

Item J1 for July 16, 2014

People's Food Cooperative Board General Manager Evaluation Committee Charter

Purpose

The purpose of the Committee is to provide assistance to the Board of Directors in fulfilling its responsibility to

(1) produce an annual evaluation of the General Manager's (GM's) performance based on policy;

(2) compensate the General Manager who is the sole employee of the Board.

The Committee may engage in such other matters as may from time to time be specifically delegated to the Committee by the Board. The Committee is accountable solely to the Board of Directors, not to management or to staff, and through the Board to the PFC Membership.

Membership

The Committee will be Board members only, and shall consist of at least three Directors whose actual or potential conflicts of interest regarding People's Food Co-op or the GM must be made thoroughly transparent and resolved to the satisfaction of the Board. No board member who is a current PFC employee will serve on the committee. Committee members will be appointed by the Board at the first full meeting of the new Board after PFC elections. The Board will appoint a Chair of the Committee. The Chair will, in consultation with the other Committee members, be responsible for calling meetings, establishing the agenda, and conducting the meetings.

Responsibilities

The Committee will:

1) Propose Committee expenditures for the following year (such as legal or consultant fees & meeting expenses) to the Board in October for consideration of inclusion in the budget.

2) Propose a plan and time-line for GM evaluation and compensation review to the Board in November.

3) Recommend to the board when and how staff surveys should be conducted.

4) Facilitate the group monitoring discussion of *L.8 Communication and Support to the Board* in January executive session.

5) Review and summarize the GM's monitoring reports and Board responses for the Board executive session in February.

6) Revise the GM Employment Agreement with the GM and submit a draft with options and recommendations to the Board for the February executive session for consideration and approval.

7) Annually review GM compensation (including annual base salary, incentive opportunity, long-term incentive opportunity and other special or supplemental benefits) and offer options for its modification to the Board. In considering the long term incentive component of the GM's compensation, the Committee should consider the Cooperative's performance, the value of similar awards to GMs at comparable companies, and the awards given to the GM in past years.

8) Solicit feedback from the GM and from the Board on the Board/GM relationship and engage the Board and GM in considering ways it might be improved.

9) Solicit information on the GM's professional goals and objectives and offer options to the Board for their support as part of the compensation package.

- 10) In cooperation with the GM the committee will create measurable performance goals for continuing GM performance improvement that will be part of the next year's GM evaluation.
- 11) Annually review the Committee's performance, applicable policies, and charter and submit a written report and revised charter to the Board at the first full meeting of the new Board after PFC elections for consideration of renewal. Comments and suggestions from the GM will be included in this report.

The Committee Chair is authorized by the Board to access the GM's personnel file solely for purposes of the evaluation and compensation review, such information to be held in strict confidence among Board members only. The Committee is further authorized to request information from the General Manager or from Staff pertaining to the evaluation. The Committee may request a self-evaluation from the General Manager, and may request an evaluation of the General Manager from the Staff. The Committee may not supervise or direct Staff.

The Committee may recommend the retention of an independent consultant or of legal counsel to advise and assist in the evaluation of GM performance or compensation.

All information and communication concerning the GM's compensation and evaluation is considered confidential by the Board and will be treated as such by the Committee and all Directors. (See policies *G.2 Board Job Description* and *M.2 Accountability of the General Manager*).

Resources used

Some GM time and possibly minimal Staff time.

Luncheon cost for delivery of the evaluation to the GM – from Miscellaneous Board Expenses.

Meeting expenses including meal costs.

Consultant or legal costs if recommended by the Committee and approved by the Board.

Meetings

The Committee shall meet as frequently as it determines necessary to discharge its responsibilities. The Committee may request any officer or employee of the Cooperative, the Cooperative's outside legal counsel or other third parties to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. Confidential minutes of meetings will be provided to the full board monthly.

A majority of the members of the Committee shall constitute a quorum.

The Committee shall report its activities to the Board at the Board's first regular meeting thereafter or at such earlier times as it deems appropriate.

It is suggested that the GM eval committee meet regularly with the GM. Routine topics would include a self-assessment component as well as BOD feedback on GM perceived performance. Other topics through the year would include goal setting and modifications, discussion of staff and store issues, GM career development planning and preparation of the annual evaluation document.