: _____

Address: _____

Email: _____

Telephone: _____

Please tell us your preferred method of communication.

Candidate Questions

Please answer the following three questions **as thoroughly as possible**. Your answers may be published on the Coop website and in the election edition of *The Compost*. We encourage you to be concise and thoughtful in each of your responses. **Please include a “Declaration of Candidacy” with your application.**

1. Why do you want to serve on the Board of Directors of the Willimantic Co-op?

2. Describe your experiences working collaboratively in a group setting.

3. Do you have other experiences or skills that you see being related to the work of the board?

Dear Prospective Board Candidate,

Thank you for your interest in serving on the Willimantic Food Co-op (WFC) Board of Directors. We ask that you read over the enclosed information carefully before filling out the application. Please feel free to contact us with any questions that you may have. We look forward to meeting you!

Elections to the WFC Board of Directors take place in April of each year. Each member serves a three year term, unless otherwise stated. All candidates must be a member in good standing. Board Members receive a ten percent discount on purchases at WFC. The WFC Board officially endorses candidates, which will be indicated on the ballot form, who meet a minimum set of qualifications. This endorsement process helps both candidates and the Board by ensuring that candidates understand the Board's work before committing to serve. To receive an endorsement from the Board of Directors you must:

- 1) Attend at least one regular meeting of the Board of Directors which are typically held on the first Thursday of each month from 7:00-9:00 p.m.
- 2) Attend one orientation for prospective board candidates (date to be determined).
- 3) Submit your candidate application to the Nominations Committee before 5:00 p.m. on February 1, in electronic format.
- 4) Candidates are also strongly encouraged to attend the Annual Meeting in April. Elections will be held at the annual meeting. At the gathering, candidates can introduce themselves to their fellow members.

Once you are elected, Board Members are expected to:

- 1) Attend the regularly scheduled monthly board meeting.
- 2) Attend the Annual Meeting.
- 3) Attend the Board Retreat.
- 4) Serve on Board sub-committee.

In addition to the above responsibilities, board members are encouraged to participate in one additional outreach activity.

- Write article for newsletter.
- Inventory.
- Downtown Country Fair
- Birthday Party
- Information table at area events
- Community Garden
- WAIM Walk For Warmth
- Other

Thank you very much for your interest in serving on the WFC Board of Directors.

Cooperatively yours,
The Board Perpetuation Committee
Kathleen Krider (kathleenkrider@sbcglobal.net)
Stephanie Golaski (stephaniegolaski@gmail.com)