

**La Montañita Food Co-operative Board of Directors
Sponsored by Allena Satpathi, La Montañita Board Secretary
Proposal to Accept Recommended Bylaw changes to be voted on
by the full membership in November 2017.
To Be Considered at the August 16, 2017 Board Meeting**

Purpose:

The purpose of this proposal is to amend the Bylaws date 2013 to align with State Statutes 53-4-1 through 53-4-45 and modify processes under which the La Montañita Co-operative functions. The Board will approve these changes to be brought forward to the full La Montañita membership for Vote to accept or not accept each proposed change. These changes will be listed on the Ballot during the 2017 La Montañita Annual Election, and those passed, to be placed into effect immediately following the 2017 Annual Election.

Background:

La Montañita Bylaws periodic review contributes to a vibrant Co-operative organization aligned with the changing needs of the organization and membership, as well as gaining compliance with governing applicable statutes. The 2017 La Montañita Policy Committee proposed Bylaws amendments below seek to:

- (1) Align La Montañita Bylaws with the applicable New Mexico State Statutes 53-4-1 thru 53-4-45.
- (2) Clarify or modify such processes documented in the La Montañita Bylaws, for those processes that have been questioned or had issues raised and brought forth to the Policy Committee on behalf of the membership.

1. Section 1.2

Change: “The “primary member” of the household is also the only member of the household who will have the right to vote in elections for the Board of Directors, cast mail ballots, and vote at membership meetings.”

To Read: “Each household (membership number) shall have the right to cast one vote in elections for the Board of Directors, ballots, surveys, at membership meetings etc. A household is defined as names associated with the membership number.”

Rationale: Often each membership number has an entire household associated. It is up to that household to determine who votes and no member of the household should be subjugated.

2. Section 1.2.5

a. Change: “The lifetime membership fee paid before November 19, 2013 shall be refundable after a period of two years after payment of the fee. If the lifetime membership is refunded, the household’s membership will no longer be considered current.

Lifetime membership fees paid after November 19, 2013 may be refundable in the discretion of management after consultation with the President of the Board of Directors...”

To Read: ““Lifetime memberships may be refundable at the discretion of management

after consultation with the President of the Board of Director...”

Rationale: Any reference to November 19, 2013 is no longer applicable. The refund process is in the Bylaws.

3. Section 2.1

Remove: “Members will have a two week period of Voting”.

Rationale: The Policy Committee does not endorse this as something that should be in the Bylaws. This will give La Montañita Co-operative the flexibility of timing and account for changes to use of electronic methods. The duration of the voting period will be addressed in the Elections and Nominations Committee in coordination with Community Development.

4. Section 2.3

a. Change: “All candidates for Director shall be honest and caring people and shall have been members in good standing of the Co-operative for the four (4) months prior to Board elections.”

To Read: “All candidates for Director shall be honest and caring people and shall have been members in good standing of the Co-operative for the twelve (12) months prior to Board elections.”

Rationale: La Montañita Co-operative faces many unique challenges given its size, diverse range of locations, along with functioning as a Co-operative business in New Mexico. Active participation as an invested stakeholder in the New Mexico and La Montañita Community through attendance at membership events, Board or Committee meetings, engagement as a staff team member or volunteer exposes potential Board members as to the challenges and opportunities facing the organization.

b. Change: “Up to two (2) of the nine (9) Board positions may be filled by part-time or full-time staff members.”

To Read: “Up to three (3) of the nine (9) Board positions may be filled by part-time or full-time La Montañita Team members.”

Rationale: The Bylaws are structured to allow for three 3-year Board terms elected each year. As stated “up to ...may be...” there is no guarantee that staff will run for a Board seat, and/or gain enough votes, and this may lead to inadequate representation from an organizational perspective on the Board. As a co-operative, it is vital that team members’ voice be heard, non-team member and team members jointly understand the opportunities and challenges facing the organization, as well as ensuring team members have input on any major decisions facing the Co-operative due to continuously changing economic conditions.

c. Change: “There shall be only one Board member per household. The following are not eligible to serve on the Board: 1. The General Manager; 2. Anyone directly supervised by the General Manager; 3. Anyone supervised by the Board.”

To Read: “There shall be only one Board member per household. The following are not eligible to serve on the Board: 1. Anyone directly supervised by the Board; 2. Anyone directly supervised by a person directly supervised by the Board.”

Rationale: This enables changes in the organizational structure without requiring a rewrite of the Bylaws. It still maintains the intent of the original statement.

5. Section 2.7

a. Add: Section 2.7a and incorporate all currently in Section 2.7, items 1-12.

Rationale: Need to add a Section 2.7b to establish Directors compensation

b. Add: Section 2.7b to read: “ Non-Staff Directors shall receive any compensation in the form of the staff employee discount against the La Montañita Co-operative member number each time they shop at any of the La Montañita Co-operative stores for their service to the Co-operative. Staff Directors shall receive compensation in the form of \$150/mo. All Directors may be reimbursed for reasonable expenses incurred in the performance of their duties to the Co-operative, as approved by the Board.

Rationale: If Non-Staff Directors are to receive compensation it should be aligned with the values of the Co-operative and for the benefit of the Co-operative. The Staff Directors already receive the staff employee discount and therefore monetary compensation is warranted.

c. Add: 2.7.a.3.i: Provide quarterly financial updates to the Members at the Monthly Business Meeting.

Rationale: It is important for the members to understand the financial status of La Montañita Co-operative throughout the year and be able to understand and/or make decisions as required. Waiting until the end of the year is ineffective and non-responsive to the challenges facing La Montañita Co-operative in the current economic environments.

d. Change: Section 2.7.a.10 “Make an annual report to the State Corporation Commission within sixty (60) days of the end of the Association’s fiscal year and keep a copy on file at the principal office of the Association.”

To Read: ““Make an annual report to the New Mexico Secretary of State within sixty (60) days of the end of the Association’s fiscal year and keep a copy on file at the principal office of the Association.”

Rationale: The responsibility to maintain corporate reports has shifted from the State Corporation Commission to the New Mexico Secretary of State. All cooperative association annual reports must be submitted to the New Mexico Secretary of State.

e. Change: Section 2.7.a.4 “Hire and fire managers and establish committees, make policies for their guidance, and approve their job descriptions.”

To Read: “Hire and fire direct reports to the Board and establish committees, make policies for their guidance, and approve their job descriptions.”

Rationale: The current language is not clear about whom the Board can hire and fire. The concern is the Board could fire employees who do not report directly to the Board without following the process defined in the employee manual.

d. Change 2.7.a.8: “Have the books of the Association reviewed at the end of each fiscal year by a CPA selected by the Board.”

To Read: “Have the books of the Association audited at the end of each fiscal year by a CPA selected by the Board.”

Rationale: La Montañita Co-operative Association must undergo an annual audit in compliance with NM State Statutes 53- 4, 33. Books; auditing.

6. Section 3.1

Change: “The Board of Directors shall elect the officers at a Board meeting immediately preceding the general election.”

To Read: “The Board of Directors shall elect the officers at a monthly member attended La Montañita Co-operative Board meeting immediately following the general election.”

Rationale: La Montañita Co-operative Officers and Directors should be elected openly in front of the membership. By electing the officers preceding the general election, newly elected Board Members are ineligible for a position as an officer. The change allows newly elected Board Members an opportunity to serve as an officer.

7. Section 5.4

Add: “The voting procedures will be those established in Section 5.1.”

Rationale: La Montañita Co-operative has effective processes in place for voting. There is no need to create additional costs or processes.

8. Renumber Bylaws to incorporate membership approved changes to improve readability.