

SUMMER 2016



Alison Wilcox- Lanfear
President



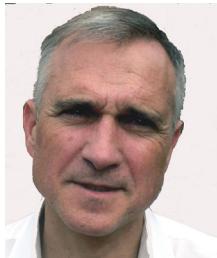
Marty Knauss
Vice-President



Matt Caldiero
Treasurer



Hope Hoetzer-Cook *
Secretary



Derek Bateman*



Bruce Haydon *



Emily Stewart



Elizabeth Robinson



MARRISA PACE *

** These 4 seats are up for election this year. 3/3 year terms and 1/1 year term*

Greetings!

The Board of Directors of the Lexington Cooperative Market thanks you for your interest in running for a seat on the Board. Our mission is to meet our community's needs for healthy local food and consumer information, and to contribute to thriving local and co-operative economies and a sustainable environment.

We are motivated by service to our consumer owners. Our cooperative has more than 11,000 owners and is growing every day!

Lexington Cooperative Market is governed by a nine member Board of Directors elected by the Member-Owners. Also attending and participating in board meetings in a non-voting capacity are a staff representative and the General Manager.

The Board is engaged primarily in developing the vision and long term viability of the Co-op. The Board does not run the store, nor does it have direct control over daily operations. The Board seeks owner input on the goals and vision of the organization and reports periodically to the owners on the Board's activities, decisions and compliance with Board policies. We operate using a system called "Policy Governance" that emphasizes values, vision and the empowerment of both Board and staff.

Please review the attached recommended materials and answer the questions on the back of this packet on our online form in order to indicate your candidacy for a Board seat. Let us know if you have any questions.

Thank you again for your interest in serving on the Board of the Lexington Cooperative Market.

IMPORTANT

Application Due

August 16th, 2016
Online application available at

www.lexington.coop OR

<https://www.surveymonkey.com/r/Lexboard2016>

Board Meetings

You are welcome and encouraged to attend a Board meeting before elections:

August 1st & September 12th
7-9 pm

Email board@lexington.coop for more information

Eligibility, Expectations and Qualifications of Board Members

Board Members have a duty to represent the owners as a whole and not a particular constituency, and to always act in the owners' best interests. Board Members are compensated through a \$1000 grocery stipend each year of service on the board.

A strong and successful co-op depends on a highly functioning and effective Board of Directors.

Eligibility

To serve on the Co-op Board of Directors, you must be:

- a member-owner of the Cooperative in good standing (your Class A Share is in your name and paid in full)
- 21 years of age by October 26, 2016
- able to undergo a successful professional background check including fingerprinting required by the State Liquor Authority
- willing to make a 3 year commitment to the Board

In addition, you must not

- have an overriding conflict of interest with the Co-op
- be a paid employee or the spouse/partner of a paid employee

Expectations

- Familiarity and adherence to the Co-op's bylaws and policy governance.
- Preparation for and active participation at monthly board meetings.
- Attendance at board training sessions, the annual owners meeting and owner engagement sessions.
- Ability to understand financial statements.
- Access to the internet and the availability to respond to frequent board related e-mail.
- Genuine interest in cooperative principles and values.
- A willingness to take responsibility for board duties and to work together with understanding, mutual support and respect.
- Integrity, flexibility and common sense.
- Ability to make decisions in a group setting and ability to support a group decision.
- Leadership and facilitation skills.

Questions: Email elections@lexington.coop

Application Questions & Instructions:

There are 3 seats that will be contested in this year's election. To run for a seat, please follow the instructions below to fill out our online Board application.

Deadline to receive applications:
August 16th, 2016

Our Board Application can be found at:

- www.lexington.coop OR
- <https://www.surveymonkey.com/r/Lexboard2016>

Once there, you will be asked to answer the following questions with a maximum of 150 words each:

1. Why do you want to serve on the board?
2. How do the Co-op's BIG Direction goals connect to your vision of Lexington?
3. What skills, experience, or training do you have that makes you a great candidate for the Lexington Co-op Board of Directors?

You will also be asked to:

- List your potential conflicts of interest with the Co-op.
- Certify that you meet the eligibility requirements listed here.
- Email a jpeg or tif picture of yourself to elections@lexington.coop.

Your answers to the first three questions will be published and sent to all Co-op owners with the ballot and Annual Report by September 30th, 2016

Owners will be able to vote by mail, drop off at the Co-op, or at the annual meeting, on October 26, 2016, when voting officially ends.

Election outcomes will be considered tentative until background checks are finalized. In the event an tentative winner does not have a successful background check, that candidate will be ineligible and the candidate with the next highest vote count will become the interim winner pending a successful background check.

Questions? Email elections@lexington.coop





Please read the following articles to familiarize yourself with Lexington Cooperative Market's governance when applying for board of director's position.

Links to read:

1. Creating Boards that Lead by Ann Hoyt:
Cooperative Grocer from #59, July-August 1995

<http://www.cooperativegrocer.coop/articles/index.php?id=164>
2. Using Policy Governance to Improve Board Leadership By Marilyn Scholl
Cooperative Grocer from #78, September-October 1998

<http://www.cooperativegrocer.coop/articles/index.php?id=241>
3. Basic Principles of Policy Governance (no link, see article below)
condensed from John Carver & Miriam Mayhew ! Carver Guide Series on Effective Board Governance

Policy **Governance** is a fundamental redesign of the role of a board, emphasizing values, vision and the empowerment of both board and staff. It is built on ten principles:

The *Trust* in Trusteeship

Boards exist to own an organization on behalf of some identifiable ownership to which they are answerable. Simply put, a board governs on behalf of persons who aren't seated at the table.

The primary relationship the board must establish, maintain, clarify, and protect is its relationship with its owners keeping in contact with them, and hearing their voices.

The Board Speaks with One Voice or Not at All

A board is a corporate entity entrusted by its owners with the authority to govern and lead the organization. If the board is to lead, then on each given issue, it must speak with a single voice. The strength of this voice arises from the diversity of viewpoints and intentions its members

bring to the board, as well as from the way the board focuses this multiplicity into unity. This one-voice principle doesn't require or imply unanimity. On the contrary, the board must embrace all the diversity it can on behalf of the ownership. Differences among trustees are not only respected, but encouraged. Rarely will a vote be unanimous. Those board members who lose a vote, however, must accept that the board has spoken and that its decision is now to be implemented. The board should not present conflicting messages to its ownership or its staff.

This principle of one voice can be undermined by charging board officers with roles of management, and by creating committees with mandates related to areas of staff responsibility. A board chair who supervises the chief executive, or a committee set up to instruct staff, must inevitably violate the one-voice principle in order to function.

Board committees are legitimate when they help with tasks that belong to the board. They are not when they help with tasks that have been delegated to others. Staff spend as much time *almost* making decisions, which then must be passed through committees, as they would spend actually making the decisions.

The principle of one voice can also be broken by individual board members who, thinking they are being helpful, go directly to staff with instruction or guidance.

Unless a board masters the art of speaking as a group, it has little power to lead. A board speaks with one voice...or it doesn't speak at all.

Board Decisions Are Predominantly Policy Decisions

Policy is here defined as the value or perspective that underlies action. Board policies express the board's soul, embody the board's beliefs, commitments, values, and visions, and express its wisdom. Board policies should be generated by the board itself, not brought to it from other sources. Policies develop out of the board's struggle with values, from the stage of initial musing to crafting a written document.

The board decides what to have policies about, and to what level of detail it will develop them. Its policies fit into four categories:

ENDS — The board defines which human needs are to be met, for whom, and at what cost. Written with a long-term perspective, these mission-related policies embody the board's vision, and the organization's reason for being.

EXECUTIVE LIMITATIONS —The board establishes the boundaries of acceptability within which staff methods and activities can responsibly be left to staff. These policies limit the means by which Ends shall be achieved.

BOARD-STAFF LINKAGE —The board clarifies the manner in which it delegates authority and how it evaluates performance relative to ends and limitations.

GOVERNANCE PROCESS —The board determines its philosophy, its accountability, and the specifics of its own job.

Except for what belongs in bylaws, these categories of board policy contain everything the board has to say about values and perspectives that underlie all organizational decisions, activities, practices, budgets, and goals.

The Board Formulates Policy by Determining the Broadest Values Before Progressing to More Narrow Ones

Values come in sizes; large values contain ranges within which smaller ones occur, like a nested set. A board establishes control over large issues with broad policies, and subsequently decides how much further to detail them. Then it delegates further definition to someone else, fully empowering them to do so, and accepting any reasonable interpretation of its policies. (With Ends and Limitations policies that someone is staff; with Governance and Linkage it's the board chair.)

The board may develop policy to whatever detail it wishes, so long as it does so from broad to narrow, and does not skip levels in the process. (When they approach policy-making this way Boards can exercise leadership and maintain effective control without delving into vast detail.)

The Board Defines and Delegates, Rather than Reacting and Ratifying

Boards are accustomed to approving plans brought to them by staff. Predictable problems arise: The very act of approving forces boards to become entangled in trivia; and to avoid feeling like rubber stamps, boards may nit-pick. Approvals are usually issued without clarifying the criteria used in giving approval. Further, approving staff plans freezes into place details which cannot then be changed without board re-approval. This obstructs staff creativity and agility (a severe disadvantage to the organization), and weighs down the board with detail (diverting time from deciding the very policies that would make such role confusion unnecessary). Having board policies in place ahead of time allows board and staff alike to know whether a staff plan is approvable, since all the criteria by which approval is given are clear for everyone to see.

The board *does* need to be assured that staff plans are true to the applicable board policies — and that reassurance is gained by policy-focused monitoring. This also reinforces the one-voice principle, because the board has already stated its criteria for approval, and board members aren't thrown back onto diverse personal criteria.

Ends Determination is the Pivotal Duty of Governance

The justification for any body lies in what difference it can make. A nonprofit organization exists so that its world can be a better place. The kind of thinking needed in order to make a difference requires a sense of the whole, an overview, a high vantage point. The board will

become more of a think tank for vision than a reviewer of staff decisions and activities. It will focus on outcomes; focus on the reasons for which the organization exists at all.

An issue is an Ends issue if—and only if—it directly describes what good, for whom, or at what cost. If not, it is not an Ends issue, no matter how important, no matter who decides it, no matter how closely related it is to goals, strategies, mission, or perceived board work. Ends language is never about what the organization will be doing; it is always about what will be different for those it serves. Distinguishing ends from means will enable the board to free itself from trivia, to delegate clearly and powerfully, and to turn its attention to large issues.

The Board Controls Staff Means by Limiting, Rather than Prescribing

The organization's conduct, activities, methods, and practices are its "means" rather than its ends. *Board means* relate to how the board will organize, structure, and conduct itself in order to accomplish its job. *Staff means* are the various arrangements and actions needed to accomplish the ends or to safeguard the operations that produce them. Resist the temptation to prescribe staff means. (The board does not tell staff how to do its job.)

The board's role is one of boundary-setting—specifying in writing which staff means would be unacceptable, un-approvable, or off limits. (In other words, the board says what kind of means it will not put up with.) Beginning with broad prohibitions, advancing thoughtfully toward more detailed ones, the broader statements act as a safety net. Producing a "don't do it" list sounds negative, but in outcome is not. It allows a secure freedom, the boundaries of which need not be guessed, and within which staff creativity and action are encouraged. This key method of *means constraint* enables a board to govern with fewer pages of pronouncements, less dabbling in details of implementation, and greater accountability.

The Board Explicitly Designs Its Own Products and Process

The board states what it expects of itself, its code of conduct, the way it will plan and control its agenda, and the nature of its linkage with the ownership. And the board treats its own governance policies as iron-clad commitments.

The board commits itself to use internal committees only when they are necessary to help the board get its own job done (not to help staff with theirs).

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The board delegates to its Chair the right to make any reasonable interpretation of its words in governance process and board-staff linkage policy areas. The chief executive has parallel authority with respect to topics governed by ends and staff limitations policies. This delegation pattern ensures that the Chair and Executive work closely together, but neither reports to the other.

In developing its governance policies, the board again follows a broad-to-narrow approach, beginning with the broadest form of the question, "What is our job?" It goes into further detail until it is willing to allow its Chair to reasonably interpret its words in implementing board business.

The Board Forges a Linkage with Management That is Empowering and Safe

Board and Executive constitute a leadership team. Clear differentiation in their roles and responsibilities enable them to fulfill and excel in them, mutually support each other, and influence each other toward ever greater integrity and capability for leadership.

The board has the right to expect performance, honesty, and straightforwardness from its staff. Boards may be understanding about performance, but should never bend an inch on integrity. In turn, staff rightfully expect the board to be clear about the rules and then play by them, to fulfill its own job, and to speak with one voice.

Performance is Monitored Rigorously, but Only Against Policy Criteria

In Policy Governance, monitoring is conducted only against criteria currently stated in ends and limitations policies. When a board adopts the discipline of monitoring only what it has already addressed in policy, its anxiety will drive it to develop all the policies needed. The board will require information that directly addresses existing criteria, and receive relevant monitoring data without having to digest enormous amounts of unnecessary information.