



Marquette Food Cooperative, Inc.

# BYLAWS

Last Updated: June 2013

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## ARTICLE I: OFFICE

### Section 1: Name

The name of this cooperative shall be "Marquette Food Cooperative, Inc.," hereinafter referred to as the cooperative, a member-owned cooperative under Michigan law.

### Section 2: Location

The principal office of this cooperative shall be located at 109 W. Baraga St., Marquette, Michigan, 49855, or such other location as the Board may establish.

## ARTICLE II: PURPOSE

### Section 1:

The purpose of the Marquette Food Cooperative is to provide a purchasing and distribution outlet for wholesome products and necessary services, for the primary and mutual benefit of its member and patrons. To this end, the cooperative will operate facilities for the purchase, production, and distribution of wholesome products and necessary services.

### Section 2:

This cooperative strives to be a part of a larger social movement that actively promotes the progress and welfare of all human beings through cultural, racial, gender, and environmental harmony. As such, this cooperative will associate with other cooperatives to advance the movement for the actual benefit of all cooperatives, their member and potential member, within the scope of the Articles of Incorporation and to the fullest extent permitted by the law.

## ARTICLE III: MEMBERSHIP

### Section 1: Open access

Membership is open to any individual, household, cooperative or non-profit organization interested in purchasing the goods or utilizing the services offered by this cooperative who meets the conditions required for membership, as defined by these Bylaws. This cooperative does not discriminate on social or political grounds or on the basis of race, creed, age, sex, handicap, sexual preference or marital status.

### Section 2: Application and fees

Application for membership shall be made in writing, on a form provided by the cooperative, and shall be accompanied by payment of a member equity fee, set by the Board. Member equity does not change in value from original agreement. Membership is not transferable.

### **Section 3: Classes of membership**

#### **Common Share Holders**

**A. Voting membership.**

This membership has one member vote and includes individual and household memberships.

**B. Non-voting membership.**

Non-voting members are business memberships and people younger than 21 years of age (minors). Business memberships include cooperatives, for-profit business and non-profit businesses.

#### **Preferred Share Holders**

The Board of Directors may elect to issue preferred shares. Preferred shares shall not inure voting rights. Purchasers of preferred shares must first be common share holders and shall reside in the State of Michigan at the time of the purchase of preferred shares.

Memberships are defined in the following ways:

**a. *Individuals***

Individuals shall be eligible for all privileges of membership

**b. *Households***

Households may apply for membership in this cooperative. Each person living in the household may apply for and hold an individual membership, or one membership may be held jointly in the names of some or all such persons.

**c. *Cooperative or non-profit organizations***

Any cooperative or non-profit organization may be approved for membership according to terms established by the Board of Directors.

**d. *Businesses***

Any business may be approved for membership according to terms established by the Board of Directors.

### **Section 4: Membership rights and responsibilities**

- a. Each new member shall receive a statement of rights and may be required by the Board of Directors to attend membership orientation.
- b. Member Membership in this cooperative is conditional on the member good faith participation in the dispute resolution process authorized by these Bylaws in Article V., Sec. 11
- c. Members are not liable for the debts of this cooperative.
- d. Members shall be eligible to purchase preferred shares should the Board of Directors elect to offer such shares. Eligibility shall be limited to voting members and residents of the State of Michigan.

### **Section 5: Termination of membership**

A Membership is terminated if:

- a. The membership does not pay equity fee, in full, per terms of their agreement.
- b. The membership requests cancellation.
- c. The individual dies or the household or organization dissolves.

### **Section 6: Expulsion of member**

A member may be expelled by a 2/3 vote of the Board of Directors for one of the following reasons: 1) Failure to comply with the Bylaws, rules or regulations of this cooperative; or 2) participation in activity endangering effective operation of this cooperative. Written notice of the charges against a member shall be made and a reasonable opportunity for a hearing with the Board shall be provided. Appeal of the Board's decision may be made at the next membership meeting. A written

notice of said appeal shall appear in the notice of the member meeting. A majority vote of the membership present is necessary to reinstate an expelled member.

### **Section 7: Return of Equity**

Upon termination of an equity membership, member must request the return of the equity fee. The fee shall be returned, in full, per the agreement.

## **ARTICLE IV: MEETINGS OF MEMBERS**

### **Section 1: General membership meeting schedule**

This cooperative shall hold one annual meeting for the purpose of announcing the results of Board of Directors elections and receiving reports on the state of the cooperative. The annual meeting shall be held in the first quarter of the calendar year. Other membership meetings shall be held at the discretion of the Board.

### **Section 2: Notice of meetings**

The time, place and agenda of general membership meetings shall be posted at the cooperative not less than 30 days prior to the date of the meeting. If for any reason the date must be changed, written notice shall be given as provided for in Section 4 of this Article.

### **Section 3: Special meetings**

Special meetings of the cooperative may be called by member written petition of 10 percent of the members, whichever is less. Special meetings called by petition shall take place within 45 days of presentation of the petition to the Secretary of the Board. The petition shall state the purpose(s) for which the meeting is to be called.

### **Section 4: Quorum**

A quorum of any meeting is 10 percent of the membership or 50 members, whichever is less. This shall be true for elections whether conducted electronically or by means other than balloting during a meeting. All ballots published during the election period that meet all requirements of section 5 below shall be counted for the purpose of establishing quorum and election outcomes on the specific issues upon which a vote is taken.

### **Section 5: Voting procedures**

- a. When consensus cannot be reached, the membership shall decide an issue by simple majority vote.  
Written ballots shall be used for voting upon member request.
- b. Each membership is entitled to only one vote. In the election of Directors, each member may cast as many votes as there are seats vacant; a membership may not cast more than one vote for any nominee.
- c. Proxy voting shall not be permitted

### **Section 6: Balloting procedure**

Voting shall be handled in the following manner:

- a. Balloting shall be overseen by the vice-president. A statement about ballot availability shall be made in the notice of the member meeting.
- b. Member Notice of the election and availability of the ballots shall be made not less than 30 days prior to the close of the election period.
- c. The completed ballot must be returned to the vice-president or his/her designated representative by the published close of the election period.
- d. The vice-president shall bring the tallied election results, certified by the Secretary, to the membership meeting for announcement of results.

## **Article V: BOARD OF DIRECTORS**

### **Section 1: Composition of the Board**

The management of this Co-op is directed by a Board of at least seven (7) and no more than nine (9) Directors elected or appointed from the membership of the Cooperative.

### **Section 2: Election and Terms of Office**

- a. The term of service for a Director shall be three (3) years. Three Director positions shall become vacant triennially. A Director who has served nine consecutive elected years on the Board will be eligible for re-election only after one year off the Board.
- b. The term of service for a Director shall begin on the June 1<sup>st</sup> following elections. In the months after the announcement of election results but prior to taking office, newly-elected Directors shall attend Board meetings as non-voting members.

### **Section 3: Eligibility and Conflict of Interest**

No employee of this cooperative may hold office as a Director.

Before election, candidates for the Board of Directors must make full and complete written disclosure of interests, memberships, relationships, arrangements, investments and holdings that potentially could result in a conflict of interest between the interests of the cooperative and the candidate's personal, professional or business interests, or those of the candidate's immediate family or employer.

No Director may participate in the voting on any business transaction with this cooperative if they have a material interest in or profit from, or compete in business with this cooperative to a material degree, or be employed by such a competitor of this cooperative.

### **Section 4: Nominations**

The Board of Directors shall appoint a nominating committee to seek Board candidates and review qualifications. The committee shall announce its list of nominees within 30 days after the end of the fiscal year, with brief statements of candidates' qualifications, and post at each place of business. Additional nominations may be made within the open nomination period.

### **Section 5: Removal of Board member**

By a vote of the majority of those serving on the Board, the Board may remove any Director with cause, provided that Director has been given at least thirty days notice stating the specific charges, and is given an opportunity to answer those charges at the Board meeting before the vote to remove is taken. The motion to remove shall be included in the notice of the meeting. Voluntary resignation takes effect when the Secretary receives a letter of resignation. Unexcused absence from three successive Board meetings is presumed to be voluntary resignation.

### **Section 6: Vacancies on the Board**

Board vacancies will be filled at the next scheduled election by the normal election process for the remaining term of the vacated seat. Vacancies on the Board of Directors may be filled on an interim basis by majority vote of the remaining Directors, and Directors so named shall serve until the newly elected board member is seated.

### **Section 7: Reinstatement of Directors**

A Director, involuntarily removed by action of the Board, may petition the membership for reinstatement at the next duly constituted membership meeting. The meeting notice shall include the written charges against the Director and notice of

the expulsive action of the Board. Reinstatement of the Director shall occur upon the affirmative vote of two-thirds of the members present.

## **Section 8: Officers**

- a. The officers of this cooperative include a President, a Vice-President, a Secretary and a Treasurer. The Board elects officers to one-year terms. New officers take office at the June meeting after the election of officers.
- b. The Board may remove or replace any officer at any Board meeting, by a 2/3 vote.

## **Section 9: Duties of officers**

- a. President  
The President shall preside at all Board and membership meetings. The signature of the President shall be on all contracts, notices and other documents where such a signature is appropriate.
- b. Vice-President  
The Vice-President shall discharge the duties of the President in the absence of the president. The Vice-President shall also be responsible for the distribution, collection and counting of the ballots prior to each annual meeting and may call upon a committee of the membership to assist.
- c. Secretary  
The Secretary shall be responsible for: 1) keeping a true and accurate record of all membership and Board meetings; 2) holding in safe-keeping all records and files pertaining to this office such as Bylaws, policies, protocols, reports and procedures. 3) Certifying the membership votes at all membership meetings. 4) Handing over all files and relevant materials to successor.
- d. Treasurer  
The treasurer shall: 1) oversee of the funds of the corporation; 2) ensure that an accounting system and records are maintained which will give a true and accurate accounting of the financial transactions of the corporation; 3) render or oversee preparation of reports from time to time as requested by the Board of Directors of the financial condition of the corporation; 4) make financial recommendations to the Board of Directors as requested; and 5) facilitate sound and effective fiscal management of the cooperative.

## **Section 10: Meetings of the Board**

The Board shall schedule at least 10 regular Board meetings per year. A majority of the Board constitutes a quorum. All Board meetings shall be open to the membership. The time, place and agenda of each regular Board meeting shall be posted at each place of business not less than seven days prior to a meeting. Any member of the cooperative may propose an agenda item to the president. Special meetings of the Board may be called by any Board member without regard to the above notice requirements.

## **Section 11: Neutral Dispute Resolution Body**

The Board may establish a neutral dispute resolution body, which shall be composed of individuals who are approved by both parties to the dispute, which individuals may be members or non-members of the cooperative, but not officers or Directors of the cooperative. Membership in the cooperative is conditioned upon good faith in the dispute resolution process authorized by this section.

## **Section 12: Board Responsibilities**

Responsibilities of the Board include, but are not limited to the following:

- A. General
  1. To select officers and fill Board vacancies as needed.
  2. To appoint committees.

3. To review and make recommendations on any proposed changes in the Articles of Incorporation or these Bylaws
- B. Planning
1. To adopt significant and realistic plans for future development and growth, and to review and modify them at regular intervals.
  2. To see that the goals and objectives as established by this Board in cooperation with membership and management are carried out.
- C. Management
1. To secure management for the cooperative, to establish policies to guide management, to determine compensation for and evaluate the performance of management.
  2. To establish equitable and non-exploitive personnel policies and to see that such policies are maintained, reviewed and updated regularly.
  3. To see that all facilities and equipment are maintained in good repair and in sanitary condition, inviting and attractive to consumers, as well as safe and in good operating condition for workers.
  4. To approve new services or major changes in present services;
- D. Finances
1. To establish appropriate reserves.
  2. To see that comprehensive financial statements are presented and reviewed at least quarterly, with operating reports presented at each meeting.
  3. To establish, after recommendation from management, an operating budget for the current year, and projections for succeeding years.
  4. To approve any intermediate or long-term loans, including issues of debentures to members or to the general public.
  5. To establish the amount of the annual buying deposit.
  6. To see that accurate and up-to-date lists of names and addresses of intermediate and long-term creditors, including debenture holders, are maintained.
  7. To see that adequate accounting records are kept in general accord with accepted accounting principles.
  8. To see that appropriate internal control procedures are in force and periodic audits made as required by these Bylaws.
  9. To authorize two appropriate officers or agents to sign contracts, leases or other obligations including bank checks on behalf of this cooperative.
  10. To approve purchase and disposal of large capital items.
  11. To see that adequate insurance coverages are maintained.
  12. To authorize the offering of preferred shares, at its discretion.
- E. Membership
1. To see that accurate and up-to-date lists of member names, addresses, amounts paid in, credited and due on membership accounts are maintained.
  2. To see that notices of meetings and absentee ballots are provided as required by these Bylaws.
- F. Communication and Education
1. To determine basic policies for cooperation with other cooperatives.
  2. To see that adequate channels are provided for member suggestions, commendations and complaints and that response is reasonably prompt and positive.
  3. To see that effective programs and basic policies for consumer and cooperative information are designed and implemented consistently.
- G. Legal
1. To see that all legally required reports are accurately and completely filed when due.
  2. To see that all activities are carried out within the law, the Articles of Incorporation and these Bylaws.

## ARTICLE VI: DISTRIBUTION OF SAVINGS

**Section 1:** Within 60 days of the end of the fiscal year, the co-op shall determine its net savings for that fiscal year, which shall then be allocated at the Board of Director's discretion, by any method deemed acceptable.

**Section 2:** Notwithstanding Section 2 of this Article, the Board shall make no allocations of net savings to member accounts if such allocations would render the co-op insolvent.

## ARTICLE VII: DISSOLUTION

In the event of dissolution of this organization, the membership shall name one or more nonprofit or cooperative organizations to receive any surplus after all obligations have been paid.

## ARTICLE VIII: AMENDMENT OF THESE BYLAWS

These Bylaws may be amended by the procedures outlined in Article IV Section 6, of these Bylaws, at any regular meeting of the members. Any proposed amendment of these Bylaws must be posted at each place of business not less than 30 days prior to the date of the meeting at which the voting will take place.

## ARTICLE IX: TRANSITION

**Section 1:** These Bylaws shall become effective March 20, 2004.

**Section 2:** All prior Bylaws are repealed January 10, 1987.

**Section 3:** The Board of Directors of this cooperative shall provide for a smooth transition from the current membership requirements to the new membership requirements as provided for in these Bylaws.

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*Changes to these by laws were approved by a majority vote of the general membership on October 23, 2009 and July/August 2012.*