

# ByLaws of the Southeast Service Cooperative

## Revised by SSC Board of Directors, February 2010 as follows:

1. Article I Preamble – Added statement about consistency with Minnesota Statute.
2. Article II Membership and Participation, Section 4 – Redefines Associate Membership, defines Non-Profit Membership.
3. Article II Membership and Participation, Section 6 – Changed notification withdrawal deadline to February 1 to be consistent with MN statute.
4. Article II Membership and Participation, Section 7 – NEW SECTION, addresses member equity in SSC assets in the event of dissolution.
5. Article III Organization and Governance, Section 2 – Redefines eligibility of candidates for the Government Unit positions on the SSC Board of Directors.
6. Article III Organization and Governance, Section 2-F – Moved responsibility to chair annual organizational meeting from the Executive Director to the current Chair.
7. Article III Organization and Governance, Section 3 Duties of the Board, Item D regarding employing staff is changed to add after “employ” the words “and/or contract for” administrative staff and personnel.
8. Article V Committees – Revised to redefine composition of Administrative Advisory Committee and add Section 2 Other Committees.

## ARTICLE I. PREAMBLE

The name of this organization shall be the Southeast Service Cooperative (hereafter referred to as "the Cooperative" in this document). This organization is a public corporation and agency established by an act of the 1976 Legislature of the State of Minnesota. These By-Laws are based on (Minnesota Statute 123). Pursuant to Minnesota Laws of 1995, the Service Cooperative is a continuation of the Southeast Minnesota Educational Cooperative Service Unit (SMECSU).

**Consistency with Minnesota Statutes.** Nothing in these ByLaws is intended to conflict with Minnesota Statute, and the Southeast Service Cooperative is subject to MS 123A.21 and other applicable Minnesota Statutes.

The mission of the Cooperative shall be to assist in meeting specific needs of members in participating governmental units and non-profits. Programs and services shall be provided based on determined priority needs of the region and shall assist in meeting special needs.

The Cooperative shall concern itself with four cooperative domains. These are:

1. Educational services and programs.
2. Research and data for assisting members with decision making.
3. Inter-agency/inter-district liaison.
4. Educational and administrative support planning and service for schools, governmental units and non-profits.

**Section 1: Cooperative Education Services and Programs.** The Cooperative shall provide educational services and programs members determine can best be provided on a cooperative basis. Activities may include, but are not limited to, curriculum and professional development, materials and other resource sharing and enrichment programs for pre-K-12 students and adults.

**Section 2: Research and Data Analysis for Assisting Members With Decision Making.** The Cooperative shall collect data and conduct research to assist members in effective decision-making.

**Section 3: Inter-Agency/Inter-District Liaison.** The Cooperative shall provide an organizational structure for cooperation and liaison as determined by members. This liaison may include, but will not be limited to relationships among school districts and educational agencies, cooperatives, local, regional, state and national governmental units and other organizations for the purpose of facilitating maximum utilization of programs and services.

**Section 4: Administrative Support Planning and Service.** The Cooperative shall provide a data base and organizational framework that facilitates long-range planning for governmental units and non-profit organizations in the region. Activities may include, but are not limited to assisting members with administrative functions such as volume purchasing, and facility planning which will result in effective and efficient utilization of human and fiscal resources.

**Section 5: Definitions.** The following terms shall have the meanings herein ascribed to them:

- A. "Cooperative" means Service Cooperative as established by Minnesota Statute. Primary area of service of the Southeast Service Cooperative shall be the eleven counties in southeast Minnesota: Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, Winona.
- B. "Member" means each agency that has paid membership dues in the Cooperative. This includes all membership categories as defined in Article II.
- C. "Participant" refers to a non-member entity that participates on a limited basis in services and programs of the Cooperative.

## **ARTICLE II MEMBERSHIP AND PARTICIPATION**

**Section 1: General Terms of Membership.** Membership may be extended to any governmental unit as defined by Minnesota Statute (M.S. 123.582) and these entities may belong to one or more Service Cooperatives. Participation in programs and services of the Cooperative shall be discretionary, and no member shall be compelled to participate in services. Voting members shall have full access to all services and programs of the Cooperative. Non-voting member access to some programs may be limited at the discretion of the Board of Directors.

**Section 2: Education Membership.** Education (voting) membership in the Cooperative is open to all public school systems who that elect to pay the membership fee determined by the Board of Directors. Education members have full participation and voting rights and privileges.

**Section 3: Cities, Counties, Other Governmental Units.** Governmental Unit (voting) membership in the Cooperative is open to all cities, counties, and other governmental units as defined in M.S. 471.59 (Joint Exercise of Powers) who elect to pay the membership fee determined by the Board of Directors. Governmental Unit members have full participation and voting rights and privileges.

**Section 4: Associate Membership.** Associate (nonvoting) membership is open to non-public school administrative units, *cooperatives of schools such as education districts, higher education*

institutions, and other partnership agencies. A public school district in the SSC primary area of service may elect associate membership status only if it is paying a fee to be a member of another service cooperative or if it is a charter school with an enrollment of less than 300 students.

**Section 5: Non-Profit Membership.** Non-Profit organization (non-voting) membership is open to public and private non-profit organizations that are not educational teaching institutions

Non-Voting member organizations will be charged a membership fee determined by the Board of Directors. These members shall have the same rights and privileges as the "voting" members except they cannot vote nor can they hold offices in the Cooperative.

Associate and Non-Profit members may be invited to serve on special committees and advisory task forces of the Cooperative as appointed by the Cooperative Board of Directors.

**Section 5: Participants.** Non-member (non-voting) governmental units, businesses, agencies, and non-profit organizations may be invited to participate in services and programs of the Cooperative to the extent that the Board of Directors deems their participation will enhance the level and quality of service provided to members. These non-member participants will not be charged a membership fee but will be charged a participation fee for services. Participant status may not be extended to organizations to access certain services designated by the Board of Directors.

**Section 6: Withdrawal From Cooperative Membership.** A member may elect to withdraw from membership by a majority vote of its full board and upon submission of a withdrawal resolution signed by authorized officials of the governmental unit or organization. The withdrawal shall be effective June 30 following receipt by SSC Board of Directors of written notification of the withdrawal by February 1 of the same year.

**Section 7. Member Equity in SSC Assets Upon Dissolution.** Member organizational equity in Southeast Service Cooperative general assets shall be established in the event that the Southeast Service Cooperative is dissolved. In the event of dissolution, all organizational liabilities will be reconciled before equity value in assets, if any is remaining, is calculated and distributed to member organizations.

The value of the assets and liabilities shall not include assets and liabilities of the health insurance pools. Ownership of those assets and liabilities are governed by the health and benefits program joint powers agreement and are accounted for separately from SSC general operations assets.

Equity will be allocated only to those organizations that are current members in any SSC membership category. A member organization must be current in payment of all membership fees for the past five years, or the period for which it has been a member if that period is less than five years, at the time of the decision to dissolve is made. Asset equity will be calculated based on each member organization's percentage of the total membership fees paid in the most recent five years.

For those members that have merged, that entity's SSC membership fees shall include those memberships fees paid during the past five years prior to merger by the individual members as well as those fees paid in the past five years by the merged member.

### ARTICLE III ORGANIZATION AND GOVERNANCE

**Section 1: Legal Address.** The legal address of the Cooperative shall be the business office of the Executive Director hired by the Board.

**Section 2: Governing Board.** The care, management, and control of the Cooperative shall be vested in a Board of Directors composed of ten (10) members elected from the eleven-county Cooperative area as follows:

**Category One** Seven (7) positions will be filled by current officials of boards of education of school districts who represent Education members of the Cooperative.

**Category Two** Three (3) positions will be filled by individuals who are not currently serving on a local school board, who have been nominated by a Government Unit voting member of the Cooperative, **and who are current elected officials, appointed officials, or other employees of a member local government organization.**

Election of members to the Board of Directors shall be by vote of all elected individuals serving on governing boards of voting members of the Cooperative, with each individual having one vote. Education Members will vote for Category One (Education) candidates, and Government Unit Members will vote for Category Two (Government Unit) candidates. **If there are no nominations from the membership for a vacant Government Unit term, the Board may appoint an individual who is a current elected official, appointed official, or other employees of a member local government organization.**

The terms of office for members of the Board of Directors shall begin on January 1 in staggered four-year terms. In the event a board member is not elected to the local board prior to completion of the SSC Board term, upon Board approval the board member may continue serving on the SSC Board through December 31 of the year following the year of the local election or until the term expires, whichever date occurs first.

Elections shall occur prior to the December Board meeting. Prior to November 1 each year, the Board of Directors shall adopt an official election calendar, detailing filing timelines, election timelines, terms and positions up for election, and other pertinent information.

- A. A vacancy on the Board of Directors which results in an un-expired term may be filled by appointment by the Board of Directors until such vacancy can be filled at the next annual election.
- B. Nomination papers on behalf of candidates shall be filed with the Executive Director of the Cooperative in accordance with the election calendar. Only Education voting members may nominate candidates for the Category 1 position, and only Government voting members may nominate candidates for the Category 2 position. Each candidate shall be nominated by a petition signed by a majority of the elected officials of a member's governing board. Such petitions shall identify the member school district or governing unit jurisdiction from which a candidate is being nominated, the name of the candidate, address, phone number, and a brief resume of the candidate's background and experience, and must include the signed consent of the nominee. In the event that nominations are not received, it will be the responsibility of the Board of Directors to nominate candidates from the membership.
- C. Ballots shall be printed for election. These ballots shall be delivered to each designated member's representative in accordance with the election calendar.
- D. The Board of Directors will appoint an Administrators Advisory Committee to advise the Board of Directors and staff on issues important to the membership. The Committee will also serve as a liaison with administrators of member organizations.
- E. The Board of Directors shall meet and organize at its January meeting each year. At this meeting, the Board of Directors shall choose its officers, establish its meeting dates for the year, and conduct any other organizational business.

F. The officers of the Board of Directors shall be a Chair, Vice-Chair, Clerk and Treasurer. The duties of the officers are specified in these By-Laws.

1. Chair

The duties of the chair are as follows:

- (a) Preside at all meetings of the Board of Directors.
- (b) Preside at the organizational meeting of the Board of Directors in January until the succeeding Chair is elected.
- (c) Appoint subcommittees of the Board and serve as a member ex-officio of all committees.
- (d) Sign all contracts and agreements requiring approved by the Board of Directors.
- (d) Represent the Board of Directors in all matters.
- (e) Perform such other duties as may be assigned by the Board of Directors or by action of the membership in general session.

2. Vice-Chair

The duties of the Vice-Chair are as follows:

- (a) Discharge such functions as may be assigned him/her by the Chair or by the Board of Directors.
- (b) Discharge the duties of the Chair in the event of the latter's absence or disability, and in the event the office of Chair becomes vacant, the Vice-Chair shall automatically serve as Chair until the next regular election.

3. Clerk

The duties of the Clerk are as follows:

- (a) Record the minutes of the Board of Directors meetings and regular and special meetings of the membership and direct distribution of minutes to members of the Cooperative.
- (b) Present the minutes of the previous meeting for approval at each regular and special Board of Directors meeting.
- (c) Sign all contracts and agreements requiring approval by the Board of Directors or membership.
- (d) Direct and inspect all records and reports required of the Clerk which shall be prepared by the staff as directed by the Board of Directors.
- (e) Undertake such other duties as may be assigned by the Board of Directors.

4. Treasurer

The duties of the Treasurer are as follows:

- (a) Receive, hold in custody and expend funds as directed by the Board of Directors.
- (b) Execute a surety bond acceptable to the Board of Directors before entering upon the duties of his/her office.
- (c) As soon as practicable, deposit funds in the depository designated and approved by the Board of Directors.
- (d) Direct and inspect all records and reports required of the Treasurer
- (e) Sign all orders upon the Treasurer approved by Board of Directors thereby converting the orders into checks.
- (f) Review the financial records of the Cooperative monthly and submit a Treasurer's report to the Board of Directors at each of its monthly meetings.
- (g) Be responsible for a detailed account of all financial business of the Board of Directors and prepare an annual audit of receipts and expenditures.
- (h) Undertake such other duties as may be assigned by the Board of Directors.

G. A member of the Board of Directors shall have the same limited liability applicable to a member of an independent school board or other elected governmental officials.

**Section 3: Duties and Powers of the Board of Directors.** The Board of Directors shall have authority to maintain and operate the Cooperative. Subject to the availability of necessary resources, the powers and duties of this Board shall include the following:

- A. The Board of Directors shall exercise all powers and carry out all duties delegated to it by members under provisions of the By-Laws. The Board of Directors shall be governed, when not otherwise provided, by applicable laws of the State.
- B. The Board of Directors shall meet regularly once each month and at special meetings at the call of the chair or any three members of the Board.
  - 1. An agenda shall be sent to each Board member at least five days prior to the meeting of the Board. Additional matters may be added to the agenda by consent of a majority of Board of Director members present.
  - 2. A quorum at any meeting of members of the Board shall consist of a majority of the current members of the Board of Directors.
  - 3. The meetings of the Board at which official action is taken shall be public meetings
- C. The Board of Directors shall appoint an administrative officer for the Cooperative with the title of "Executive Director." The Board shall also fix the salary and conditions of employment of the Executive Director, which shall include reasonable and necessary expenses, and benefits. The Executive Director or his designee shall, under the direction of the Board, exercise the following powers and duties:
  - 1. Act as executive officer of the Board.
  - 2. Attend all regular and special meetings of the Board and advise the Board on all questions under consideration.
  - 3. Serve as ex-officio member on all advisory committees and/or councils and committees established by the Board of Directors.
  - 4. Provide for the recording of minutes of all regular meetings of the Board of Directors, recording all procedures and official actions and keeping records as may be necessary for complete information regarding members and cooperative business.
  - 5. Direct organizational planning, development, service delivery, and staff functions.
  - 6. Conduct regular fiscal business, including initiating transactions, on behalf of the Board when required to meet purchase and contract terms.
  - 7. Act for the Board of Directors as the custodian of records, reports, documents, correspondence, equipment and supplies, and other property and maintain inventories and indices.
  - 8. Prepare and present business to be acted upon at meetings of the Board of Directors.
  - 9. Prepare annual reports and evaluations as required by these By-Laws and Minnesota Statute.
  - 10. Prepare and submit an itemized budget for approval of the Board of Directors.
- D. The Board of Directors shall employ **and/or contract for** an administrative staff and other personnel as necessary to provide and support the agreed upon programs and services. The Board of Directors may discharge staff and personnel pursuant to applicable provisions of law. Staff and personnel may participate in benefit programs and any other programs available to public school staff and personnel.
- E. The Board of Directors shall appoint a Personnel Committee, Finance committee, Policies Committee, and ByLaws Committee.
- F. The Board of Directors may appoint special advisory and ad hoc committees composed of members, other organizations, and other citizens. The Board may appoint Board subcommittees who are charged with specific responsibilities.
- G. The Board of Directors shall have the authority to provide adequate office, service center and administrative facilities by lease, purchase, gift or otherwise.



- I. The Board of Directors may enter into contractual agreements to receive and provide any consulting or other services it deems necessary to conduct business and delivery service, within applicable laws.
- J. The Board of Directors may establish cooperative, working relationships with post-secondary educational institutions, other public agencies, private business, and non-profits.
- K. The Board of Directors shall submit by June 1 of each year to each member entity an annual plan that describes the objectives and procedures to be implemented in assisting in resolution of the needs of the Cooperative.
- L. The Board of Directors shall submit an annual report of the effectiveness of programs and services to its members each year following the previous year in which the programs and services were provided.

## **ARTICLE IV MEETING OF MEMBERS**

**Section 1: Annual Informational Meeting.** The date of an annual information meeting will be scheduled by the SSC Board of Directors.

**Section 2: Special Meetings.** Special meetings of members may be called by the Board of Directors or by petition of any five voting members of the Cooperative submitted to the Executive Director. The call for the special meeting must state the business to be transacted and no business shall be transacted other than that specified in the call.

**Section 3: Meeting Notice.** Notice of the annual informational or special meetings shall be given by written notice delivered by first class mail, addressed to the address of each member at least ten days before such meeting.

**Section 4: Voting.** Each voting member shall be entitled to one vote on matters presented to the membership by the Board of Directors or in matters presented at special meetings. The voting delegate must be the member's chief administrator, the member's governing board chair, or a designated alternate.

## **ARTICLE V STANDING AND AD HOC COMMITTEES**

**Section 1: Administrative Advisory Committee.** The Board of Directors shall appoint an Administrative Advisory Committee of member representatives who will consider proposals for services and programs and make recommendations to the Board of Directors regarding service delivery and general operations.

This body shall be composed of representatives of the membership. Representatives must be current chief or deputy administrators of an Educational or Government member entity.

Advisory Committee meetings shall be scheduled as needed prior to Board meetings and shall provide advice to the Board on action items, new proposals for service, and other special requests made to it by the Board of Directors.

**Section 2: Other Committees.** Other committees that are established to meet regarding specific services will be comprised of volunteer representatives from members that use those services. These committees shall provide advice to the staff and/or board on service design and delivery.

## **ARTICLE VI FINANCIAL SUPPORT**

The financial support for Cooperative programs and services shall be provided by the membership with private, state and federal support as available. The Board of Directors shall establish a fee structure for members. In addition, the Board of Directors shall establish a service fee structure for programs and services that will be assessed to members desiring to contract for said services.

Any property acquired by the Board of Directors is public property to be used for essential public and governmental purposes which shall be exempt from all taxes and special assessment levied by city, county, state or political subdivision thereof. If the Cooperative is dissolved, its property must be distributed to the voting members at the time of the dissolution in a manner to be determined by the Board of Directors.

The Cooperative is a public corporation and agency and its Board of Directors may make application for, accept and expend private, state and federal funds that are available for programs of the members. As a public corporation and agency, no earnings or interest of the Cooperative may insure to the benefit of an individual or private entity.

The fiscal year shall commence on July 1 and end on June 30 of each year. The Board of Directors shall employ qualified accountants for the purpose of conducting an annual audit of the records.

## **ARTICLE VII GENERAL PROVISIONS**

**Section 1: Amendments.** These By-Laws may be amended by the affirmative vote of a majority of the members of the Board of Directors at any meeting of the Board of Directors, providing the substance of the proposed amendment shall have been submitted in writing to all the Board Members at least thirty (30) days prior to such as meeting.

Adopted May 1996  
Revised June 1998  
Revised December 2002  
Revised October 2007  
Revised February 2010