

# Bluff Country Co-op Emergency Board Meeting Minutes

Friday, June 3, 2016

5:30 pm – 6:00 pm

Bluff Country Co-op, 121 W. 2nd

Attendees: Dawn Schreiber, General Manager

Board Members Present: Lynn Carlson, John Chernega, Rachel Kimman, Diane Leutgeb Munson, Mary Kirk, Aurea Osgood, Charlotte Roraff (via phone)

Board Members Absent: Ann Lichliter (voted by proxy)

TOPIC	DESCRIPTION	ACTION/OUTCOME
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		Yay	Nay	Abstain
<p>We currently have \$39,000 of outstanding member loans from the 2009 campaign. One of these members has expressed interest in extending the loan (\$30,000). As a Board, we will need to approve this extension (which would also be offered to the other loaners (3 @ \$3000 each)</p>	<p>Discussion</p> <ul style="list-style-type: none"> <li>• The \$30,000 Loan (Loaner One) will be repaid in 5 years at 4% interest</li> <li>• These member loans were obtained during the 2009 campaign</li> <li>• It is not known if the other 3 loaners are interested in extending their loans</li> <li>• Dawn stated lawyer has “ok’d” the extension of the member loan</li> </ul> <p><i>Motion: The Board moves to allow the extension of the current and long-term member loans, up to \$39,000, with the same terms as negotiated as in 2009.</i></p> <p><i>Lynn seconded the motion</i></p>	8	0	0
<p>The Project Committee would like to offer a second series of the preferred shares with the same terms</p>	<p>Discussion</p> <ul style="list-style-type: none"> <li>• We are \$164,000 short of \$\$ needed for the expansion project</li> <li>• Advertising for the second series of preferred shares with minimum investment of \$500 will be largely in-</li> </ul>	8	0	0

<p>as the first series, with the exception of the minimum investment being \$500 (instead of \$1000).</p>	<p>store.</p> <ul style="list-style-type: none"> <li>• Every member owner will receive a letter about the second campaign. It will NOT include the larger application packet, but will instead be a 1-2 page document explaining the second offer.</li> <li>• Mailing/postage costs will be roughly b/t \$400 and \$500 (significantly less than the first campaign).</li> <li>• There will also be lawyer fees for the second campaign.</li> <li>• New member owners (who have joined since the first offering) will receive a personal phone call.</li> <li>• End date of the offer will be in 12 months.</li> <li>• The project committee examined other options (i.e. grants) and determined that there are no other options.</li> <li>• The board speculated whether some members who invested \$1000 during the first campaign may want to change their investment to \$500, but this is not possible. A unified board response can be simply that we have to “roll with the punches, and that things change”.</li> </ul> <p><i>Motion: The Board moves to offer a second offering of preferred shares, up to \$500,000, with the same terms as the first offering. The minimum investment will be \$500.</i></p> <p><i>Mary seconded the motion.</i></p>			
<p>We need an additional \$164,000 to meet our “sources” goals. We have to be thoughtful about the timing of when we sign the contract with Wieser Brothers. The Project Committee is suggesting that we sign the contract once half-ish of the needed money is secured (\$85,000).</p>	<p>Discussion</p> <ul style="list-style-type: none"> <li>• Dawn stated the quote (\$\$) for the expansion project is solid, none of the contractors have indicated that any of the prices for the work will change.</li> <li>• Board discussed that we are assuming some risk, but we feel strongly that we are in a really good position and people will “step up”, especially when construction begins. People will be motivated to help when they “see” tangible evidence of the expansion project. It is very likely members will want to part of the expansion and motivated to contribute.</li> <li>• In the worst case scenario we need a contingency plan if we don’t have the money secured. Dawn</li> </ul>			

	<p>stated that there are some higher line items, such as computers and security, and that we may not use those monies to the full estimated costs, which may then help buffer things if needed.</p> <ul style="list-style-type: none"> <li>• It is possible to scale back designs midstream if investments fall short.</li> <li>• Dawn explained that there are processes in place that we need to move through and these will ensure more security and less risk.</li> <li>• Dawn stated that there will be no personnel risks (layoffs) if we don't have all of the money for the project.</li> <li>• The final pro forma will be finished next week, and before the June board meeting.</li> </ul> <p><i>Motion: The Board moves to sign the contract with Wieser Brothers once an additional \$85,000 in preferred shared and/or member loan financing has been secured.</i></p> <p>Board decided to table the motion until June board meeting in a week and a half. Motion may be edited.</p>			
Meeting Adjourned	<ul style="list-style-type: none"> <li>• Meeting adjourned at 6:00pm</li> </ul>			