

**ANNUAL GENERAL MEETING OF
MUSKOKA NORTH GOOD FOOD CO-OPERATIVE INC.**

JULY 7, 2015, 6:00pm
SUTHERLAND HALL, Huntsville, Ontario

The following directors were present: Kelly Picken, Kate Solecki, Tim Doyle, Collette Lalonde, Laura Gilmour, Julia Sutton

The following directors sent regrets: Jeanette Turvey

The following management was present: Kelli Ebbs

The following staff was present: Morgan Richter

Note-taker: Julia Sutton

1. Business Meeting Commencement and Welcome

Kelli Ebbs welcomed all member-owners and guests. Kelli highlighted the contributions that Rebekkah Dunsmore (MNGFC's lawyer) and Sally Miller (food co-operative expert) had made to the MNGFC to date. She thanked all volunteers that assisted with the AGM.

2. AGM Call to Order

Kelly Picken echoed Kelli's welcome and gave an overview of the Annual General Meeting's process and agenda. Kelly explained that MNGFC had met their AGM by-law criteria by advertising the AGM prior to June 23rd, through advertisements placed in the Huntsville Forester. Kelly also explained that quorum under MNGFC's by-laws would require 50 member-owners or ten percent of all member-owners to be present, in person, at the opening of the meeting. Through registration, it was confirmed that 98 eligible voting member-owners were present, which exceeded that minimum requirement. Voting regulations were clarified.

The 2015 Muskoka North Good Food Co-operative Annual General Meeting was called to order at 6:19pm.

3. New Business

Member-owners were asked if there was any new business to be added to the agenda. No new business was added.

4. Approval of Agenda

Resolution Date: July 7, 2015

Moved by: Andrew (#97 – Andrew Fisher?)

Seconded by: Mary Spring

Resolved that:

We approve the July 7th MNGFC AGM meeting agenda.

Opposed: 0

Abstentions: 0

All in favour: 98

Motion: Carried

It was noted that because it was MNGFC's first AGM, there were no minutes from a 2014 AGM to be approved.

5. Board of Directors' Report

Kelly Picken, MNGFC Chair, presented the Board of Director's Report and highlighted the milestones that MNGFC had made since November 2013.

6. Treasurer's Report

Tim Doyle, MNGFC Treasurer, presented the financial report from 2014 and updated the member-owners on the financial status of the MNGFC. The Balance Sheet and Statement of Operations were presented, up until Dec 31st, 2014, and a summary of revenue that MNGFC had made up until Dec 31st, 2014 was provided. It was emphasized that the Balance Sheet presented was only a snapshot in time.

Resolution Date: July 7, 2015

Moved by: Carol (#13)

Seconded by: Helga (#70 – Mertins?)

Resolved that:

We accept the Treasurer's Report, as presented by Timothy Doyle, for the fiscal year that ended December 31st, 2014.

Opposed: 0

Abstentions: 0

All in favour: 98

Motion: Carried

Discussion from the Treasurer's Report

It was clarified that MNGFC's incorporation date was March 2014, and the fiscal report presented was not based on a full 12 months.

It was confirmed that the membership fees were being held in an account at the Kawartha Credit Union and that funds had been withdrawn and replaced over the year. The funds were used to pay for events and fundraisers in advance (local products for Christmas bags, hall rentals, MNGFC's share of the FedNor Youth Intern grant, etc.) and reimbursed afterwards.

It was confirmed that MNGFC's books would be open and transparent to members. Interested members could contact MNGFC's Treasurer for information.

MNGFC has an incorporation number, but it is not a charitable organization; therefore, groups could make donations, but MNGFC would be unable to issue any receipts.

MNGFC listed some of the grants that had been obtained to date, including BEAM, Town of Huntsville, District of Muskoka, Reel Alternatives and others. Grants have been small and have come from a variety of sources. The next grant that MNGFC will apply for will be between \$500,000 and \$600,000, but community investment will be needed prior to that application.

7. General Managers Report

Kelly Picken introduced MNGFC's interim volunteer General Manager, Kelli Ebbs and highlighted her skills and experience.

Kelli presented the General Manager's report. The report included a background about the rationale behind starting the MNGFC, details about the four components of the MNGFC (grocery store, community kitchen, café, wellness centre) and an overview of the activities MNGFC had done to date. The Community Investment Package was presented, and it was emphasized that community investment was crucial to MNGFC's development.

Discussion from the General Manager's Report

MNGFC is selling a total of \$500,000 in community bonds and will be applying to FedNor for approximately \$500,000. The remaining finances will be pursued through other grants, including OMAFRA and the Ontario Trillium Foundation.

There was a discussion on community bond purchases. It was explained that MNGFC would need to apply to the Ontario Security Commission for an offering statement if the number of bond investors exceeded 35 people. This process would be costly, both time-wise and financially. MNGFC would not refuse a bond application, but it was confirmed that larger investments would be ideal, in order to remain below 35 investors. A member-owner suggested that interested investors could form some sort of consortium to help

keep investor numbers lower. For example, a group of people or extended family could purchase more bonds as a group, but be represented as a single investor.

It was confirmed that the interest paid on the community bonds would be paid at the end of the term. The interest rate would be fixed, and the investor would know the exact amount they would receive at the end of that term.

There was a discussion on the chosen location in the West end of Huntsville. A member-owner asked why MNGFC would choose to locate there as opposed to downtown Huntsville, in a vacant location. MNGFC organizer's explained that the options downtown had been investigated but that those locations were double the cost per square foot and that adequate parking would be a major issue. It was noted that MNGFC also did not want to impede on any downtown businesses and did not think it was appropriate to be located across the street from the Great Vine for that reason.

One member-owner noted that in light of Ontario's declining finances that MNGFC could rent a small space and start selling products. This would show community involvement and would give MNGFC more time to raise the necessary investment. MNGFC organizer's explained that they had considered three different sizes for the grocery store in their business plan. From the three scenarios, co-operative consultants had suggested starting larger instead of smaller, as more space would be needed quickly. As outlined in the business plan, a larger square footage to start would help MNGFC earn revenue more quickly. It was added that it would still be a major cost to open even a small space. The food co-op, Eat Local Sudbury, has been grappling with this issue, as they started small and have quickly outgrown their space.

A member-owner advised that MNGFC would need to get producers on board prior to opening because farmers would need to plan ahead. Producers will need time to invest, and the sooner they can start, purchase equipment, and so on, the better. MNGFC organizer's noted that this had been started through producer contacts and the pop up co-op. Through the pop up, MNGFC would continue to increase the regional products offered and also hoped that those purchasing would select from the regional page first.

Resolution Date: July 7, 2015

Moved by: Melinda (#34)

Seconded by: Trevor Page

Resolved that:

We accept the 2014 General Manager's report.

Opposed: 0

Abstentions: 0

All in favour: 98

Motion: Carried

8. Motion & Resolution

MNGFC Chair presented a Motion and Resolution for member-owners' consideration, questioning and approval. It was explained that MNGFC had consulted with Rebekkah Dunsmore from Miller and Associates, to draft the resolution. In order to make this change, it was recommended that a two thirds majority vote would be required.

The Board of Directors strongly recommended that the by-laws regarding MNGFC membership fees be changed. It was explained that when MNGFC was newly presenting the initiative to the community, the Board of Directors stated that all membership equity would be placed in trust and returned to the membership if the project did not move forward. As was evident from the three reports presented, MNGFC has developed further and its function has changed dramatically over the year. In MNGFC's current state of development, it would be imperative that organizers be able to access and utilize the member equity accrued from the AGM forward, so that organizers may continue with grant applications, architectural drawings and obliged contributions towards MNGFC's Youth Intern. This would mean that all member-owners, present and future, would now be "donating" their respective \$60 or \$100 membership contributions towards the MNGFC's future development, from the AGM forward.

Section 9.4 of MNGFC's current By-laws was read as follows:

"Redemption of Membership Fees: *A member, upon terminating their membership to the Co-Op, may elect to request a refund of their membership fee or to donate their fee. A refund of membership fees is at the board's discretion based on the availability of replacement capital. If a member does not request a refund of their membership fee, the funds will become equity of the Co-Op six months after the membership is terminated, and the member deemed to have donated the fee to the Co-Op. A member who has not shopped at the Co-Op for a period of 18 months shall be considered to have voluntarily terminated their membership. Redemption proceeds shall be subject to a reasonable processing fee that may be set by the board. Re-Applications for membership after redemption shall be subject to the current membership terms."*

The proposed amendment to section 9.4 of MNGFC's By-laws was read as follows:

"Donation of Membership Fees: *All membership fees paid to the Co-Operative shall be deemed to be donations to the Co-Operative and shall be made available for use for the general purposes of the Co-Operative including the establishment and growth of the Co-Operative and the promotion of the purposes and objectives of the Co-Operative in accordance with its Mission Statement. Upon departure from the Co-Operative, no member shall be entitled to a return of any membership fees except at the discretion of the Board of Directors. Membership is non-transferable. If a member chooses to terminate membership, moves from the region or is no longer able to utilize services provided by the Co-Operative, their membership will be deemed inactive.*

Discussion on Proposed By-law Changes to Section 9.4

It was confirmed that the changes would mean that a member would be considered a member for life, regardless of whether they had not shopped for over 18 months.

It was confirmed that it would not matter if MNGFC knew if someone had moved from the region, as their membership would be valid for life.

A member-owner asked if there were any ramifications of an inactive membership, and MNGFC organizers replied there would be none.

A member-owner asked if there were any negative implications of membership asset becoming usable capital. MNGFC's Treasurer replied that there would not be any negative implications. It was noted that keeping the current by-law for membership would have a potential long-term liability. For example, if all member-owners wanted their membership refunded at one time, it would be an issue. Changing the by-law will allow MNGFC organizers the freedom to show membership fees as an investment and be able to use those funds. It would be better perceived in future funding applications.

A member-owner gave an example where an organization similar to MNGFC became owned by one member, once other members became inactive. They asked what may go wrong with the by-law change in that regard and if there was any risk of inactive memberships becoming an instrument of control.

It was explained that this would not be a risk. All MNGFC resolutions come back to the AGM, and one family only has one vote. In addition, one member would not be allowed to buy up other memberships, and this is also why MNGFC's by-laws specify that two thirds of the membership needs to be present at the constituted meeting. If a large number of MNGFC members were to move away, pass on, etc., there would still be no risk because membership would be non-transferable.

It was suggested that before the motion be carried, that the language be altered by removing the last sentence of the requested change. A discussion ensued on changing the last sentence of the proposed amendment, and member-owners pointed out that if a member chose to terminate their membership, it would be inactive.

A member-owner suggested that MNGFC develop a way to have contact with their membership to keep track of how many active members there are, so that they will know if there are an adequate number of active members for the AGM, etc.

Resolution Date: July 7, 2015

Moved by: Louis Tusz

Seconded by: Kathleen (#15)

Resolved that:

The membership hereby elects to amend article 9.4 of the By-laws of the Co-operative as proposed, with the omission of the last sentence.

Opposed: 0

Abstentions: 0

All in favour: 98

Motion: Carried

The amended motion now reads as follows:

***"Donation of Membership Fees:** All membership fees paid to the Co-operative shall be deemed to be donations to the Co-operative and shall be made available for use for the general purposes of the Co-operative including the establishment and growth of the Co-operative and the promotion of the purposes and objectives of the Co-operative in accordance with its Mission Statement. Upon departure from the Co-operative, no member shall be entitled to a return of any membership fees except at the discretion of the Board of Directors. Membership is non-transferable."*

The membership voted to remove this sentence from the By-Law:

"If a member chooses to terminate membership, moves from the region or is no longer able to utilize services provided by the Co-Operative, their membership will be deemed inactive."

9. Nominations Report

Kate Solecki, Vice-Chair, introduced the current Board of Directors and presented the Nominations Report. She explained there had been two nominations submitted prior to the MNGFC AGM. Nominations from the floor were requested three times. Three nominations were noted and each nominee was asked to stand and give a brief description of themselves and why they would be a good fit for the MNGFC Board.

Samantha Allard is a new entrepreneur in area, and her occupation is a nutritional health coach. She is also a wilderness guide, first aid instructor and volunteer fire fighter.

Andrew Bridle is the owner of the Pita Pit and a contract building company. He is passionate about shopping locally and being ecologically responsible.

Derek Tutt's career is in social work, and his background is in community development and social planning.

Resolution Date: July 7, 2015

Moved by: Trevor Page

Seconded by: Adam Fisher

Resolved that:

We accept the nominations from the floor.

Opposed: 0

Abstentions: 0

All in favour: 98

Motion: Carried

The two nominees that had submitted nomination forms in advance were asked to stand and give a brief description of themselves and why they would be a good fit for the MNGFC Board.

Craig Nakamoto believes strongly in local food economy. His background is in computer science and most of his career has been in IT, in addition to management consulting.

Louise Parkinson's interest is in community development, and owns Huntsville Community Counselling. Part of her goal is to make counselling accessible to everyone who needs it.

Based on the five nominations received, a vote for the Board of Directors was not needed, as MNGFC's maximum number of elected officials was not exceeded.

Resolution Date: July 7, 2015

Moved by: Mary Spring

Seconded by: Trisha (#56)

Resolved that:

We appoint the following individuals as Directors to the Board: Kelly Picken, Kate Solecki, Julia Sutton, Laura Gilmour, Collette Lalonde, Tim Doyle, Louise Parkinson, Craig Nakamoto, Samantha Allard, Andrew Bridle, Derek Tutt.

Opposed: 0

Abstentions: 0

All in favour: 98

Motion: Carried

10. Meeting Adjourned

The MNGFC Chair thanked all member-owners and guests for attending.

Resolution Date: July 7, 2015

Moved by: Melinda (#34)

Seconded by: #1

Resolved that:

We adjourn the first Muskoka North Good Food Co-operative's Annual General Meeting at 8:01pm.

Opposed: 0

Abstentions: 0

All in favour: 98

Motion: Carried