

BYLAWS OF THE SYRACUSE REAL FOOD  
COOPERATIVE

(Revised Fall 2002)

I. NAME

II. PURPOSES

III. MEMBERSHIP -- Eligibility, rights and responsibilities.

IV. MEMBERSHIP MEETINGS -- Frequency, notification, quorum, voting, conduct of meetings.

V. CO-OP COUNCIL -- Responsibilities, authority & limits, election, meetings, recall.

VI. OFFICERS -- Selection, responsibilities.

VII. AUDIT & OVERSIGHT BOARD -- Responsibility, auditing, authority, selection, recall.

VIII. COMMITTEES -- Standing committees, responsibilities, ad-hoc committees.

IX. REFERENDA -- When, how.

X. FISCAL YEAR

XI. AMENDMENT

## XII. DISSOLUTION

## BYLAWS OF THE SYRACUSE REAL FOOD COOPERATIVE

### ARTICLE I -- NAME

Sect. 1. This association shall be known as the Syracuse Real Food Cooperative, Inc., incorporated as a not-for-profit cooperative corporation under Article 2 of the Cooperative Corporation Law of the State of New York. The principal office of the corporation shall be in the City of Syracuse, County of Onondaga, and State of New York.

### ARTICLE II -- PURPOSES

Sect. 1. To provide the facilities and services required for the purchase, storage, preparation, distribution, and sale of products compatible with general Cooperative philosophy.

Sect. 2. To help create a just society through the development of a cooperative economy that meets real human needs in ways that are ecologically sound and peaceful.

Sect. 3. To associate with other cooperative societies for mutual assistance and development.

Sect. 4. To support and encourage sustainable, organic farming in the local agricultural community.

Sect. 5. To transform exploitative and competitive relations among people into mutually supportive and cooperative relations.

Sect. 6. To propagate the cooperative movement, its principles, practices and organizations.

Sect. 7. To do those things that are necessary to meet these goals, purposes and values.

### ARTICLE III -- MEMBERSHIP

Sect. 1. Membership in the Co-op is broadly inclusive of all in agreement with Cooperative principles who are willing to accept the associated responsibilities. Discrimination in any form, not limited to gender, age, ethnicity, racial category, sexual orientation, marital status, ability, national origin, creed or political affiliation, is prohibited.

Sect. 2. Any consumer cooperative, worker cooperative or any other society or organization not operating for profit and not in opposition to the purposes of this cooperative may be admitted to membership on equitable terms including fees or services to be determined by the Council. Each society or organization admitted to membership is entitled to one vote at General Membership Meetings.

Sect. 3. The financial requirements for membership are:

- A. Payment of nonrefundable annual dues. Changes in the annual dues must be proposed by the Council and approved by affirmative vote of a majority of members present at a General Membership Meeting.
- B. Payment of a noninterest bearing Capital Contribution, the amount of which is derived from household aggregate income. This amount is expected to change with the member's financial situation and must be reviewed and altered as necessary. Changes in the amount or apportionment of the Capital Contribution must be proposed by the Council and approved by affirmative vote of a majority of members present at a General Membership Meeting.
- C. Capital Contributions are refundable upon request in the case of termination of membership, however. 1) dues in arrears, or other debts or obligations to the Co-op may be deducted from the Capital Contribution at any time, 2) the Council shall have authority to defer the refund of Capital Contributions provided that all members are treated equitably, 3) Requests for refunds of Capital Contribution must be made within two years of termination of membership. If a refund is not requested within this period the Capital Contribution shall be forfeited.
- D. No person shall be denied membership because they cannot meet the financial requirements. The Council shall provide for alternatives of barter of services or products in lieu of regular payment of dues or Capital Contribution. The Council may defer, reduce or set aside financial requirement

in cases of hardship.

E. Failure to meet the financial requirements for membership, or to make alternative arrangements as above, shall be cause for termination of membership. The Council shall establish reasonable procedures for such terminations.

Sect. 4. A nontransferable instrument of membership is issued by the Co-op to each new member upon completion of membership application and after payment of appropriate financial requirements.

Sect. 5. The Council may establish a variable pricing structure of discounts and/or surcharges and/or dividends based on patronage and the level of services provided by members.

Sect. 6. The Council may establish temporary and trial usage periods, but, for the purposes of these by-laws, persons so enrolled are not considered members and enjoy no member rights, are not owners of the Co-op, are ineligible to vote or hold office, and are not counted in the official tally of members.

Sect. 7. **All** members in good standing are eligible to:

A. cast one vote in any general or special membership meeting,

B. Serve on any standing or ad hoc committee;

C. run for election for Co-op offices, if otherwise qualified;

D. circulate and present petitions, claims or grievances;

E. have reasonable access to official Co-op documents, records, minutes and financial statements;

F. have reasonable access to any editorial publication (New Leaf).

Sect. 8. Members retain the right to due process, to dissent and to free effective speech, and do not forfeit any civil rights by joining the Co-op. In the exercise of their rights, members have the responsibility not to interfere with the operations of the Coop or the rights of others. The Council may establish guidelines to optimize members' rights.

Sect. 9. The Membership owns the Cooperative and has the right to control the Co-op through participatory democracy. The Members retain the sole right to elect the Council, to recall any official as provided in these bylaws, to control product policy, to decide the Co-op's position and actions in regard to important social issues.

Sect. 10. Voluntary withdrawal from the cooperative is effective at the end of the calendar month during which written notice of intent is received.

Sect. 11. A member whose actions are contrary to Co-op Bylaws, purposes or rules or who interferes with Co-op operations may be suspended or expelled following reasonable procedures established by the Council. The member must be notified in writing of the causes of such an action either in person or by first class mail to the last known address of the member. If a member is to be expelled, notification must occur 30 days prior to the effective date of expulsion. The expelled-member retains all rights of response and appeal. Appeal can be made to the Council, the Audit & Oversight Board and ultimately to the General Membership Meeting. Final appeal can be made no later than the second regular General Membership Meeting following notification.

#### ARTICLE IV - MEMBERSHIP MEETINGS

Sect. 1. Two regular General Membership Meetings are convened annually, Spring, and Fall. The meetings shall be called during the following periodsthe Spring meeting between March 1 and May 31; and the Fall meeting between October 1 and December 31. The exact time and place of the meeting shall be set by the Co-op Council to enable the fullest possible attendance.

Sect. 2. Notification of the date, time, place and agenda of each regular General Membership Meeting must be posted in a prominent place at least 30 days prior to each meeting.

Sect. 3. The annual Financial & Budget report and discussion shall be part of the regular [Winter] Spring General Membership Meeting. At this meeting the Treasurer shall present (a) a complete Annual Financial Report including income/expense statement and balance sheet, and (b) a formal Budget and business projection for the current fiscal year. The Co-op Council shall see that an Annual Report on Operations for the year past and a Business Plan for the current year are presented at this meeting. All of these reports and documents shall be posted in a prominent place not later than 5 days following the Winter meeting.

Sect. 4. The election for the Co-op Council shall commence at the Fall General Membership Meeting.

Sect. 5. A Special General Membership Meeting must be convened by the Secretary in the event of any of the following.

- A. an affirmative vote of a majority of members present at any General Membership Meeting.
- B. an affirmative vote of a majority of the Co-op Council.
- C. an affirmative vote of a majority of the Audit & Oversight Board.
- D. in an emergency the President of the Co-op may order a Special Meeting.

Sect. 6. Notification of the date, time, place and agenda of a Special General Membership Meeting must be either. 1) posted in a prominent place for at least 30 days before the meeting, or 2) sent by first class mail not less than 7 days before the meeting, to the last known addresses of the general membership.

Sect. 7. Except as otherwise provided in these bylaws, business may be conducted at a general membership meeting by a majority vote of members attending such meeting.

Sect. 8 Each member present at any General Membership Meeting is entitled to one vote. Proxy voting is prohibited. Members other than natural persons (such as organizations) may send one voting delegate provided that the delegate is duly authorized in writing.

Sect. 9. At any General Membership Meeting, the written vote of an absent member shall be received and counted, provided that the vote is indicated on a copy of the exact motion or list of nominees on which the vote is taken; these must be enclosed in an envelope with the absent member's name, address and signature on the outside.

Sect.10. The conduct of General Membership Meetings shall combine aspects of consensus process with majority rule. Ordinarily the process of decision making will proceed in stages:

1. Defining the Issue. Members make a case that the Co-op should act upon an issue. If the meeting agrees to take up the issue, proceed to the next stage.
2. Examine the Facts. Members share the facts relating to the issue, and raise questions regarding these.
3. Develop Alternatives -- Members and committees are encouraged to propose various approaches to the problem. The issue may be sent to a committee to allow more consideration, research & discussion.
4. Evaluate Alternatives -- Members discuss proposals' practicality, cost, effectiveness, social responsibility, etc.
5. Selecting an Alternative -- Members attempt to negotiate a consensus based on the most popular alternative or set of alternatives. Failing to achieve a consensus, the majority rules after other viewpoints are heard and considered. Civility, toleration for diversity, equal rights including the right to be heard, and a cooperative spirit shall govern the deliberations of this Co-op.

#### ARTICLE V -- CO-OP COUNCIL

Sect. 1. The Council is the executive body of the Co-op. The Co-op Council is empowered by the General Membership to manage the business and affairs of the Co-op and is entrusted with fulfilling the Co-op's objectives. It is specifically obligated to implement these Bylaws. The Council shall be broadly responsive to the will of the General Membership, subject to its fiduciary responsibilities regarding financially imprudent or illegal actions.

Sect. 2. The Council may delegate certain functions to, and authorize resources for, any responsible officer, staff or committee, provided that such delegation conforms to these bylaws and is circumscribed and meets general cooperative business standards: such as acting in good faith, exercising ordinary care and serving the best interests of the Co-op. It is the responsibility of the Council to oversee staff and committees and to make sure that any task delegated to any responsible officer, staff or committee is being properly performed.

Sect. 3. Every officer, employee or agent of the association before handling funds or securities amounting to \$1,000 or more in any one year shall be covered by an adequate bond to be approved as to the form and amount by the Council.

Sect. 4. Limiting Conflict of Interests:

- A. No Council member may decide any issue which involves the member's pecuniary interest, directly or indirectly. The material facts of the transaction and the Council member's interest must be disclosed or known to the Council. The Council must take extraordinary care that such transactions are fair to the Co-op. The Secretary of the Council shall see that a separate record shall be kept of all such transactions and posted in a prominent place.
- B. No Council member may directly or indirectly materially benefit from any transactions with the Co-op to an extent which exceeds on an annual basis an amount equal to one & a half percent of the median annual income for a family of four in the Syracuse Standard Metropolitan Area.
- C. No Council member may be employed by the Co-op for financial compensation which exceeds on an annual basis an amount equal to one and a half percent of the median annual income for a family of four in the Syracuse Standard Metropolitan Area.

Sect. 5. The Council consists of nine members. The size of the Council may be changed by an affirmative vote of a majority of members present at the regular spring General Membership Meeting; Such a change in size becomes effective at the following fall election. No reduction in size may be made unless corresponding vacancies will exist at the fall election. The size of the Council must be set at an odd number of members between 5 and 11, including the Co-op President

Sect. 6. The Council members serve in staggered 2 year terms and hold office until their successors take office. Council members shall take office at the first Council meeting following their election. Vacancies, including Co-op President, may be temporarily filled by the Council until the next general or special membership meeting at which time a by-election is held to fill the unexpired term.

Sect. 7. A Nominating Committee is appointed by the Council at least 90 days before the regular Fall General Membership Meeting. The Nominating Committee must present to the General Membership a list of candidates exceeding by at least one the number of open Council seats. This list must be posted in a prominent place in the Co-op for at least 30 days before the Fall General Membership Meeting. Nominees must be members in good standing.

Sect. 8. All candidates for the Co-op Council must either be present at the Fall General Membership Meeting to respond to questions or have a prepared statement read. Further nominations from the floor, including self-nominations, are permitted.

Sect. 9. Elections:

- A. Voting for Co-op Council shall commence at the regular Fall General Membership Meeting. Voting shall be continued with point-of-purchase balloting for a period of 30 days, immediately following the Fall General Membership Meeting.
- B. Each member may cast votes up to the number of positions open. Votes may be cast in the affirmative or negative. When votes are tallied for each candidate the number of negative votes shall be subtracted from the affirmative votes to arrive at the final vote count.
- C. All continuing Council members and nominees for Council are eligible to run for Co-op President, however any nominee who is not elected to the council is ineligible to be Co-op President. A separate selection for Co-op President shall be provided on the ballot. Preferential voting shall be used to elect the Co-op President, with each voter able to cast a first, second and third choice. If a voter's first choice is disqualified by not being elected to the council, then the second choice will be counted, and so on.
- D. Each member voting shall place the ballot in an envelope with the member's name, address and signature on the outside. Ballots are placed in (a) secure ballot box(es). The Council shall see that the ballots are counted in an open and impartial manner within three days of the close of balloting. Votes are counted in a three step process to assure a secret ballot: 1) establishing the validity of the vote, 2) removing the ballots from the envelopes, 3) tallying the votes and declaring those elected. Any member may observe the counting process and may challenge the validity of any vote.

Sect. 10. If persistent factions or minorities exist, a system of proportional representation should be instituted to assure representation of diverse viewpoints on the Council. Upon petition of 5% of the

General Membership the Co-op Council shall empower a special Proportional Representation Bylaw Committee to develop proposal(s) for a proportional representation system. Such changes in these bylaws may be adopted by a majority vote of those present at a General Membership Meeting, provided that such consideration is part of the announced agenda and the proposals are posted for a period of 30 days prior to the meeting.

Sect. 11. The Co-op Council shall meet at least monthly with a simple majority constituting a quorum. Meetings are chaired by the Co-op President or a delegate. A special Council meeting must be called upon the request of a simple majority of Council members or, in an emergency, by the President.

Sect. 12. If a Council member is absent from 3 consecutive meetings or 4 out of any 12 consecutive meetings the members seat may be declared vacant by an affirmative vote of a majority of the Council.

Sect. 13. Voluntary resignation from office by a Council member is effective at the next regular monthly meeting of the Council following receipt of written notice.

Sect. 14. Members can request a recall of any or all Council members by a petition signed by 5% of the membership. Upon receipt of such a petition the Audit & Oversight Board shall call a special General Membership meeting, unless a regular General Membership meeting is scheduled within 35 days. The membership and the Council members challenged must be notified that recall will be on the agenda as stated in meeting notification requirements. A 2/3 affirmative vote of members present at a General Membership Meeting is required to recall.

Sect. 15. The Co-op Council may authorize any officer or officers, agent or agents, to enter into any contract or execute any contract or instrument in the name of and on behalf of the Co-op, and such authority may be general or confined to specific instances.

#### ARTICLE VI -- OFFICERS

Sect. 1. The officers of the Co-op shall consist of a President, a Secretary and a Treasurer. No person shall hold more than one office.

Sect. 2. The Co-op Council, at the first Council meeting following the regular fall election of new members, shall select from among its number a Secretary and a Treasurer, and any assistants to these offices as it deems necessary. These officers and assistants serve at the pleasure of the Council and may be replaced by a vote of a majority of Council members.

Sect. 3. The Co-op President is elected by the membership each year at the regular fall election and serves until a successor is elected. The Co-op President:

A. is the designated spokesperson for the Co-op and its symbolic head. The Co-op President is the Chief Executive Officer of the Co-op, entrusted and obliged to keep things together, and promote the continuity of effort by officials and staff. The President shall report on the progress of projects and committees to the General Membership.

B. shall see that there is competent facilitation at all Council meetings and General Membership meetings.

C. signs, along with the Treasurer, all contracts and obligations authorized by the Council.

D. performs such duties and activities as the Council may from time to time designate.

Sect. 4. The Secretary:

- A. is responsible for seeing that complete and accurate minutes are recorded of all Council meetings and of all General Membership meetings. The Secretary is also responsible for the seeing to the safekeeping of existing records, Bylaws and amendments, archives, corporate seal (if any), membership records and the reports of committees.
- B. serves as official correspondent for the Co-op. Except as noted elsewhere in these Bylaws, any official communication to the Co-op shall be transmitted to the Secretary.
- C. reports at each membership meeting on the current membership strength and gives such notice of meetings and provides such information as mandated by the Bylaws.
- D. is responsible for maintaining any written Policy guidelines including, without limitation, policies concerning (a) personnel, (b) pricing structure, (c) health and safety, (d) product policy (e) cash practices and security (f) and other major policy guidelines, in an updated and accessible format. E. attest, sign and execute with the President such legal documents in the name of the Co-op as may be required.
- F. performs such duties and activities as the Council may from time to time designate.

Sect. 5. The Treasurer,

- A. sees that a complete and accurate account of the financial transactions of the Co-op is maintained.
- B. reports to the General Membership on all financial matters as mandated by the Bylaws, including the posting of quarterly and annual financial reports, budget, and business plan.
- C. signs, along with the Co-op President, all notes, bonds, and mortgages of the Co-op.
- D. performs such duties and activities as the Council may from time to time designate.

ARTICLE VII -- AUDIT & OVERSIGHT BOARD

Sect. 1. This board is the audit and oversight body of the Co-op. The Audit & Oversight Board shall conduct an annual audit of the Co-op. The board shall report on its activities and findings to the Council & the General Membership.

Sect. 2. The Audit & Oversight Board shall consist of between 3 and 5 members. The size of the Audit & Oversight Board may be changed by resolution of the Council provided that no reduction in size is made unless corresponding vacancies exist. The members serve in staggered 2 year terms and hold office until their successors take office.

Sect. 3. Each year, at the regular Spring General Membership Meeting, the Co-op Council shall submit candidates for all open seats on the Audit & Oversight Board. An affirmative vote of the members present is necessary to confirm each appointment. In the event that a seat shall become vacant, the Council may appoint a replacement, subject to confirmation at the next General Membership Meeting.

Sect. 4. Audit & Oversight Board members must be members in good standing of the Co-op and must have at least 2 years experience in the cooperative movement before taking office. Not more than one Council Member may serve on the Audit & Oversight Board. No officer of the Council or employee of the Co-op may be appointed, nor may any person whose activity would be subject to audit during the period of service on this board (e.g. volunteer cashier, bookkeeper, supplier, etc.).

Sect. 5. Any member can submit a written complaint to the Audit & Oversight Board. The Audit & Oversight Board will investigate alleged violations of law, regulations, the bylaws, established policies or procedures, fairness, reasonable business practices or cooperative principles; and breach of contract, trust, good faith, or duties of office. The Audit & Oversight Board must respond in writing within 30 days describing the results of its investigations and deliberations.

Sect. 6. The findings of the Audit & Oversight Board may be appealed to the General Membership Meeting, except in cases involving personnel grievances, or otherwise requiring confidentiality. In these cases, the Audit & Oversight Board is the final body of appeal.

Sect. 7. By an affirmative vote of a majority of its members, the Audit & Oversight Board may call a special General Membership Meeting to consider any practice of the Co-op which the Audit & Oversight Board deems improper, unsafe or unauthorized. The Audit & Oversight Board may impound records of

the Co-op.

Sect. 8. Upon evidence of impropriety, the Audit & Oversight Board may, by unanimous vote, suspend any official or staff until the next meeting of members. In the event of such a suspension, the Audit & Oversight Board shall call a special General Membership meeting without delay.

Sect. 9. Audit & Oversight Board members can be removed from office on grounds of misfeasance, malfeasance or nonfeasance of duty, by a 2/3 affirmative vote at any General Membership Meeting called for that purpose.

#### ARTICLE VIII -- COMMITTEES

Sect. 1. The Co-op empowers a number of Standing Committees and may have a number of ad hoc Committees operating at any one time. These working groups, which are composed of interested Co-op members, assist in developing and reviewing the Coop's policies, practices and operations.

Sect. 2. Committees are created by majority affirmative vote of the members present at any general membership meeting or by simple majority of the co-op council. Each committee shall take reasonable measures to keep the members informed of the committee's activities.

Sect. 3. Examples of Committees and their charges are, without limitation:

- A. Communications and Outreach - Responsible for public and community affairs, including official Co-op publications, advertising and liaison with other cooperatives. Assists with and may initiate fundraising activities.
- B. Membership - Responsible for membership policies, procedures and education. Works with others on membership recruitment and is responsible for developing and implementing programs for member orientation, integration and retention; progressive development of volunteers' skills and commitment; education about cooperative principles, goals, movement, etc.; focused educational programming (e.g. kids).
- C. Finance - Responsible, in concert with the Treasurer, for reviewing finances and making recommendations to the Council: Includes reviewing financial statements, evaluating performance, developing the annual plan, and assisting with long term planning.
- D. Personnel - Responsible for developing and implementing policy and procedures for personnel practices, including such areas as hiring and firing, periodic performance reviews, wages and salaries, job descriptions, health insurance, sick leave, parental leave, vacations and other benefits. Addresses and attempts to resolve personnel grievances, and makes recommendations to the Council.
- E. Building and Grounds - Responsible for maintaining and enhancing the physical environment of the Co-op and its structures: including overseeing maintenance and repair, safety, energy efficiency, renovations, floor-plan, landscaping/ gardening, compost, etc. and assisting in fundraising for its projects.

Sect. 4. Committees must post reasonable notice of the time and place of meetings and agenda. Committees maintain written minutes, and report to the Council and to the General Membership Meetings; copies of all minutes and reports shall be conveyed to the Secretary. Committees may form subcommittees as needed.

#### ARTICLE IX -- REFERENDA

Sect. 1. General Membership Referenda are generated by an affirmative vote of a majority of members present at any General Membership Meeting, or by written petition of 5% of the membership, or by a majority vote of the Co-op Council. The Co-op Council supervises such referenda and insures that questions are fairly presented with adequate and equitable space given to opposing viewpoints.

Sect. 2. Referenda are conducted during two scheduled balloting periods. The balloting periods commence at the Fall and Spring General Membership Meetings and continue with point-of-purchase balloting lasting for 30 days. Unscheduled referenda can be called by affirmative vote of two thirds of members present at any General Membership Meeting, or by a 2/3 affirmative vote of the Co-op Council.

Sect. 3. An exact copy of the question being presented for consideration by the General Membership, together with a fair and adequate representation of all facets of the question, must be posted in a prominent place no later than 30 days prior to the beginning of the voting period.

Sect. 4. A 2/3 affirmative vote by at least 10% of the General Membership is necessary to decide the questions presented in referenda.

#### ARTICLE X -- FISCAL YEAR

Sect. 1. The fiscal year ends on 31 December.

#### ARTICLE XI -- AMENDMENTS

Sect. 1. The bylaws may be amended by the Council, provided any amendment so adopted shall be reported at the next occurring General Membership Meeting and, if not affirmatively approved thereat, shall cease to be in effect. Amendments may be proposed by the Council, any committee, or by interested member(s). The proposer(s) must constitute an ad hoc committee for at least 90 days before the amendment(s) may be considered by the General Membership Meeting. The ad hoc amendment committee [may hold at least one open meeting to consider alternative approaches and wording, with notice posted in a prominent place for at least 2 weeks before the meeting.

Sect. 2. The text of the amendment(s), or sets of alternative amendment(s), along with the original Bylaws, must be posted in a prominent place for at least 60 days before consideration by a General Membership Meeting. Any member may propose other alternative approaches and amendments, provided that these are posted for 30 days before consideration by a General Membership Meeting.

Sect. 3. Except where otherwise stipulated in these Bylaws, Amendments to the Bylaws can only be approved by a 2/3 affirmative vote of members voting. Balloting will commence at a General Membership Meeting. If an affirmative vote of a majority of members present is achieved at this meeting, extended balloting at point of purchase will follow for a period of 30 days. The combined vote from the meeting and extended balloting must be at least a 2/3 affirmative vote to approve a change in Bylaws.

#### ARTICLE XII -- DISSOLUTION

Sect. 1. Dissolution of the Co-op can only be accomplished by a 2/3 affirmative vote at a general or special membership meeting called for the purpose of considering dissolution, at which at least 10% of the General Membership is present and voting. Upon dissolution, any surplus will be donated to organizations having cooperative and not-for-profit purposes or to organizations to which a deductible contribution can be made according to the Internal Revenue Code.