

## **By Laws**

### **Kent Natural Food Cooperative**

(operating under Council Rock, Inc.)

Revised 7/12/98, 10/25/98, 6/28/09, 5/23/10, 6/27/10, 6/26/11, 6/24/12, 6/23/13, 6/22/14, 6/28/15)

#### **Article 1 Preamble**

The corporation is formed with the following philosophy and purposes:

We believe in operating a responsible market that provides healthful natural foods and products at fair prices. The cooperative will provide chemical and additive-free foods and products in bulk quantities that are locally grown and organically grown whenever possible.

We believe in cooperation, open processes, information sharing, community outreach, education and consensus decision making.

To further these ends, we encourage members and the community to respect and dignify ourselves and others without regard to gender, ethos, age, religion, politics, sexual preference, place of origin, social, marital, economic or health status.

We encourage of members and the community an awareness of this philosophy through their experience as natural food consumers.

All of this, we believe, promotes a sense of community and a holistic vision of healthy living.

The Kent Natural Foods Cooperative (also referred to in this document as the Cooperative, the Co-op or KNFC) shall as a cooperative organization conduct its business according to the following principles of cooperation:

- a. Membership open to all regardless of race, gender, sexual orientation, age, religion, national origin, disability, political belief, social, marital, economic, or health status.
- b. Operating as a democracy, each member having exactly one vote regardless of his or her investment and all members together controlling the corporation.
- c. Democratically controlling the operating capital of the cooperative, with members receiving limited compensation in the form of membership discounts. Surplus is allocated for developing the cooperative, setting up reserves, and supporting activities approved by the membership.
- d. Ensuring democratic control and cooperative autonomy when entering into agreements with other organizations, including governments, or raising capital from external sources.
- e. Carrying on programs for the education and training of members and non-members in the principles of cooperation and its benefits.
- f. While serving the members, strengthening the cooperative movement by working with others locally, regionally, nationally, and internationally.
- g. While focusing on member needs, working for the sustainable development of the community through policies accepted by the members.
- h. Non-discrimination. The selection of officers and staff shall be made with discrimination race, gender, sexual orientation, age, religion, national origin, disability, political belief, social, marital, economic, or health status.

#### **Article 2 Powers of the Corporation.**

1. The Corporation shall exercise all powers granted to non-profit corporations, consistent with the philosophy and purpose of the Co-Op
2. Decisions and operations of the Cooperative will be conducted through Member/Owners, the Elected Board, and Staff Collective

**Article 3 Member/Owners****1. Eligibility:**

- a. Membership is open to any person who supports the philosophy and purposes of the cooperative and who pays a membership fee.
- b. Member fee. For Members who join on or after July 1, 2011, there shall be a non-refundable annual fee or lifetime fee. Annual General Membership is \$25. Annual Student Membership is \$15. Annual Household Membership is \$35. A Household Membership includes a maximum of 2 adults and any children under 18 who share meals on a regular basis. A Lifetime Membership is available for \$250. Members who paid a refundable lifetime fee prior to July 1, 2011 shall continue to have all rights of membership. (amended 6/26/11)

**2. Rights and Powers of Membership:** All members have the following rights and powers, as further set out in these By Laws and the policies of the Co-Op:

- a. Discount on purchases.
- b. Receive notification of general membership meetings.
- c. Call Member Meetings, and Post agenda items for Member Meetings
- d. Stand for election as trustee.
- e. Elect and remove trustees.
- f. Attend and address meetings of the board of trustees.
- g. Participate in Member/Owner committees.
- h. Approve the sale of real estate or assets in excess of \$10,000.
- i. Approve Amendments to the Bylaws.
- j. Approve dissolution of the corporation.

**3. Responsibilities:** Members must respect and follow the bylaws & policies of the co-operative. The membership is encouraged to take an active role in the co-op operations through volunteer efforts, social activities, committee work, and general membership meeting attendance.**4. Termination of membership:** A member may withdraw membership at any time, by written request to the President or Treasurer. Upon withdrawal, the member terminates membership rights. Membership fees will be refunded within 90 days of written application for withdrawal of membership. The corporation retains the right to terminate the membership by a hearing and a vote of the general membership for stealing from the cooperative, destroying cooperative property or harassment of employees, members, customers, or visitors in the store. Any proposal to terminate an individual member for cause will first be brought to confidential hearing of the personnel committee, unless the individual waives such hearing. A member/owner may be suspended for cause by decision of the personnel committee, pending decision of the general membership.**5. Liability:** Members shall not be liable for any debts or obligations of the Corporation except as otherwise provided by law.**6. Inactive Members:** Inactive members are members who have not paid their membership fee in full, or have not kept their mailing address current and KNFC has received notice that the individual no longer lives at the address the person has provided to the Co-op and there is no forwarding address given at the post office. A list of inactive members is kept at the store and updated monthly. If a member cannot for whatever reason provide the Co-op with an address, they may maintain the Co-op as their mailing address for the purpose of this mailing. It is the individual member's responsibility to check their mail periodically at the Co-op.

**Article 4 Meetings of Member/Owners****1. Schedule of Meetings –**

- a. **Annual Meeting of Member/Owners.** The annual meeting of Member/Owners will be held each year in May or June.
- b. The Board must convene a General Meeting of Member/Owners upon written request by 5 members. Such request must identify the purpose for the meeting. Other member/owners, or the board of trustees, may add to the agenda for a special meeting.
- c. The Board of Trustees may call additional meetings of Member/Owners for any purpose consistent with the philosophy and purposes of the Co-Op.
- d. The agenda of matters to be discussed will be identified in the notice of meeting.

**2. Agenda**

- a. Each general member meeting will include a report from the Board on the state of the Cooperative.
- b. Elections will be conducted at the May/June meeting, as set forth in Article 5, Section 2.
- c. The Board of Trustees or Member/Owners may place topics on the agenda for general membership meetings. An item must be placed on the agenda if a written request signed by 5 active Member/Owners is delivered to an officer 30 days before the membership meeting.
- d. In order to have removal of a Trustee placed on the agenda, the written request must identify the person in question, and state reasons why the requesting Member/Owners feel that the person's performance justifies removal.
- e. Other than removal of a trustee, no discussion of individual staff or member performance will be placed on the agenda of a member meeting unless first discussed in a confidential hearing of the Personnel Committee and/or Board. This includes termination of membership for cause.

**3. Notice of Meeting**

- a. Written notice stating the place, the agenda to be discussed, day and hour of the meetings of members shall be sent or delivered, either personally or by mail or electronic mail, to each active member entitled to vote at such meeting not less than 14 days before the date of such meeting. Electronic mail notice will be used only pursuant to a procedure adopted by the Board providing for such notice.
- b. Such written notice shall also be posted in a public location in the store.
- c. **Waiver of Notice.** Members may waive their right to receive mailed or e-mailed notification of meetings by signing a release form at the store. Members who waive notice will be responsible for keeping themselves abreast of the meeting times and agendas by visiting the store for same.

**4. Place and Time**

- a. **Place of Meeting.** The place of the meeting shall be the main business location of the corporation unless otherwise designated by written notice.
- b. **Time of meeting.** The time of meeting is to be 6:30 pm unless otherwise noted in the meeting notice. The meeting will end no more than two (2) hours after the stated starting time unless two thirds (2/3) of the members present agree to extend the meeting time.

5. **Quorum.** There must be a quorum of at least 8 members.

6. **Decisions of Member/Owners.** Member meetings shall consider only issues placed on the agenda and included in the notice of meeting. Decisions will be made by two-thirds (2/3) vote, except as provided for elections.

**Article 5 Board of Trustees**

1. **Trustees:** The Board of Trustees shall consist of nine Member/Owners elected by the Member/Owners with no fewer than two staff Member/Owners and four non-staff member/Owners elected by the Member/owners.
2. **Election:**
  - a. **Nominations.** Any active Member/Owner is eligible for nomination for election as Trustee. Member/Owners may nominate themselves or be nominated by another Member/Owner. Nominees will complete an election application. Blank applications will be available at the store for at least two (2) weeks before voting opens. Nominations will close at the end of the May/June Member Meeting.
  - b. **Declaration of Qualifications and Interests.** All nominees for Trustee shall state their qualifications, visions and objectives for the Co-Op. Nominees shall also state their material and relational interests, as described in Section 8 (Conflict of Interests).
  - c. **Elections.** The May/June Member Meeting will include a forum opportunity for candidates. Elections will be conducted by secret ballot, to be completed at the store. Voting will be open for at least three thirty (30) days following the May/June meeting. The board will adopt procedures to ensure that membership is verified and that each member votes no more than once. Each voting Member/Owner may cast votes up to the total number of Trustee openings to be filled in the election (one vote per candidate). The votes will be counted at an open member meeting. The nominees with the highest total votes will be elected.
3. **Terms of Office**
  - a. Terms of office shall be two years.
  - b. In the first election, the five candidates with the highest vote count will be assigned to two-year terms. The other four Trustees will serve one-year terms.
  - c. Trustees shall be eligible for reelection.
4. **Duties, Powers and Limitations of Trustees**
  - a. Each Trustee is expected to attend meetings of the Board of Trustees and Membership Meetings
  - b. The elected Board of Trustees will make policy decisions for the organization, in the best interest of the Member/Owners and consistent with the philosophy and purposes of the Kent Natural Foods Co-Operative.
  - c. The Board must approve an annual budget.
  - d. The Board will determine a business plan, which will be reviewed and revised from time to time.
  - e. The Board of member/owners may delegate responsibilities to the staff or committees or other member/owners, subject to direction by the Board and Membership, after consultation with the affected group.
  - f. The Board shall not sell real estate or assets in excess of \$10,000 without approval of the Member/Owners.
  - g. The board shall not enter into loans exceeding half of the equity of the real estate without approval of the Member/Owners
  - h. The Board may refer any matter for decision at a Member meeting.
  - i. The Board and/or officers must call Member meetings as required in Art. 3, and defer to Member decisions.
5. **Responsibilities of Individual Trustees.**
  - a. Board Members who are not also staff shall volunteer at least two hours each month in the store. (Added 6/26/11)

- b. All board members shall participate in at least one committee outside of board meeting. (Added 6/26/11)
    - c. Any Trustee who is absent from three consecutive Board meetings, unless excused by the Board for good cause, will be presumed to have resigned.
  6. **Meeting schedule.** The board will determine a schedule of monthly meetings. The first meeting of the newly elected Board will be the second Sunday of the month immediately following the board's election, unless otherwise agreed. The time and place of Board meetings will be posted at the Co-Op store. The Board may also post the meeting schedule and agenda on a web site accessible to members. Meetings will be at the store unless otherwise noted
  7. **Open Meetings**
    - a. Board meetings will be open to all active members, who will be allowed to speak during the meeting.
    - b. Confidential Appeals. The Board will close its meeting for any appeal from a personnel committee hearing concerning individual conduct of any staff or member/owner, unless the person making the appeal and any staff or member/owner whose individual conduct is a subject of the grievance signs a release waiving confidentiality and requesting that the meeting be open to all Member/Owners.
    - c. Member/owners who wish to speak about the conduct of an individual member or staff who has not waived confidentiality will be asked to submit the grievance to the personnel committee for a confidential hearing. If the member/owner wishes to address the board without personnel committee hearing, the board will close the meeting to hear and consider such comments.
    - d. Other than confidential appeals, sessions of a board meeting may be closed only for discussion of a particularly sensitive nature. Such closed session will be for discussion only. No decisions will be made in closed meeting. Member/owners may otherwise be excluded only for cause.
  8. **Decisions**
    - a. **Quorum.** A quorum of at least 6 must be present for decisions.
    - b. **Vote.** Decisions of the Board shall require a vote of two-thirds of the Trustees present. The staff shall appoint two (2) or three (3) staff member/Trustees to represent the staff in all decisions concerning labor relations, including wages, benefits, and working conditions. (amended 6/24/12)
    - c. **Tabling.** If requested by one-third of the Trustees present, a decision will be tabled to the next meeting of the Board, for further discussion. The tabled decision will be the first item on the agenda (after reading of the minutes). After discussion, the tabled decision will be decided by majority vote .
    - d. **Voting via Electronic Communication.** Voting may be done using electronic communication if the vote is unanimous and if the response is received within 48 hours of the original vote. (ammended 6/22/14)
  9. **Declaration and Conflict-of-Interest**
    - a. **Relational Interests.** If an officer or Trustee is living with, married to, blood-related to, or domestic partners with a member who is the subject of a dispute, decision, or other sensitive issue relating to the Co-op, that officer or Trustee is expected to step aside in that decision.
    - b. **Material Interests.** Each officer and Trustee is required to declare their place of employment and other significant material interests, so that members and Trustees can evaluate interests that may pose a conflict with the interests of the Co-Op as a whole in particular matters. An officer or Trustee is expected to step aside from any decision in which the officer's material interests may pose a conflict with the interests of the Co-Op, except for the two (2) or three (3) staff member/Trustees appointed by the staff to represent the staff in decisions regarding labor relations, including wages, benefits, and working conditions. (amended 6/24/12)
    - c. **Other.** An officer or Trustee or member may voluntarily step aside for any issue about which they feel hindered by any conflict-of-interest.

10. **Officers.** The elected Board of Trustees will select officers at the first meeting after the annual election of trustees. Officers will be elected by majority vote.
- a. **President.** The president is responsible for attending Membership Meetings and meetings of the Board of Trustees, and for arranging for the facilitation of the meetings, through outside facilitators, member facilitators, or by facilitating the meeting himself or herself. The president is also responsible for the collation of the agenda items and informing the facilitator of the agenda. The president or facilitator shall step aside from facilitation of the meeting during any discussion or decision if any Trustee so requests and states that the reason is the perception that the president or other facilitator has a conflict of interest concerning the matter.
  - b. **Vice President.** The vice president shall carry on the duties of the president when the president is not available. The vice president is responsible to attend Membership Meetings and meetings of the Board of Trustees.
  - c. **Secretary.** The Secretary shall be responsible for the keeping of the minutes of all proceedings of the Cooperative, the records of all approved policies, and the membership records and the answering of all correspondence. The secretary shall make said records and documents available for inspection by any member/owner at any reasonable time. It shall be the responsibility of the secretary to send all notices of and prepare agendas for membership meetings. The secretary may be reimbursed at an hourly rate designated by the Board. The secretary is responsible for attending Membership Meetings and meetings of the Board of Trustees.
  - d. **Treasurer.** The treasurer shall have ultimate responsibility for the keeping current and in proper order all financial records and books, and shall make said records available for inspection by any member/owner at any reasonable time. The treasurer shall chair the finance committee. The treasurer shall have ultimate responsibility for regular reports to the Board and Member Meetings on finances, preparing an operating budget and obtaining periodic audits. The treasurer is responsible for attending Membership Meetings and meetings of the Board of Trustees. The treasurer may be reimbursed at an hourly rate designated by the Board.

#### 11. Removal or Resignation of Trustees

- a. A Trustee may resign by submitting a written resignation to the secretary. A Trustee will be presumed to have resigned if excessively absent (as stated Section 5.c, above) A Trustee's termination of Member/Ownership also terminates the term as Trustee.
  - b. A vacancy will be posted at the store (and on the website, if available) for at least 2 weeks. The vacancy will then be filled by cumulative voting at the next board meeting. Each voting board member gets 3 votes, to be distributed among the candidates. A replacement trustee will serve only until the next scheduled Election. (Amended 6/26/11).
  - c. A Trustee may be removed at a membership meeting where removal of such Trustee has been placed on the agenda by written request of 5 Member/Owners. The written request must identify the person in question, and state reasons why the requesting Member/Owners feel that the person's performance justifies removal.
  - d. Any Trustee designated for removal will be given reasonable opportunity to speak at the designated membership meeting. Removal requires a 2/3 vote of the members present at the posted meeting. If a Trustee is removed, a replacement will be elected at the same meeting.
12. **Committees.** The standing committees shall be Finance and Personnel. The Board shall establish other committees as appropriate to carry out the purposes of the Co-Op. Where possible, each committee will include at least one staff member. Committees will be open to non-Trustee members unless otherwise stated in these By Laws.

#### a. Decisions.

- i. **Recommendations:** When the role of a committee is to make recommendations to the Board or Members, the committee will determine the recommendation by majority vote. Minority recommendations may also be presented to the Board or Members.

- ii. **Decisions:** When the Board delegated a decision to a committee, the decision will be made by a vote of two-thirds of the members present at a meeting. If requested by one-third of the committee members present, a decision will be tabled to the next meeting of the committee, for further discussion. At the next meeting, after discussion, the tabled decision will be decided by majority vote.
- b. **Finance Committee.** The Finance Committee will be chaired by the Treasurer. If there is a staff finance coordinator, that staff person will also serve as a member of the finance committee. Other Member/Owners may also serve on the Finance Committee. The committee will make recommendations and reports to the Board and Member/Owners on all financial issues of the Cooperative. The committee will work with the treasurer to develop an operating budget and to obtain and review periodic audits.
- c. **Personnel Committee.** The personnel committee will make recommendations to the Board regarding staffing levels, approval of job descriptions, and approval of hiring policies. The committee will assist Staff with annual performance evaluations. The Personnel Committee will also conduct confidential hearings on grievances concerning working conditions, working relations, and any issues concerning performance of individual staff or member/owners.
  - i. The personnel committee will be made up of one staff person and two non-staff Trustees. The staff representative shall be chosen by the staff collective, and rotate every 12 months. The non-staff members of the Personnel committee shall be designated by the Board at the first board meeting following the election of the Board.
  - ii. Members of the personnel committee are required to become familiar with the Cooperative's personnel policies and the laws and rights of employees in the State of Ohio.
  - iii. **Confidentiality.** The Personnel Committee will make reasonable efforts to protect confidentiality of individual staff and member/owners.
  - iv. **Hearings.** A staff member who receives a recommendation of a warning or discipline or failure of a staff evaluation is entitled to a hearing with the personnel committee before implementation of the proposed action. The same procedure will be available if a staff member or member/owner submits a grievance concerning a staff member, or requests discipline of a staff member. The personnel committee will hear all information in evidence and make a determination by consensus. Personnel Committee hearings will be closed, to protect confidentiality of staff and member/owner participants.
  - v. **Appeal to Board.** A staff member, or other member/owner, may appeal a warning, discipline, termination or other grievance to the Board of Trustees. The Board will consider the appeal in a closed meeting, unless the person whose individual conduct is the subject of the appeal signs a release waiving confidentiality and requesting that the meeting be open to all Member/Owners.

## Article 6 Staff Collective

1. The Staff is comprised of regular staff employees and temporary and fill-in employees. The Staff is expected to operate the Co-Op Store in cooperation with Member/Owner volunteers, and in accordance with policies determined by the elected Board of Member/Owner Trustees, after consultation with the staff. The staff is responsible for maintaining good communication among the staff members and between the Staff Collective, Board of Trustees, and Member/Owners. Staff members are expected to facilitate internal staff communication, evaluation, and mediation, with the assistance of the Personnel Committee.
2. The Staff of the Cooperative shall function as a collective entity. A quorum of at least two-thirds (2/3) of the regular staff must be present for decisions of the staff collective. Decisions shall require a vote of two-thirds (2/3) of the staff present. If requested by one-third of the staff present, a decision will be tabled to the next meeting of the staff, for further discussion. The tabled decision will be the first item on the agenda of the next meeting. After discussion, the tabled decision will be decided by majority vote.
3. The Board, in consultation with Staff, may establish a staffing plan which designates certain staff as coordinators with special responsibilities.

**Article 7 Staff – Board of Trustees Relations**

In the event of a collective staff grievance concerning working conditions, wages or a claim of unreasonable demands from the board of trustees, the personnel committee shall familiarize itself with the staff grievance and facilitate with the staff the engagement of an unbiased mediator. Alternatively, the staff members may waive rights of confidentiality by signing the necessary releases and approach the members/owners directly at a membership meeting with their grievance.

**Article 8 Contracts**

The Board may authorize an officer or officers, agent or agents of the corporation to enter into any contract, falling within the powers and responsibilities granted to the Board of Trustees within these bylaws, in the name of and on behalf of the corporation.

**Article 8 Checks**

All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such members or agents of the corporation and in such a manner as shall from time to time be determined by resolution of the Board.

**Article 9 Fiscal Year**

The fiscal year of the corporation shall be a 52-53 week year ending the Saturday nearest to the last day in December.

**Article 10 Books and Records**

The corporation shall keep correct records of account, minutes of the proceedings of its Members and Board, and a record of the names and addresses of members entitled to vote at the registered or principle office. All books and records of the corporation may be inspected by any member, or his agent or attorney, for any proper purpose at any reasonable time.

**Article 11 Amendments**

The Articles of Incorporation or these Bylaws may be altered or amended, in whole or in part, by two-thirds of the participating members present at a general all-member meeting, provided that written notice setting forth the nature of the proposed change(s) shall be given to all members no later than 14 days prior to the meeting. The text of proposed changes shall be posted at the store. If available, the proposed changes will also be posted on a web site accessible to members.

**Article 12 Dissolution**

1. In the event that the Corporation must be dissolved, the assets of the Corporation shall be distributed as follows:
  - a. To the local cooperative or non-profit corporation(s) serving the Kent area; or
  - b. To any other local food cooperative; or
  - c. To any other non-profit organization which agrees to administer the assets of this Corporation in accordance with our goals and purposes.
2. A motion for dissolution of the assets of the Corporation must be placed on the agenda of a general member meeting. A decision to dissolve the corporation must be approved by a three quarters (3/4) majority of the members present at a properly announced and notified General Membership Meeting. An effort to achieve consensus of the general membership in attendance must first be made on the matter of dissolution of the Co-op with a vote following at the same meeting.