

# About the Proposed Amended and Restated Bylaws

## **New Bylaws Proposed**

The Co-op Board will seek member approval of the attached Amended and Restated Bylaws at the Co-op's Annual General Meeting to be held on April 13. These bylaws are primarily a consolidation and reworking and reformatting of the existing bylaws, but they do include a number of significant changes. The Board recommends approval of these bylaws. They must be approved by the members before they come into effect.

## **Why are the Changes Necessary?**

The Co-op's existing bylaws were originally based on the standard form of bylaws under the *Co-operatives Associations Act*. Unfortunately, some of those provisions simply are not appropriate for our Co-op (such as provisions for regional meetings and regional delegates to our Annual General Meetings). The bylaws have been amended over the years on a number of occasions, but these amendments have resulted in multiple documents that must be read together to sort out the applicable provisions. This makes the bylaws difficult to read or use. Finally, the Board has identified a number of amendments that should be adopted to address operational concerns or to make the bylaws consistent with long-established practices. Taken together, the Board determined a comprehensive revision to the Bylaws was needed to address all these issues.

## **What are the Changes?**

The existing and proposed bylaws will be posted on the Co-op's website for anyone wishing to complete a comparison of the existing bylaws to the new version. Although the changes are too numerous to make a line-by-line comparison useful, the proposed changes can be summarized into a few categories:

### **A. Deletion of Inappropriate or Obsolete Provisions**

The bylaws were edited to delete irrelevant or obsolete provisions. Examples of these changes include:

- Throughout the bylaws, references to delegates and regional meetings have been deleted since the Co-op does not and will not have operations in other communities in foreseeable future.
- Provisions for revocation of membership have been deleted since they have never been used, are cumbersome, and are not likely to be used in the future given the nature of the Co-op's operations.
- Provisions relating to holding the first meeting of the Co-op membership have been deleted since they are no longer required.

- Provisions relating to amalgamation with other co-operatives have also been deleted as they were not considered necessary (given there are no similar co-operatives with which to amalgamate).
- Some specific provisions, such as provisions setting service fees or allowing seniors to withdraw capital, have been removed and replaced with more general powers allowing the Board to determine these issues by resolution. This approach is consistent with the practices of larger co-operatives.

## **B. Making Bylaws Easier to Use**

The substance of most provisions of the bylaws has not been changed. However, we have made numerous minor changes throughout the bylaws to make them easier to read and use:

- The bylaws and previous amendments have been consolidated into a single document. Future amendments will be included in a single consolidated document, making the bylaws easier to use.
- Key terms are defined.
- The order of provisions has been changed so that the information flows in a more logical manner.
- The bylaws have been reformatted to make it easier to find applicable sections.
- Where necessary, particular sections have been revised to correct inconsistent or imprecise use of terms, to improve wording, or to make provisions easier to understand.

## **C. Revisions for Business Purposes**

A number of changes are intended to give the Co-op greater flexibility in dealing with membership or business issues:

- The new bylaws will allow service fees to be based upon such criteria as the Board determines from time to time, such as whether the member lives out of town and does not shop in person. This reflects current practice.
- The bylaws currently allow for partial refund of capital to seniors, but not in other cases. A member must resign to be eligible for a return of any share capital. The new provisions remove the specific provision for seniors, but section 14 gives the Board the power to set criteria for full or partial withdrawal of capital for members suffering a financial hardship.
- The bylaws currently state that share capital over \$2,500 will be converted to savings certificates. The new provisions allow the Board to determine at what level of share capital investment members will be converted to savings certificates. This will allow the Board more flexibility in dealing with the Co-op's share capital requirements.

- The Co-op currently “suspends” members who fail to pay service fees for 20 weeks. This practice prevents members’ share capital from being used to pay service fees when they have moved away or stopped shopping at the Co-op, but have neglected to request a return of their capital. The bylaws now clarify that a suspended member is not eligible for any membership benefits while suspended.
- Meeting provisions have been brought into the 21<sup>st</sup> century by allowing directors to participate in meetings by telephone or video-conference.
- The notice provisions have been updated to allow service of notice of a meeting on a member or director by mail, fax, or e-mail. Sending members e-mail notice of general meetings would save the Co-op substantial sums of money, but it is not permitted under the current bylaws.

#### **D. Revisions to Reflect Established Practices**

Other changes clarify or ratify long-established practices. Examples include:

- The new bylaws specifically permit the Board to fill a vacancy on the Board by appointing one or more directors to serve until the next annual general meeting. This practice has been in place for a long time, but is not expressly authorized in the bylaws.
- The bylaws change the duties of officers of the Co-op to reflect that many of the duties previously performed by directors — when the Co-op was much smaller — are now performed by staff. The bylaws now clearly allow for delegation of cheque-signing and other duties to the staff of the Co-op. This makes the bylaws consistent with the practice that has been in place for quite some time.
- The new bylaws clarify that a joint membership is considered a single membership with a single vote at general meetings. This clarifies a long-established practice. The bylaws also clarify that members are entitled to single vote – votes are not determined by share capital as they are in corporations.
- The new bylaws clarify that the Board may establish categories of purchases that are eligible for patronage dividends. This reflects a long-established practice. For example, gas and tobacco purchases are currently not included in patronage dividends.

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