



Marquette Food Cooperative, Inc.

# BYLAWS

Last Officially Amended: October 2021

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## ARTICLE I: OFFICE

### Section 1: Name

The name of this cooperative shall be Marquette Food Cooperative, Inc., (hereinafter “the Cooperative”).

### Section 2: Location

The principal office of this cooperative shall be located at 502 W. Washington St., Marquette, Michigan, 49855.

## ARTICLE II: PURPOSE

The purpose of the Cooperative is to:

- Operate facilities for the purchase, production, and distribution of wholesome products and necessary services for the primary and mutual benefit of its members and community.
- Promote the progress and welfare of all people by removing barriers that prevent people from accessing healthy food that is produced in an environmentally conscious manner.
- Benefit the cooperative movement by associating with other cooperatives for the benefit of all cooperatives, their members, potential members, and the entire cooperative community within the scope of the Articles of Incorporation and to the fullest extent permitted by the law.

## ARTICLE III: MEMBERSHIP

### Section 1: Access

Membership is open to any individual, household, cooperative, for-profit business, 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 any grounds and seeks to overcome prohibitive barriers to service.

### 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 the original agreement. Membership is non-transferable. The Membership equity fee may be paid in installment payments as set by the Board or by management.

### Section 3: Classes of membership

#### Common Share Holders

Memberships are defined in the following ways:

a. **Individual Membership**

One voting member.

b. **Household Membership**

Households may apply for membership in this cooperative in which the household gets one vote.

Each person living in the household may apply for and hold an individual membership in which each

person would be a voting member, or one membership may be held jointly in the names of some or all such persons in which the household would be considered as one voting member.

c. **Organizational Membership**

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

Preferred Share Holders

The Board of Directors may elect to issue preferred shares as defined by the Articles of Incorporation. Preferred shares shall not grant additional voting rights. Purchasers of preferred shares must first be common shareholders and shall reside in the State of Michigan and comply with all state and federal requirements for the purchase and ownership of preferred shares.

**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. Membership in this Cooperative is conditional on the member's good faith participation in the dispute resolution process authorized by these Bylaws in Article V, Sec. 10
- c. Members are not liable for the debts of this Cooperative.

**Section 5: Termination of membership**

A membership is terminated if:

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

**Section 6: Expulsion and Reinstatement of Members**

- a. A member may be expelled by a 2/3 vote of the Board of Directors for one of the following reasons:
  - i. Failure to comply with the Bylaws, rules, or regulations of this Cooperative; or
  - ii. Participation in activity endangering effective operation of this Cooperative.
- b. Written notice of the charges against a member shall be made and a reasonable opportunity for a hearing with the Board shall be provided. A member expelled by action of the Board may request an appeal the Board's decision at least 30 days prior to the next duly constituted membership meeting following expulsion. The meeting notice shall include the written charges against the expelled member, notice of the expulsive action of the Board, and the request for appeal. Reinstatement of the expelled member shall occur upon the affirmative vote of 2/3 of the members present. A quorum, as defined in Article IV, Sec. 4, is needed to hold a membership meeting to reinstate an expelled member.

**Section 7: Return of Equity**

Upon termination of an equity membership, the member must request the return of the equity fee or it shall be forfeited. The fee, if requested, shall be returned, in full, per the agreement between the member and the Cooperative.

**ARTICLE IV: MEETINGS OF MEMBERS**

**Section 1: General Membership Meeting**

This Cooperative shall hold one annual meeting for the purpose of announcing the results of Board of Directors elections, voting on agenda items which require member approval, and receiving reports on the state of the Cooperative. The annual meeting shall be held in March or April of every year.

**Section 2: Special Meetings**

Special meetings of the Cooperative may be called upon written petition of 10 percent of the members, or 150 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 3: Notice of Meetings**

The time, place, and agenda of general membership meetings shall be posted at the Cooperative and through any other medium where the Cooperative makes announcements not less than 30 days prior to the date of the meeting. If the date must be changed, written notice shall be provided as soon as reasonably practicable.

### **Section 4: Quorum**

A quorum of any meeting is 10 percent of the membership or 150 members, whichever is less. This shall be true for elections conducted during a meeting, by any means. All ballots published during the election period that meet all requirements of section 6 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. Except as otherwise provided in these bylaws, the membership shall decide an issue by simple majority vote.
- b. Each voting member who is over 21 years of age is entitled to only one vote. In the election of Directors, each member may cast as many votes as there are seats vacant; a member 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 by the published close of the election period.
- d. The Vice-President shall deliver the tallied election results, certified by the Secretary, to the membership meeting for announcement of results.
- e. The balloting procedure may be carried out electronically.

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

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

The management of the Cooperative 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 annually. A Director who has served three consecutive elected terms on the Board shall not be eligible for re-election until one year has passed since the end of their last term.
- b. The term of service for a Director shall begin at the June Board meeting 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 unless excused from attendance. Newly elected Directors shall also attend orientation as required by the Board policies.

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

No employee of this cooperative may serve 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, profit from, or compete in business with this Cooperative to a material degree, or is 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. The list of nominees will be posted at the Cooperative and published through any other medium where the Cooperative makes announcements.

#### **Section 5: Removal and Reinstatement of Board Member**

- a. The Board may remove any Director for cause, by a 2/3 vote of those serving on the Board, provided that the Director has been given at least 30 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 Board President receives written notice of resignation. Unexcused absence from three consecutive Board meetings is presumed to be voluntary resignation regardless of whether written notice is provided.
- b. A Director, involuntarily removed by action of the Board, may petition the membership for reinstatement at the next duly constituted membership meeting after removal. The meeting notice shall include the written charges against the Director, notice of the expulsive action of the Board, and the removed Board member's petition. Reinstatement of the Director shall occur upon the affirmative vote of 2/3 of the members present, and quorum requirements for a membership meeting must be met.

#### **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: 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 8: Duties of Officers**

- a. President  
The President shall be responsible for: 1) Presiding at all Board and membership meetings. 2) Signing all contracts, notices, and other documents where such a signature is appropriate. 3) Ensuring the Board fulfills its obligations to the Cooperative.
- b. Vice-President  
The Vice-President shall discharge the duties of the President in the absence of the President.
- c. Secretary  
The Secretary shall be responsible for: 1) keeping a true and accurate record of all membership and Board meetings; 2) maintaining all Board documents; 3) certifying the membership votes at all membership meetings; 4) handing over all files and relevant materials to their successor.
- d. Treasurer  
The treasurer shall: 1) oversee management of the funds of the Cooperative per Board Policy; 2) ensure that an accounting system and records are maintained which will give a true and accurate accounting of the financial transactions of the Cooperative; 3) oversee Management's preparation of financial reports from time to time as requested by the Board of Directors per Board Policy; and 4) make financial recommendations to the Board of Directors as requested.

### **Section 9: 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, and on the Cooperative's website, 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, but notice shall be provided as early as practicable.

### **Section 10: 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 11: Board Responsibilities**

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

- a. General
  - i. To select officers and fill Board vacancies as needed.
  - ii. To appoint committees.
  - iii. To review and make recommendations on any proposed changes in the Articles of Incorporation or these Bylaws.
- b. Planning
  - i. To adopt significant and realistic plans for future development and growth, and to review and modify them at regular intervals.
  - ii. To ensure that the goals and objectives established by this Board in cooperation with membership and management are carried out.
- c. Management
  - i. To secure lead management for the Cooperative, establish policies to guide lead management, and determine compensation for and evaluate the performance of lead management.
  - ii. To ensure the enactment of equitable and non-exploitive personnel policies and to see that such policies are maintained, reviewed, and updated regularly.
  - iii. To ensure 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.
  - iv. To approve new services or major changes in present services.
- d. Finances
  - i. To require sufficient liquidity per Board Policy.
  - ii. To ensure that comprehensive financial statements are presented and reviewed at least quarterly, with operating reports presented at each meeting.
  - iii. To establish, after recommendation from management, an operating budget for the current year, and projections for succeeding years.
  - iv. To approve any intermediate or long-term loans, including issues of debentures to members or to the general public.
  - v. To ensure that accurate and up-to-date lists of names and addresses of intermediate and long-term creditors, including debenture holders, and preferred shareholders are maintained.
  - vi. To ensure that adequate accounting records are maintained following generally accepted accounting principles.
  - vii. To ensure that appropriate controls are in force and periodic audits or reviews are made by an independent certified public accountant.
  - viii. To authorize two appropriate officers or agents to sign contracts, leases, or other obligations on behalf of this Cooperative.
  - ix. To approve purchase and disposal of large capital items and assets.
  - x. To ensure that adequate insurance coverages are maintained per Board Policy.
  - xi. To authorize the offering of preferred shares at its discretion.

- e. Membership
  - i. To ensure that accurate and up-to-date lists of member names, addresses, amounts paid in, credited, and due on membership accounts are maintained.
  - ii. To ensure that notices of meetings and ballots are provided as required by these Bylaws.
- f. Communication
  - i. To ensure that adequate and accessible channels are provided for member suggestions, recommendations, and complaints.
  - ii. To actively communicate Board action as defined in policy.
- iii. Legal
- iv. To ensure that all legally required reports are accurate, complete, and filed when due.
- v. To ensure that all activities are carried out within the law, the Articles of Incorporation, and these Bylaws.

#### **Section 12: Indemnification.**

The Cooperative shall indemnify and reimburse each present, past, and future Director for any claim or liability (including expenses and attorney's fees actually and reasonably incurred in connection therewith) to which such person may become subject by reason of being a Director. Such indemnification shall be made only if it is determined by the Board that the Director acted in good faith with the reasonable belief that the action was in the best interests of the Cooperative, or as otherwise allowed by law.

### **ARTICLE VI: DISTRIBUTION OF SAVINGS**

**Section 1. Allocations to Members.** The Cooperative shall allocate and distribute to members the net patronage profit from business done with the members in such a manner as to qualify the dividends as patronage dividends consistent with cooperative principles, applicable state and federal laws, and generally accepted accounting principles. The Board of Directors shall determine when and how such allocations and distributions will be made and in adherence to all applicable laws. Net patronage may be determined by either book value or tax value per the discretion of the Board of Directors. There is no guarantee of distributions annually or on any other schedule.

**Section 2. Notice.** Within 8 and 1/2 months of the close of the year, the Cooperative must provide each member a qualified or non-qualified written notice of allocation disclosing the amount of capital credited to their account.

**Section 3. Consent of Members.** By obtaining or retaining membership in the Cooperative, each member consents to the deposit of any patronage dividend into the member's Cooperative account. By obtaining and retaining membership in the Cooperative, each member agrees that if their patronage dividend is not cashed or used within 90 days of the date on which it was issued by the Cooperative, the Cooperative shall have the right to return the dividend to the Cooperative in a manner directed by the Board. Patronage dividends can be utilized as credit toward purchases, or as cash payment if requested at the Cooperative in person. The Cooperative is not required to make a patronage dividend refund payment of less than \$5 dollars.

**Section 4. Retained Amounts.** Patronage dividends not currently distributed by check shall be credited to capital accounts in the names of recipient members. Retained patronage dividends shall accrue no dividend or interest. Retained amounts that are no longer needed for capital purposes of the Cooperative may be redeemed in amounts and at times as determined by the Board. At that time, they shall be redeemed in the order of the oldest outstanding amounts and on a pro rata basis among such amounts for each fiscal year. Such redemptions may be made payable only to members who are then in good standing or become so within a period determined by the Board; a member not in good standing shall receive 30 days' notice and instruction regarding how to cure their standing. These distributions shall be made by the method set forth in Section 3 of this Article or via check, at the Cooperative's sole discretion.

### **ARTICLE VII: DISSOLUTION**

In the event of the dissolution of this organization, the Board of Directors 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 member may propose an amendment of these Bylaws, which must be posted at each place of business and through any other medium where the Cooperative makes announcements not less than 30 days prior to the date of the meeting at which the voting will take place.

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***Changes to these by laws were approved by a majority vote of the general membership on March 2004, October, 2009, July/August 2012, October 2021.***