



Council Candidate Information Guide



Hunger Mountain Cooperative exists to create and sustain a vibrant community of healthy individuals, sustainable local food systems, and thriving cooperative commerce.

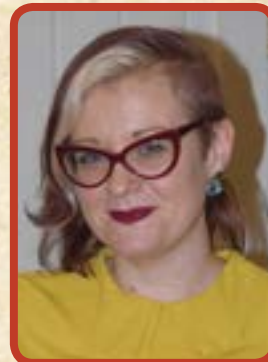
2019 Co-op Council



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MEMBER

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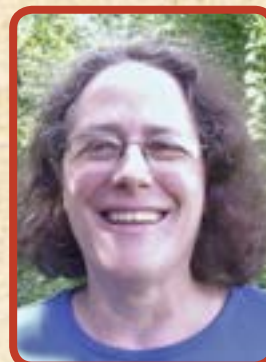
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Greetings!

Thank you for your interest in serving as a member of the Hunger Mountain Co-op Council. This is an exciting time to be involved with our democratically controlled co-op. As you know, our co-op is much more than just a grocery store. Its 9,000+ member-owners and 160+ employees are building a dynamic community of healthy individuals, sustainable local food systems, and thriving cooperative commerce. Our co-op not only provides an outstanding selection of natural, local, and organic foods, we are also committed to education and outreach through classes on healthy lifestyles and sustainable living, and supporting individuals and organizations throughout our community.

Serving on the Co-op council is a meaningful way to participate in our co-op community. Council members learn about the cooperative business model, network with other co-ops from around the country, and have fun learning and serving with smart and dedicated people who are equally committed to the Co-op.

The council plays a critical role in ensuring the continued success and health of this vital organization. We represent all the membership in developing and maintaining the vision and long-term viability of our co-op. We do not run the store, nor do we have direct control over the daily operations of it. Instead, the council monitors the operations of the store via a system called Policy Governance®. Policy Governance® is a system of oversight and accountability that emphasizes values, vision, and the empowerment of both council and staff, while clearly delineating the roles and responsibilities of each. More information about Policy Governance® is included in this packet.

A strong and successful cooperative depends on a highly functional and effective council. In addition to reading the materials in this orientation packet, you are encouraged to attend a monthly council meeting and/or engage in conversation with current and past council members in order to learn more about what it's like to be a Hunger Mountain Co-op council member. Council meetings are usually held on the first Monday of each month at 5:30pm in the Co-op's community room. See the Co-op's website for specifics about the next council meeting.

Thank you again for your interest in serving the Hunger Mountain Co-op community!

In cooperation,

The Hunger Mountain Co-op Council

RESPONSIBILITIES OF THE CO-OP COUNCIL

Co-op council members work to ensure that the Co-op's actions and operations stay true to its mission. Specific responsibilities include:

- Creating and sustaining a meaningful relationship with member-owners so that their interests are considered in all decisions affecting current and future operation of the Co-op.
- Hiring, determining compensation for, and delegating all operational responsibility for the Co-op to a general manager (GM).
- Having expectations in the form of written governing policies that realistically address the broadest levels of all organizational decisions and situations.
- Regularly verifying through objective, measurable criteria that the GM's actions are consistent with co-op policies, especially with regard to operational performance and financial prudence.
- Perpetuating the council's leadership capacity using ongoing education, training, and recruitment.
- Ensuring that the cooperative remains financially secure and that owners receive a reasonable value on their equity in accordance with cooperative principles.

The council is not involved in the daily operations of the store.

Council members have a duty to represent the member-owners at large and not a particular constituency, and to act in the member-owners' best interests.

Nine member-owners serve on the council of the Co-op. Terms are generally for three years and there will be at least three seats open in this year's election. Co-op council members and their spouse/partner (if a Co-op member-owner) receive a 10 percent discount on items purchased at the Co-op during their term in office.

ELIGIBILITY, EXPECTATIONS, AND QUALIFICATIONS OF COUNCIL MEMBERS

- Must be a Co-op member-owner in good standing and be at least 18 years of age.
- Must state all potential conflicts of interest and must not have an overriding conflict of interest.
- Typically, a three-year commitment to the serving on the council.
- Commitment to perfect or near-perfect attendance of all council meetings.
- Willingness to serve on at least one council subcommittee.
- Familiarity with and adherence to the Co-op's bylaws and governing policies.
- Preparation for, and active participation at, monthly council meetings.
- Attendance at council training sessions, the annual retreat, annual member-owner meeting, and other co-op events.
- Ability to understand financial statements (training provided).
- Access to the internet and availability to respond to regular council work-related online communications.
- A willingness to take responsibility for council duties and work together with understanding, mutual support, and respect.
- An ability to keep information and materials confidential.
- Integrity and flexibility.
- Provide social security number and date of birth to State of Vermont Department of Liquor Control for liquor license. Officers may need to provide social security number for SNAP Benefit program.

CHARACTERISTICS OF EFFECTIVE COUNCIL MEMBERS

- Dedicated to the Co-op, its member-owners, and its mission.
- Able to effectively communicate with a wide range of people, and respond respectfully to others' viewpoints.
- Have a propensity to think in terms of systems and context.
- Honest, with independent judgment, courage, and good faith.
- Able and eager to deal with Co-op values, vision, and the long term.
- Able to participate assertively, collaboratively, and concisely in discussions.
- Willing to abide by council decisions and the intent of established policies.
- Able to operate in a group decision-making environment, to share power in group process, and to represent all collective decisions wholeheartedly.
- Willing to delegate areas of decision-making to others and hold them accountable for results.

CHARACTERISTICS OF EFFECTIVE COUNCIL MEMBERS: SELF-REFLECTION

Council membership is just one of a variety of ways Co-op member-owners can contribute and participate in the Co-op's direction. While council members are not expected to have specific prior training or experience in running a business or managing a grocery store, there are some characteristics that effective council members share. As you consider whether to run for the council, it can be helpful to reflect on how your interests, experience, and motivations align with the characteristics of effective council members. You will not be asked to write about or share your responses to this section; these questions are designed only to help you determine if serving on the council would be a good fit for you:

- Are you a passionate and enthusiastic member-owner/shopper at the Co-op?
- Are you interested in learning about and supporting the cooperative values and principles?
- Do you like to think about big-picture planning and developing systems and visions for the Co-op's future?
- Are you willing to participate actively in discussions?
- Are you good at working in a team environment that makes decisions by consensus?
- Are you willing to delegate areas of decision-making to others and hold them accountable for results?
- Are you willing to set aside any personal interests to honor the diversity of member-owner perspectives?
- Are you prepared to take on the legal responsibilities of a council member, i.e., the duty of care, the duty of loyalty, and the duty of diligence?

SERVING ON THE CO-OP COUNCIL: WHAT TO EXPECT

- Meetings are typically held on the first Monday of each month (usually in the Co-op's community room). Dinner is provided by the Co-op before the meeting, with dinner beginning at 5pm, the meeting beginning at 5:30pm, and ending between 8:00pm and 9:00pm. Before each meeting, you will need to closely read the documents concerning agenda items to prepare any notes or comments you wish to make.
- Additionally, council members serve on one or more committees that meet separately from regular council meetings.
- Council members need to check their email at least weekly and be prepared to respond in a timely manner.
- New council members attend an orientation of one to three hours.
- All council members attend a day-long retreat each year, usually in January.
- Attendance at Co-op member-owner events is expected.

A sampling of the time you can expect to spend in a given month:

- Meeting preparation, including policy monitoring: two to three hours
- Meeting: two and a half to three and a half hours
- Committee work: one hour per committee
- Miscellaneous: one to two hours
- Total number of hours per month: seven to ten

WHAT COUNCIL MEMBERS SAY ABOUT SERVING ON THE HUNGER MOUNTAIN CO-OP COUNCIL

- "It's meaningful service to your Co-op and community."
- "You work with and learn from other smart, passionate central Vermonters."
- "You learn a lot about how Hunger Mountain Co-op functions, about co-ops in general, and about the cooperative movement."
- "You learn about the food industry, the local food system, local economies, and a variety of sustainability issues."
- "It's a great way to get to know other engaged member-owners and management/staff."
- "You have opportunities to learn from and network with other co-op staff and council members from around the state, region, and country."
- "It's an opportunity to have a more direct impact on, and to further, the mission of the Co-op."
- "You have direct involvement in the ongoing success of the Co-op."
- "You have direct contributions to shaping the future of the Co-op."
- "It's a great leadership-development opportunity."
- "You share good food and interesting discussion with other Co-op council members."

BASIC PRINCIPLES OF POLICY GOVERNANCE®

Condensed, with review and permission, from John Carver & Miriam Mayhew. CarverGuide Series on Effective Board Governance — Jossey-Bass, 1996.

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 10 principles:

1. 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.

2. 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. No board should present conflicting messages to its ownership or its staff.

The 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 approved by the board or 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.

3. BOARD DECISIONS ARE PREDOMINANTLY POLICY DECISIONS

Policy is here defined as the value or perspective that underlies action. Board policies express the a 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. In this model of governance, board 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.

4. 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 policymaking this way, boards can exercise leadership and maintain effective control without delving into vast detail.)

5. 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. 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 clearly stated for all 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.

6. ENDS DETERMINATION IS THE PIVOTAL DUTY OF GOVERNANCE

The justification for any body lies in what difference it can make. 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 enables the board to free itself from trivia, to delegate clearly and powerfully, and to turn its attention to large issues.

7. 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, unapprovable, 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.

8. 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 may create committees to help it get its own job done, but not to help staff with theirs.

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.

9. THE BOARD FORGES A LINKAGE WITH MANAGEMENT THAT IS EMPOWERING AND SAFE

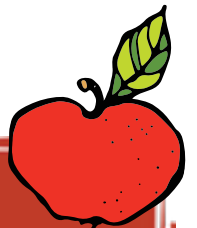
Board and executive constitute a leadership team. Clear differentiation in their roles and responsibilities enable them to fulfill and excel in them, mutually support each other, and influence each other toward ever greater integrity and capability for leadership. The board has the right to expect performance, 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.

10. 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.

Thank you for your interest in serving on the Hunger Mountain Co-op Council!

You are invited and encouraged to attend a monthly council meeting and/or engage in conversation with current and past council members to learn more about what it's like to be a council member. Council member contact information is located on the inside cover of this packet and on the Co-op website (hungermountain.coop). There are a variety of other helpful documents to be found on the Co-op's website.



HUNGER MOUNTAIN CO-OP ENDS POLICIES

Hunger Mountain Cooperative exists to create and sustain a vibrant community of healthy individuals, sustainable local food systems, and thriving cooperative commerce.

More specifically, we will have:

- **A cooperatively owned retail outlet for natural and organic food-based goods and services that meet our members' and customers' needs.**
- **A community increasingly educated about food and health, and considerate of the impacts of its purchases.**
- **Local ownership and control of a comprehensive, sustainable food economy.**
- **Financially sustainable operations that support and yield economic, social, and environmental returns.**