



**IMPORTANT**

## **MEMBER-OWNER VOTE #1**

**March 23, 2024**

**Title:** Vote to Adopt the Board of Directors Approved Revisions to the 2014 Bylaws

**Resolution:** We, the Member-Owners of Sevananda Natural Food Cooperative, hereby adopt the February 22, 2024 votes of the Board of Directors, which approved certain revisions, additions and deletions from the 2014 Bylaws. As such, the approved revisions will take full effect on March 23, 2024.

### **Introduction:**

- Sevananda had Bylaws as a not-for-profit organization from 1974-1995. In 1995, Sevananda became incorporated as a cooperative under Wisconsin law. Since 1995, there have been several versions of the bylaws, the most recent revision effective 2014. A revision to a couple sections was made by the board in 2018, but the board at the time wasn't clear on its legal responsibility to present to member-owners. The 2018 revisions will be removed as a result of the revisions presented to member-owners now. We also recently adopted a couple revisions in November 2023, which are included in the final revisions presented now for vote.
- Bylaws set forth the rights and duties of Member-Owners and the Board of Directors. They contain provisions that regulate how the cooperative's affairs are managed consistent with the governing laws of the State of incorporation (Wisconsin).
- Wisconsin law requires that "[a] cooperative shall have bylaws governing the cooperative's business affairs and structure, the qualifications, classification, rights, and obligations of members, and the classifications, allocations, and distributions of membership interests". WIST § 193.241(1)

### **History:**

Last year, after a review of the Bylaws with the Board consultant, the Board of Directors found that the current and existing bylaws were out of compliance with Wisconsin law. The Board of Directors voted to create a Bylaw Revision Committee to enact the needed changes to the existing Bylaws. The Subcommittee's purpose was to review the bylaws, identify the areas that needed to be brought into compliance, and consult with legal counsel to ensure that the bylaws were properly revised. The Subcommittee prepared draft revisions for review and approval of the Board of Directors.

On May 16, 2023, the Bylaw Revision Committee was formed and began meeting weekly. During this year-long process, the committee reported their progress to the Board of Directors during the regular

monthly board meetings. At the recommendation of a Board consultant, we have worked with attorneys at Dorsey & Whitney LLP in Minneapolis, Minnesota that specialize in business and cooperative law.

The Bylaw Revision Committee completed the revision process in three phases:

1. Phase 1: The committee reviewed our Bylaws and identified main issues we were aware of. Next, the committee reviewed a sampling of other similar co-op Bylaws from stores around the country, with at least one who also is incorporated in Wisconsin. The committee then created a priority list and work timeline, and received a quote for work from the attorney, all of which was approved by the full Board.
2. Phase 2: The committee worked with the attorney on what was labeled as Phase 1 Revisions that focused on bringing items related to Annual Board Elections into compliance with Wisconsin law and historical Board practices. The Board approved those revisions on December 4<sup>th</sup>, 2023.
3. Phase 3: Beginning December 2023, the committee worked with the attorney on Phase 2 of revisions, identifying any parts of the Bylaws that were both out of compliance with Wisconsin law and do not utilize current best practices, incorporating the revisions from Phase 1. Using the recommended edits from the attorney, the committee created a draft of revised bylaws, which was approved by the full board and reviewed a second time by the attorney and returned to the committee for final revisions.

All the revisions have been: (1) reviewed by lawyers specializing in co-op law and (2) reviewed and approved by the full board.

On February 15, 2024, the Bylaw Revision Committee presented the final draft to the Board of Directors for a vote.

The Board of Directors voted to approve the final draft for submission to the Member-Owners on (insert date) for a final vote.

According to the current Bylaws (section 5.1), bylaws can also be amended by the Board of Directors, but any amendment adopted by the Board of Directors shall be reported to the next annual meeting of members and is subject to amendment or repeal by vote of the members.

**Attachments For Review:**

1. Final draft of revised Bylaws
2. Prior version of Bylaws
3. Relined Bylaws identifying changes.

**Vote:**

- Vote for
- Vote against