

Governance Process Overview

GOVERNING PRACTICE

The Board will govern with an emphasis on strategic leadership and outward vision; the future rather than the past or present; pro-activity rather than reactivity. Accordingly, the Board focuses chiefly on intended long terms Ends, not on the administrative or operational means of attaining them.

The Board directs, control and inspires MNFC through the careful establishment of the broadest organizational values and policies. Policies address:

- **Ends:** MNFC's products, impacts, benefits, outcomes (what good for whom at what cost).
- **Executive Limitations:** Ethical and prudential constraints on GM/Staff authority.
- **Board-General Manager Relationship:** How power is delegated and its proper use monitored.
- **Governance Process:** How the Board conceives, performs and monitors its own work.

Governance process includes policies that:

1. Set clear tasks for the Board.
2. Instruct the executive committee on Board leadership.
3. Clarify the role of other committees needed to do Board work.
4. Guide Board meetings.
5. Provide a process for creating and revising policy.
6. Establish a code of conduct for governing with excellence.
7. Ensure accountability to membership.
8. Monitor Board process and performance.
9. Explain the participation of staff on the Board.

Revised: 7/25/12 J.L.

**Governance Process
Policy #GP1**

BOARD TASKS

The Board's job is to lead MNFC toward its established Ends and to assure that they are met. Consequently, its tasks are:

1. To develop and maintain the link between the MNFC and its member-owners.
2. To observe and monitor governance policies which, at the broadest levels, address:
 - a. Ends
 - b. Executive Limitations
 - c. GM-Board Relationship
 - d. Governance Process
3. Evaluate the GM's performance against the ends and executive limitations policies.

The Board shall monitor this policy annually.

Revised 10/7/09 A.N./M.M./K.B./J.L.

Revised 7/25/12 JL

Governance Process

Policy #GP2

EXECUTIVE COMMITTEE

President's Role

The President is responsible for the integrity of the Board's process. The President is the only person authorized to speak for the Board except in specifically authorized instances.

1. The President assures that:
 - a. The Board abides by its own policies and bylaws.
 - b. The Board focuses on those issues that, according to its policies and bylaws, belong to the Board to decide.
 - c. Deliberation be timely, fair, orderly, thorough and to the point.
2. If it is not possible to assemble a quorum (**6**), the authority of the President consists in making any decision as directed by the Board which falls within or is consistent with Board policy.
 - a. The President shall chair Board meetings and set agendas.
 - b. The President may not make decisions that affect Ends or Executive Limitations policies.
 - c. The President may advise GM as authorized by the Board, and in keeping with Board policies.
 - d. The President shall write an annual report and present it at the Annual Meeting.

Vice President's Role

The Vice President performs the duties of the President in his/her absence.

Treasurer's Role

The Treasurer works closely with the General Manager to have a thorough understanding of the MNFC's financial position on a quarterly basis. The Treasurer represents the Board in these discussions with the GM. The Treasurer oversees financial records, reporting of financial information and filing of required reports and returns and signs formal documents on behalf of MNFC.

Secretary's Role

The Secretary is responsible for recording and keeping adequate minutes of Executive Session and other Board meetings when the Board Recorder is not present. The Secretary is the keeper of the bylaws and all policies.

The Secretary is also responsible for issuing notices required in the by-laws, authenticating records of MNFC and signing or attesting to formal documents on behalf of MNFC. During Board meetings, the Secretary monitors GP policies.

The Board shall monitor this policy annually. Revised 10/7/09 A.N./M.M./K.B./J.L.
Revised 4/18/12 JL

Governance Process

Policy #GP3

BOARD COMMITTEE PRINCIPLES

The Board may establish committees to help carry out its responsibilities. To preserve coherence, Committees should be used sparingly and should not interfere with delegation from Board to GM.

- 1) Every Board Committee operates under a charter, which explains why they exist.
- 2) Board committees are to help the Board do its job and must be consistent with the Board's policies.
- 3) All Board committees are under the direction of the Board as a whole. Unless specifically authorized, Board committees shall not give direction to the GM or to the staff.
- 4) Unless specifically authorized, Board committees may not speak or act for the Board as a whole.

The Board shall monitor this policy annually.

Revised 10/7/09 A.N./M.M./K.B./J.L.

**Governance Process
Policy #GP4**

BOARD MEETINGS

The Board uses Board meetings to accomplish their tasks.

- 1) **Meeting Preparation:** Board members are obliged to prepare for meetings and to participate productively in the discussion, always with the boundaries of the discipline established by the Board.
- 2) **Meeting Participation:** Practice whatever discipline is needed to govern with excellence. Discipline includes regular attendance at Board meetings, observing policy-making principles, respecting clarified roles, and adhering to all decisions and policies of the Board.
- 3) **Agenda Control:** The Board is the sole authority over its own agenda. The President will exercise this control on behalf of the Board, but any Board member—with the majority agreeing—may add or delete items from the agenda.
- 4) **Agenda Content:** Only issues with the Board's legal responsibilities and its chosen areas of responsibility shall be on the agenda. Personnel matters shall be discussed in executive session.
- 5) **Board Meeting Process:** The Board generally follows Robert's Rules of Order in conducting Board meetings.
- 6) **Open to Membership:** Meetings will be open to the membership except when executive session is officially announced. Executive session will only be used when the subject matter is related to litigation, personnel, real estate transactions, or other justifiable purpose.
- 7) **Executive Session:** Any Board member may request an executive session, but:
 - i. When the request is made, the purpose of the session must be stated.
 - ii. The Board may include or exclude anyone else it chooses.
 - iii. Authority to declare the session is vested in the President unless overridden by simple majority.
 - iv. When possible, announcement of executive session should be on the published agenda.

The Board shall monitor this policy annually.

Revised 10/7/09 A.N./M.M./K.B./J.L.

Governance Process

Policy #GP5

POLICY CREATION & REVISION

To govern well, the Board must use a consistent process to create and revise policy:

- 1) The Board determines a need for revision of one policy or a body of policies.
- 2) The Board or a subcommittee meets to create or revise the policy.
- 3) The Board or a subcommittee presents the rewording at a **Board** meeting.
- 4) The Board discusses and votes on the proposed policy.
- 5) The Secretary updates the policies and provides copies to the Board and the GM and ensures that member-owners have access to the policy.

The Board shall monitor this policy annually.

Revised 10/7/09 A.N./M.M./K.B./J.L.

BOARD OF DIRECTORS CODE OF CONDUCT

Members of the Board Shall conduct themselves in an ethical, professional and businesslike manner including proper use of authority and appropriate decorum.

- 1) Board members represent only the interests of MNFC. This responsibility supersedes any conflicting loyalty to other advocacy or interest groups and membership on other Boards or staffs. This responsibility supersedes the personal interest of any Board member acting as an individual consumer of MNFC's services.
- 2) Board members must avoid conflict of interest with respect to their fiduciary responsibility.
 - a. All MNFC Board Members will sign a Conflict of Interest (COI) document by July of each year. In order to provide more transparency to this process each Board member will have an opportunity to verbally disclose any possible conflict of interest when s/he signs the COI document. (See the addendum to Governance Policies for a copy of the document.)
 - b. Board members must disclose and address conflicts of interest with respect to their fiduciary responsibilities to the MNFC as soon as they arise. Within the meaning of this policy a Board member has a conflict of interest when s/he or a family member has a material or financial interest in an issue or matter pending for discussion or decision by Board or Management. (A "family member" is a Board member's spouse, domestic partner or child as well as the spouse of a Board member's child or other relative of a Board member living in the same household as the Board member.)
 - c. Board members may not use their positions to obtain for themselves, family members or close associates employment at MNFC.
- 3) Individual Board members do not have and should not act as though they have authority over MNFC except as explicitly set forth in Board Policies.
 - a. Unless specifically authorized, individual Board members shall not direct the General Manager or staff.
 - b. Unless specifically authorized, individual Board members shall not speak for the Board when dealing with the public, press or other entities.

The Board shall monitor this policy annually

Revised 10/7/09 A.N./M.M./K.B./J.L.

Revised 4.18.12 J.L./K.B./T.S./R.C.

Governance Policy

Policy #GP7

TRUSTEESHIP AND RELATIONSHIP TO MEMBER-OWNERS

The Board obtains its authority from and represents the membership of MNFC. The Board is fiscally and legally responsible to the membership.

- 1) The Board shall always act in the best interest of MNFC.
- 2) The Board will maintain and cultivate a link between the MNFC and the ownership.
- 3) The Board shall report periodically to the membership on its activities and decisions. At least annually, the Board shall publish a statement of MNFC's ends policies and financial state.

The Board shall monitor this policy annually.

Revised 10/7/09 A.N./M.M./K.B./J.L.

Governance Policy
Policy #GP8

STAFF PARTICIPATION ON THE BOARD

The number of staff members serving on the board is limited to two.

Staff members of the Board may not serve on the executive committee or serve as officers of the Board.

Staff members serving on the board may not be present or participate in the General Manager evaluation process.

If a current Board member is hired as a staff member, and becomes the third staff member on the Board, the first of those three staff/board members who comes up for election may not run for re-election. (That staff member may run again when another staff member's board position comes up for election)

The Board shall monitor this policy annually.

Revised 10/7/09 A.N./M.M./K.B./J.L.