

12/4/17 ELFCO Board Meeting Minutes

Board members present: Chris Bardenhagen, Michele Bridges, Marshall Clabeaux, Yelena Kalinsky, Julia Kramer, Heidi Porter, John Reich. Four coop owners attended today's meeting: Steve Andre, Steve Gasteyer, Liz Harrow, Kriss Ostrom. Peggy Cunniffe.

Minutes from the 11/20/17 board meeting were approved.

Financial Update: 3Q17 financials are up on the Google Drive. The Balance Sheet shows \$210,000 in total assets (mostly cash) as of 9/30/17. We do have approximately \$21,000 invested with NCG; annual patronage dividends will continue to be paid out to ELFCO as long as the co-op exists. Upon dissolution of ELFCO, however, no further dividends will be paid out to ELFCO, whose remaining investment in NCG will be permanently retained by NCG. ELFCO stipulated to this agreement upon joining NCG.

Board Discussion and Action

Ballots from the special owners meeting held 12/2/2017 were counted. The outcome is as follows:

- 14 to 11 in favor of attempting to reopen the COOP in another form that is approved by the board. While a quorum for holding the meeting was met, with 25 members in total present, the vote on dissolution itself is advisory only. This is because it would have required 1,201 owners (out of a total of 2,401) to have voted in favor of dissolution at the 12/2/17 meeting.
- 21 yes, 3 no and 1 abstained in regards to the 2nd ballot question regarding whether or not to accept the "Plan of Distribution of Assets." The plan was distributed to all owners via the Board's 10/20/17 letter to owners and was discussed at the 12/2/17 meeting.

Three owners present (Steve Andre, Liz Harrow, and Steve Gasteyer) expressed interest in joining the Board, as 3 board members, including the president and vice president, planned to step down if the COOP vote was negative for dissolving.

Discussion of new project brought forward by board member Chris Bardenhagen at the special owners meeting on 12/2/17.

- Sparty's Store owned by MSU is a potential source to host the COOP.
- The board discussed having quarterly benchmarks to gauge progress on Chris's project; if the requirements for the 1st quarterly benchmark is not met, the project should be abandoned. The first benchmark is April 1, 2018, by which date we need to receive some indication of support from ANC, MSU, or possibly another organization that could help ELFCO establish a venue so we can move forward with the project. Another April 1st benchmark includes receiving some commitments from local farmers to bring their goods to the venue to sell. The board is thinking of a new COOP model based on markets such as Argus Farm Stop in Ann Arbor.
- If the new project goes forward, the board discussed opening a window for the return of excess equity to those owners who paid between \$20 and \$180.00 over and above the \$60 base equity requirement. We will ask members to contact us if they want their excess equity back. A postcard likely will be sent out regarding this matter to those owners with excess equity. There was approximately \$66,000 in excess equity invested in ELFCO by 580 owners.

Postpone dissolution date until April 1st 2018.

Create a transition budget that presumes, for the time being, that we will proceed with a new project.

MOTIONS

1. A motion was made by John to wait until the first board meeting, on or after April 1st, to determine whether to dissolve the cooperative (ELFCO). Meanwhile the board would pursue determining the feasibility of the new proposed plan as described at the special owners meeting of 12/2/17, and discussed at tonight's meeting. Michele seconded the motion. The motion passed: Yes: 4; No: 1; Abstentions: 2. A roll call vote was taken, as follows:

Marshall-yes
John- yes
Julia-yes
Heidi-abstained
Yelena-no
Chris-abstained
Michele-yes

2. Yelena made a motion to open a window for 60 days to return excess equity to members that ask for it back, and that paid at least \$20.00 or more in excess equity. The window will be opened after the next board meeting in January. Motion seconded by Chris Bardenhagen. The motion passed with seven out of eight board members voting in favor of it.

3. John opened a motion for ELFCO to continue to rent office space through June of 2018, and to ask for a 6 month lease. Motion seconded by Chris. The motion passed as follows: *6 voted yes, 1 abstained, 1 voted no.

Julia Kramer resigned as a board member, effective immediately, at the end of tonight's meeting.

The next COOP meeting will be held on Monday January the 8th, at 7:00. Location: 780 West Lake Lansing Rd, Suite 600, 48823.