

2018 ANNUAL OWNERS MEETING MINUTES - DRAFT  
EAST LANSING FOOD COOPERATIVE  
SUNDAY, APRIL 29, 2018  
HANNAH COMMUNITY CENTER, EAST LANSING

**The 2018 Annual Owners Meeting convened at 2:00 p.m.** Owners in attendance who had not yet voted in the annual election were given voting instructions and informed of the 3:00 p.m. voting deadline.

**Introduction of Board and Board Candidates:** Board Vice President Stephen Gasteyer introduced himself and had other Board members in attendance introduce themselves and give their Board term-ending date, as follows: Stephen Gasteyer (2018); John Reich (2018); Michele Bridges (2020); Marshall Clabeaux (2019); Steve Andre (2018). All Board members whose terms end in 2018 are candidates for re-election to the Board this year. No one not already on the Board submitted a candidate statement.

**Agenda Review:** The 2018 Annual Meeting Agenda was reviewed. A motion was made and seconded to accept the agenda as presented.

**Review and Approve 2017 Annual Meeting Minutes:** A motion was made and seconded to accept the 2017 Minutes with one exception, as follows: in the "Owner and Support Input" section the item that discusses a possible solar cooperative project for building community sustainability is attributed to "Marshall's friend"; the attribution was changed to "unidentified meeting participant."

**ELFCO Year in Review: Key Decisions and Actions:** Board member Marshall Clabeaux led owners through the "ELFCO Year in Review," a copy of which is attached as Addendum A to these minutes.

**Financial Update & Status:** Board treasurer John Reich reviewed ELFCO's current financial status. We have \$145,000 currently on hand. About 120 owners to date have requested a return of their "excess" equity for a total of about \$19,000. Owners have until May 15 to request reimbursement of excess equity. It is expected total reimbursements could rise to approximately \$22,000. If this turns out to be true, the co-op will have about \$123,000 to spend on the new farm market project. Long-time ELFCO volunteer and professional bookkeeper Marlene Strahota offered to help Peggy distribute the reimbursement checks. The Financial Report is attached as Addendum B to these Minutes.

**Farm Market Project Update:** Stephen Gasteyer reviewed the year-round farm market project approved by owners at the December 2, 2017 Special Owners Meeting. Among the topics addressed were:

- Development of relationships with farmers through the CSA fair and a farmer survey. The farmer survey has been sent out both in online and print versions. So far, the reception is very enthusiastic.
  - Owner Aspen Bernath-Plaisted suggested that money and awareness could be raised among farm producers by having them "donate a row" of their produce to the project. Stephen responded that ELFCO will take up ideas of all types
- Becoming a venue for value-added products.
- Availability of fresh produce in winter: producers with hoop houses and larger local producers who distribute year-round will provide winter produce.
- A discussion with an Urandale representative who expressed interest in selling at the market
- Attendance by Board and staff at the Michigan Family Farms Conference in February, 2018
- Collaboration with the EMBA program at MSU which will assist with financials

- Collaboration with East Lansing's Student Housing Cooperative to hire a VISTA recruit (Anbareen Shefa) who will help the co-op reach out to co-op housing students and community members in need of better access to good food.
- Collaboration with the City of East Lansing, whose Community & Economic Development Coordinator is assisting the co-op in finding a location for the store and in making connections with organizations that could help financially or otherwise with the project.
- A vision of the project includes being a distributor of virtually everything local (Stephen G.)
- Special ordering: Mike Moreno added that a special ordering process could be set up.

**Board Election Outcome:** The ballots were counted and verified, and the outcome announced. All four candidates will continue to sit on the Board of Directors with terms ending as follows:

Terms ending in 2021 (3 highest vote getters)

- John Reich (highest number of votes)
- Stephen Gasteyer (second highest number of votes)
- Either Chris Bardenhagen or Steve Andre (tied for third highest number of votes)

Term ending in 2020

- Either Chris Bardenhagen or Steve Andre (tied for third highest number of votes)

**The tie between Chris B. and Steve A. will be broken** at the first meeting following the Annual Meeting in accordance with a method approved by the Board of Directors.

**David Reyes-Gastelum, long-time owner, volunteered to serve on the Board.** He was notified that he will need to be officially appointed at a Board meeting.

**Owner Support and Input:** Steve Andre and other Board members continued to lead the owner discussion about the proposed farm market. Further topics included:

- Parking must be adequate; no site should be chosen that doesn't have good parking. (David Reyes-Gastelum)
- A gas station site on Saginaw near Marsh Road could be a far better location than anything we've looked at so far. (Michele Bridges, Board member)
- The site at 1306 E. Michigan Avenue near Altu's Restaurant is an excellent site; many, many cars go by at all times of the day. Owners should go look at this site to see for themselves. (Steve Andre, Board member)
- Coffee shop is very important. Having Biggby very close by might be an issue, but many owners felt that a lot of coffee shops in a town is not a problem. Many owners present sited coffee and deli/bakery items as key.
- A tea house would work very well (Aspen Bernath-Plaisted). A tea shop venue could be a good place for music (Stephen Gasteyer, Board member). Pretty Shaky String Band might be interested in playing there. (Michele Bridges, Board member)
- Smoothies should definitely be on the menu. (Aspen Bernath-Plaisted); Pita Pit has found that smoothies sell very well. (Kriss Ostrom)
- Many interesting foods can be sold as at Argus; owners should email the Board or Peggy if they have off-the-wall ideas about what we could sell or do. All ideas welcome. (Steve Andre, Board member)

- Find a location with land around it so there can be outdoor seating, especially picnic-style seating; this attracts many people (Aspen Bernath-Plaisted)
- Some owners asked where bulk foods could be purchased. Owner Kriss Ostrom suggested UNFI and mentioned that owner Janet Allen who has moved up north belongs to a group that is able to buy from UNFI without belonging to NCG. Peggy said she looked into that possibility, but UNFI will not deliver to a non-NCG co-op if it is within something like ten miles of any store to which it distributes food. While the Board and staff will look into this further, it may turn out that ELFCO will have to place orders with another food cooperative and drive there to pick up the order.
- Ideas and potential partnerships: let us know about any idea or opportunity you think we should be aware of (Stephen Gasteyer, Board member)
- The Board discussed having interested owners sign up as volunteers to help with the proposed project.
- Great meeting! Many owners reported that they enjoyed this meeting very much. Owner Joan Fairey said it was great to have so much positive energy around what the co-op is doing.
- The next Board meeting will be decided following the Annual Meeting and the date will be posted on the website as soon as possible.

**ATTACHMENTS:**

*ADDENDUM A: ELFCO YEAR IN REVIEW*

*ADDENDUM B: FINANCIAL REPORT*

## ADDENDUM A

### ELFCO YEAR IN REVIEW

- **Northwind Drive building sold – May 2017**
  - Selling price: \$650,000
  - Proceeds realized: \$175,691
  
- **Temporary office space rented– May 2017**
  - 780 Lake Lansing Rd, Ste. 600 (Board meetings held here; directions at <elfco.coop>
  
- **First transformation effort: May-August 2017**
  - Attempt to create viable plan for new retail store with deli adjacent to ANC (Shepherd & Kalamazoo Streets )
  - Conferred with numerous consultants and advisors to help create business plan
  - Plan ultimately found infeasible due to cost
  
- **New project ideas solicited from owners – October 2017** (via letter to owners)
  
- **Two proposals passed at Special Owners Meeting – December 2, 2017**
  - **#1: Should co-op dissolve or move forward (with new farm market project)?**
    - Majority vote to move forward
  - **#2: Should Plan of Distribution of Assets be approved if the co-op dissolves?**
    - Majority vote to approve plan to distribute assets in this order:  
**First:** Discharge all debts, liabilities, obligations  
**Then:** Return equity to owners
  
- **Inspirational discovery process for farm market project**
  - **Visit to Argus Farm Stop – December 2017**
    - ELFCO has ongoing support of Argus owners!
  - **Conference call with Argus produce manager – February 2018**
    - Argus shared details of working with farmers, selling produce, producing reports, etc.
  - **Attendance at MIFFS Conference – February 2018**
    - Michigan Family Farms Conference theme: “ Cultivating a Thriving Food Community”
  
- **New partnerships formed – Winter 2017-18**
  - **MSU EMBA program: ELFCO chosen as a Social Impact Project for business students**
    - Assistance with business plan, location, etc. - through Fall, 2018
  - **Student Housing Co-op (through Ingham County Power of We Consortium)**
    - ELFCO commits \$1,900 for AmeriCorps VISTA position (March 2017-March 2018)

- Focuses on role of food co-ops play in providing access to good food
  
- **CSA Fair sponsored by ELFCO – March 10, 2017**
  - Great farms represented! ANC's Veggie Box; Hillcrest; Monroe; Owosso Orgs; Titus; Wildflower; Zumo
  
- **Excess Equity Optional Reimbursement plan shared with owners – March 2017**
  - 60 day window opened (March 15 through May 15, 2017)

**ADDENDUM B**

<b>FUNDS AVAILABLE FOR FARM MARKET PROJECT EAST LANSING FOOD COOPERATIVE, INC. APRIL 29. 2018</b>	
<b>Current credit union balance:</b>	<b>\$145,000</b>
<b>Less equity reimbursements (maximum projected—see below):</b>	<b>\$22,000</b>
<b>Balance (funds available for project):</b>	<b>\$123,000</b>
<b>Average (current) monthly expenses</b> (includes rent, payroll (one FT employee) phone, website/email, printing, CPA services, supplies, postage, etc.)	<b>\$4,270</b>

<b>TOTAL CURRENT EXCESS EQUITY INVESTMENT (500 OWNERS)*</b>	<b>\$65,724</b>
<b>*Total excess equity reimbursements (projected):</b>	<b>\$19,000 to \$22,000</b>

Percentage (projected) of owners with excess equity who are requesting reimbursement: 25% to 28% (125-140 owners)

Average reimbursement amount (to date) is \$155.