

BYLAWS OF THE BETHLEHEM FOOD CO-OP

A Non-profit Cooperative Corporation Organized under the Cooperative Corporation Law of 1988¹
Rev. 2022.07.18

¹General Association Act of 1988, Pub. L. No. 1988-177, pt. II, subst. D, §§ 7101-7125, 1988 Pa. Laws 1680-85 (codified as amended 15 Pa.C.S. §§ 7101-7125).

BYLAWS OF THE BETHLEHEM FOOD CO-OP

1. Organization and Mission

The Bethlehem Food Co-op shall be owned by its members and shall operate for their mutual benefit as well as the community in which the Co-op is housed. These bylaws shall serve as the official governing document of this Co-op.

The Bethlehem Food Co-Op is a diverse community encouraging physical, social, and economic health by providing healthful, affordable food; emphasizing local, sustainable, humane, and natural food systems; and offering unique educational opportunities to the entire community.

An official website shall be developed and maintained in accordance with the mission of the co-op for the purpose of communication between and among the board and members. Notice of membership meetings, nomination and election of directors, minutes of meeting of the board and the membership meeting, and amendment of the bylaws, will be conspicuously posted on the website.

2. Membership

(a) Definition of Membership

A membership is held by the adult members of a single household or legal entity including but not limited to businesses, non-profits, and governmental agencies who are in accord with the purposes. Adult means any person aged eighteen-years or older and / or an emancipated minor. Household means a group of persons residing at the same address who live together as a unit. Legal entities will designate one person to serve as a voting member and that individual may not already be an adult member of a single household.

(b) Definition of Member

The members shall consist only of those households that have met the following requirements:

- i. Payment in full of the minimum membership capital contribution established by the co-op; members who have begun a payment plan and are in good standing in relation to that plan are considered members and may vote.
- ii. Satisfaction of any other requirements that may from time-to-time be established by the members or the board.
- iii. Members in good standing shall abide by these bylaws, policies and decisions of the Co-op or the board. An active member is defined as one who upholds these responsibilities and supports the mission.

(c) Records

The co-op shall maintain records showing the names, addresses, e-mail, phone numbers, and date of membership for each member, including all persons in a household.

(d) Voluntary Termination of Membership

General Association Act of 1988, Pub. L. No. 1988-177, pt. II, subst. D, §§ 7101-7125, 1988 Pa. Laws 1680-85 (codified as amended 15 Pa.C.S. §§ 7101-7125).

A member may, at any time, terminate membership in the co-op by submitting to the board of directors (or an agent that they may empower) a written statement stating that the member wishes to terminate its membership. Voluntary termination shall not affect the terminating member's existing liabilities to the co-op. The member's regular capital shall, upon written request, be reviewed by the board and returned to any person in the household of the member in cash subject to deductions for debts owed by the member to the co-op within ninety days if the board determines that such funds are reasonably available.

(e) Transfer of Membership

Membership is not transferable. The bylaws cannot be amended to change this provision.

(f) Suspension or Expulsion

The board of directors may suspend or expel any member for cause. Cause may include intentional or repeated violation of any provision of the bylaws or policies of the Co-op, as well as actions or threats that adversely affect the interests of the Co-op. A member proposed for suspension or expulsion shall be given reasonable notice of the pending action. The board shall be authorized to prescribe procedures under which the proposed suspension or expulsion shall be managed administratively. The member shall have the right to appeal the suspension or expulsion to the membership at the next regularly scheduled membership meeting. Suspension or expulsion of a member shall not affect that member's existing liabilities to the co-op.

3. Meetings of Members

(a) Regular Meetings

A regular meeting of the members shall be held annually, in the month of October, at a time and place to be determined by the board of directors. Each member household shall have one vote.

(b) Notice of Meetings

Notice of the date, time, place and purpose of each meeting of the membership shall be posted in conspicuous places of the Co-op and reasonably communicated to members not less than four (4) weeks prior to the date of the meeting.

(c) Agenda

The agenda for the membership meeting shall be set forth in the notice of meeting, and no business other than that generally set forth in the notice shall be transacted at the meeting. The agenda of regular membership meetings shall be developed by the board. Any member may request that an item be placed on the agenda of a membership meeting by submitting to the board a petition of at least 1% of the members, which shall be delivered to the board within sufficient time for the issue to be publicized in the notice of the membership meeting sent to members.

(d) Quorum

At any meeting of the membership, the quorum necessary to conduct business shall be 1% of the Co-op's Active Members.

(e) Voting

Voting shall be accomplished through methods and means established by the Board. Notice of the vote shall be posted conspicuously and reasonably communicated to members no fewer than four (4) weeks prior to the end of the voting period. Active members shall participate in the vote and all questions shall be decided by a vote of a majority of the members voting thereon. Proxy voting is not allowed.

(f) Conduct of Meetings

Meetings of members shall be governed by Robert's Rules of Order.

(g) Notice of Nomination and Election of Directors

A notice shall state the date of the elections, the positions for which elections are to be held and the procedure for nomination of candidates for the positions.

4. Directors

(a) Election of Directors

The election of directors shall take place at the regular membership meeting. All voting for directors shall be submitted by ballot. There shall be an opportunity for the publication of a brief statement by candidates for the position of director on the co-op website.

(b) Number of Directors

The administration of the co-op shall be vested in a board of directors composed of nine persons who shall act on behalf of the co-op in all matters, except those reserved by these bylaws for the members.

(c) Board Positions

The board of directors shall be persons, eighteen years of age or older who are duly elected by the membership. Employees of the co-op are not eligible to serve on the board.

(d) Terms of Office

i. Term of Office of Directors

Each director who is a member-at-large shall be elected for a term of three-years, and shall serve until that director's successor is elected and assumes office.

ii. Term Limits

A director who has served more than five consecutive years on the board shall not be eligible to be a candidate for election to the board until he or she retires from the board for at least one-year.

iii. Staggered Terms of Office

The election of directors shall be such that terms are staggered so that under normal circumstances approximately one-third of the directors comprising at-large members shall be elected every year.

(e) Vacancies on the Board

Vacancies on the board of directors occurring between regular meetings at which board elections are held shall be filled by a majority vote of the remaining directors. The successor director shall only serve the period of time that the original director would have served had the vacancy not occurred.

If the size of the board falls below a quorum because of permanent vacancies, the board shall have authority to appoint any qualified person so that a quorum can be established for the purpose of voting in directors. After a quorum has been reestablished, the appointed person(s) shall no longer have any powers.

(f) Removal of Directors

Directors who incur three consecutive unexcused absences from board meetings shall be automatically removed. An unexcused absence shall be determined by the chair. A board member may also be removed for failure to follow board policies. Under this paragraph, if the removal is contested, a hearing at the first board meeting (either regular or special) subsequent to the director's automatic removal shall take place. A majority vote of the directors present (excluding the director who has been automatically removed) shall be sufficient to establish good cause.

(g) Compensation of Directors

Elected directors shall receive no monetary compensation from the co-op for their services as directors.

(h) Conflicts of Interest

Directors shall be under an affirmative duty to disclose their actual or potential conflicts of interest in any matter under consideration by the board, and such interest shall be made a matter of record in the minutes of the meeting. Directors having such an interest may not participate in the decision of the matter. The Board shall have the authority to establish and maintain a Conflict of Interest Policy that shall amplify this subsection and shall operate as if deriving its authority from the bylaws.

(i) Board Meetings

The board of directors may hold meetings, both regular and special, at such time and place as they may, from time to time, determine. The date, time, and place of each meeting of the board of directors shall be posted by the secretary in a conspicuous place. All meetings for the transaction of business of the board of directors shall be open to the membership of the co-op.

Special meetings of the board of directors may be called by the chair or by any three directors. Notice of a special meeting shall be given to each director.

(j) Quorum

At all meetings of the board of directors, a majority of those who are presently serving on the board shall be necessary to constitute a quorum for the transaction of business. If a quorum shall not be present at any meeting of directors, the directors present may suspend the business of the meeting and determine

a time and place for the meeting to resume. Notice of the suspended and subsequent reconvened meeting shall be given to each director.

(k) Executive Session

The board may go into executive session, during which everyone is excluded except those currently serving as directors, for the purpose of discussing personnel matters or any other matters of business which the board may consider confidential or sensitive.

Before meeting in executive session, the board must establish a quorum. No vote may be taken in executive session except to approve or evaluate the general manager's performance and compensation, to recess or adjourn out of executive session, or to address any other issue, which in the discretion of the board requires confidentiality.

The decision to call an executive session shall be recorded in the minutes of the board meeting.

5. Officers

(a) Election of Officers. The Board will elect officers according to the requirements of state law and as necessary for the effective conduct of Board business. The officers of the Board of Directors of the Co-op shall be a Chair, Vice-Chair, Secretary and Treasurer.

(b) Board Chair. The Chair shall oversee all operations of the Board, preside at all meetings of the Board unless delegated, and shall see that all orders and resolutions of the Board of Directors and of the members are carried into effect. The Chair shall, in conjunction with the treasurer, sign contractual notes, bonds and other evidence of indebtedness issued by the Co-op, as well as other official instruments or documents of the Co-op. The chair shall work in conjunction with the board to assign and oversee committees as well as appoint the chair. The chair serves as an ex-officio member of all committees.

(c) Vice-Chair. The Vice-Chair shall, in the absence or disability of the Chair, perform the duties and exercise the power of the Chair. In the event of death, resignation or mid-term withdrawal from office by the Chair, the Vice-Chair shall complete the unexpired term of the President. The Vice-Chair will carry out any other duties that the Directors may require.

(d) Secretary. The Secretary shall record or cause to be recorded the minutes of the membership and Board meetings, and post the minutes within 20 days of approval. The secretary shall post a copy of the minutes of the meetings of the board of directors and general membership meetings in a conspicuous place on the co-op website. Minutes of the board of directors meetings shall be posted within ten-days after approval by the board. In the absence of an officer who shall perform the function of secretary, the board may elect from their number an interim secretary of the board who shall have all the powers and responsibilities as the secretary-officer. When an officer secretary is selected, the position of interim secretary of the board shall automatically end.

(e) Treasurer. The treasurer shall monitor the operations accounts on a monthly basis and report to the board as appropriate. The treasurer shall, in conjunction with the Chair, sign contractual notes, bonds and other evidence of indebtedness issued by the Co-op, as well as other official instruments or documents of the Co-op.

treasurer shall chair the finance committee, assist in the preparation of the budget, and advise and assist on making financial information available to both co-op members and the board. In addition, the treasurer shall serve as the liaison between the board and its auditor.

6. Committees

(a) Purpose of Committees

Committees are formed to provide members with a way to participate actively and meaningfully in the life and mission of the co-op, and are vital to the co-op and its community.

(b) Clarity of Committee Purpose

All committees shall have a clearly articulated mandate or charter, which shall indicate whether the committee reports to the board or the officers. The goals and activities of each committee shall be evaluated on a regular basis.

(c) Board Responsibilities

The board and officers will develop clear policies defining lines of authority, accountability, and communication for committees.

7. Financial

(a) Auditing. The Books of the Co-op shall be audited annually by a certified public accountant who shall be independent of the Co-op.

(b) Equity Accounts. Members' equity investments are designated as either Regular Equity or Reserve Equity at the time they are assigned. Equity investments made by members shall be designated as Regular Equity. Amounts assigned to members' equity accounts from a Patronage Dividend (see below) shall be designated by the Board at its discretion as either Regular Equity or Reserve Equity.

(c) Return of Equity. Upon termination of membership in the Co-op, a member's Regular Equity shall be returned within sixty (60) days, unless it would violate loan agreements or other contractual obligations of the Co-op or would jeopardize the solvency of the Co-op. Any unpaid debt owed by the member to the Co-op shall be deducted from the equity amount to be returned.

(d) Unclaimed Property. If a member voluntarily or involuntarily terminates membership in the Co-op, and fails to inform the Co-op of his or her mailing address, the member's equity shall be forfeited after two years.

(e) Death of a Member. Upon the death of the last or only person included in a membership, the membership shall immediately terminate. Upon written request, the Co-op shall return the terminated member's Regular Equity to the person designated as "beneficiary" on the Co-op's records. If no such request is made within two years after the death of the last person in the household, the member's equity shall be forfeited.

(f) Patronage Dividends. Allocations to members. The Co-op shall allocate and distribute to eligible members the net profit from sales to them in such a manner as to qualify them as patronage dividends consistent with cooperative principles, applicable state and federal laws and generally accepted accounting principles. Patronage dividends shall be based on the Co-op's taxable net income attributable to member sales. Eligible members shall include all members who are active and in good standing on the date when the Board authorizes the patronage dividend. The Board shall determine when and how such allocations and distributions will be made.

8. Amendments

An amendment to these bylaws may be proposed by decision of the Board or by petition of at least 10% of Active Members. The proposed amendment shall be publicized to the membership no fewer than four (4) weeks prior to the voting process, which shall be held at a time and in a manner determined by the Board.