**Minutes for the Annual General Meeting of Local Initiative for Future Energy (LIFE) Co-operative**

November 25, 2017

Kitchener Public Library, Main Branch, Meeting Room C

85 Queen Street North, Kitchener

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| **Directors in Attendance:** | **Attended** | **Apologies** |  | **Attended** | | **Apologies** |
| Ponnu (Kumaraswamy Ponnambalam) (KP)  *President* | **x** |  | Dave MacKay (DM) | **X** |  | |
| Robert Steel (RS)  *Vice President* | **X** |  | Sylvie Spraakman (SS)  *Secretary* | **X** |  | |
| Linda Laepple (LL) | **x** |  | Maurice Lambrecht (ML) |  | **x** | |
| Brittany Berry (BB)  *Treasurer* | **X** |  | Olaf Weber (OW) | **X** |  | |
| Shane Mulligan (SM) | **X** |  | **General Manager** | | | |

**Number of members present: 27 (see sign in sheet)**

**Members in minutes & initials**

Frank Foklage (FF)

**Minutes**

*Year in review (Ponnu/Shane)*

* JVs - $52,385 –revenue
* LS123 - $53,374 – delivered in dividends
* Moorefield Wind Project was main focus – electrical, data analysis, leasing & financing agreements, bird & bat studies
* New Offering Statement raised $330,200 – paid $250,000 into MW1 to date and hoping to put in another $60,000 – bringing LIFE to 25% ownership of debt over MW1 project
* Member question: what is ROI right now? On target for 5-6%.

*Agenda items*

1. Approval of minutes of the 2016 AGM. Motion for approval by SS. Seconded by FF. All in favour. Motion passed.
2. Review & approval of financial statements of the 2016

fiscal year; presentation of updates (Brittany/Shane)

* Document prepared by RLB Accountants
* Portion of long term debt: loan from Waterloo-Wellington Community Development Corporation is mostly paid down; bonds for redemption this year – most were turned into A.3 shares and some will be redeemed into cash
* Net profits will be issued as dividends as recommended by the Board of Directors
* Revenue: dividend income from LS123
* Operating expenses: interest and amortization costs due to our portion of JVs; consulting fees is Shane; professional fees are accountants and lawyers
* JV ownership share is done in 2020, we are selling that off, so after that we will own MW1 and LS123, and 15% of JV 50.
* Deficit: money that has been invested by our investors and will be paid off over 20 years – so deficit will decrease slightly every year until we have earned back all of member equity
* Deficit will go up in 2017 due to MW1 investments
* What we focus on is net earnings
* Interest on long term debt: concluded JVs and LS123 in 2015, and so there wasn’t a full year of interest
* Timeliness of financial statements: we are going to aim for these statements to be finished for June instead of November next year
* JV 111 partner Harro Wehrmann asked about amortization – see Note 2a – treasurer made a note to look into this for the next AGM [BB: question from Harro was with regard to asset amortization and how it affects the remaining asset value upon asset sale of the JVs. JVs are amortized on LIFE books over 15 years, to align with debt schedule used by most partners. It was noted that not all JV partners may be calculating amortization the same. SM and BB to examine this with an eye to the consequences at time of sale back to partners (2020).
* Harro also suggested that we do a more formalized SWOT analysis to help in setting the stage for future development.
* Statement of cash flow – reviewed by BB
* Motion to approve: OW. Seconded by KP. All in favour. Motion passed.

1. Approval of auditor (Brittany/Shane)

* We have used RLB in Guelph for the past 3 years, delivery has been good quality, but not necessarily as timely as needed.
* Looked into quotes from others: $7,000-$8,000
* Board has decided to keep RLB for 1 more year, mostly due to steep learning curve of any new accountant. May change this next year.
* Motion by FF. Seconded by BB. All in favour. Motion passed.

1. Declaration of Dividends (Ponnu)

Board has determined the following dividends:

* A.1 Shares 7.5% dividend
* A.2 Shares 5% dividend
* A.3 Shares 0%
* Total distribution = $19,873
* Hoping to get them in the mail for Christmas

1. Presentation of LIFE Community Fund Awards (Sylvie)

Community Fund became more official this year with application process and review criteria. Received 6 applications. A committee was formed to review the applications. 10% of declared dividends go towards this fund, which is our commitment to the community.

$1,500 to rare Charitable Reserve – for improvements to a community garden greenhouse to reduce fossil fuel usage for heating

$600 for Faith and the Common Good and Divest Waterloo Region – for a lecture, play and discussion on environmental activism and indigenous peoples – so keep your eyes open for the play Chemical Valley Project coming to Kitchener

$500 for Waterloo-Wellington Science & Engineering Fair – a community event for school children to promote careers in science and engineering

*Special Guest: Kate Pearce, Director, Power Shift WR – Thank you Kate!*

Ideas for LIFE: business model innovation, facilitate conversations/ meetings

*The Road Ahead: 12-month plan & Ontario’s Long Term Energy Plan (Shane)*

* We need to open up new ways of doing community energy – policies that we need for them aren’t evident
* Proposed action plan presented [Appended]
* Community Energy Investment Strategy from Region of Waterloo – municipalities are planning energy sources; economic development. It doesn’t seem that a group that doesn’t own land will be able to contribute to energy generation. RoW is looking at big players – banks, credit unions, developers, etc. and we are not front-and-centre (not a major priority). So we have been invited to be part of this conversation, but we may need to create our own opportunities to participate more.
* We need to become a new organization if we are to pursue opportunities outside of our mandate which is producing renewable energy for sale of electricity to IESO.

*Nominations & Election of Directors – thanks to departing directors (Ponnu)*

Up to 11 directors allowed, minimum 5. Departing directors: Dave MacKay, Maurice Lambrecht, Linda Laepple.

New director nominations:

Terry Green

Bill Roubos

Ray Gormley

Devon Krainer

Harro Wehrmann

Motion for all names put forward by Yvonne Zyma . Seconded by Allan Grose.

Next meeting Tuesday January 9, 8pm.

Motion to adjourn by SS. Seconded by OW. All in favour. Meeting closed at 12:00pm.

**LIFE Co-op Action Plan**

Proposed for 2018 and beyond

**Summary:**

**Item Current Proposed/Target**

|  |  |  |
| --- | --- | --- |
| **Member Management (personnel & software)** | **Manager time est.**  **$3-4000/year** | **Hire a developer for database construction est. $8,000 one time cost** |
| **Rent** | **$250/month full time desk** | **Occasional est. $120/month** |
| **Accounting Software** | **Quickbooks Online** | **Maintain @ $250/year** |
| **Memberships** | **$1500/year (OSEA and On Co-op)** | **$500/year for On Co-op** |
| **Management** | **$40,000/year** | **$24,000/year** |
| **Bird & Bat (3 years)** | **$10,820** | **$6-8000** |
| **Professional Fees** | **$8-20,000** | **$8000** |
| **Total Annual Expenses** | **$75-85,000** | **$45,000** |
|  |  |  |
| **Annual Revenues 2018-2020** | **$115,000** | **$115,000** |
| **Annual Revenues 2020-2030** | **$73,000** | **$73,000** |

**Discussion:**

**Member Management**

Est. cost c. $3-4000/yr – mostly time spent on answering member & investor queries, processing new members, using a couple of Excel files. This is likely to be lower going forward.

CRM Software developed by Vigor/CED Co-op – with lots of functionality –they’ve offered to share it with us for $800/mth for 2 years = $19200+ fees for installing & modifications. I don’t see this as affordable, though in the long term a better CRM would make managing members easier.

Thus I propose to examine database developers via Upwork, and seek a fairly basic database for long term management of member and investor data. I would hope to keep the entire package (developer costs plus my costs) under $8,000. The aim would be for the database to be usable by a volunteer Secretary going forward.

**Rent**

We could change our rental at Treehaus from full time ($250/mth) to part time ($120/mth est.); we could still use the boardroom on a fee basis. Savings of $1500/yr est. We are losing our storage space in any case, and we almost never use the office except for mail & meetings.

**Legal - 2016 $200; 2017 $15150; 2018+ $200**

**Accounting - 2016: $7900; 2017 $8654: 2018 $7500**

In the absence of an Offering Statement, accounting & legal could be limited to approx. $7-8000/yr – mostly auditing costs. This is made easier with Quickbooks online software.

**Accounts**

Software – I looked into downloadable Quickbooks – fixed price as opposed to $19/mth for online version. I believe the advantages of online (cloud-based) accounting outweigh any potential savings from moving to desktop. These include security of data, transferability, sharing ability, and ongoing upgrades.

**Memberships (current $1500/yr – proposed $0 or $2500/yr)**

I am not seeing a lot of value for our investors in our memberships with OSEA and On Co-op. I suspect a membership with the Federation (FCPC) could be more fruitful, but at $2500 it is a big cost. (Note the FCPC would give us a secondary membership (member-of-a-member status) in the above two organizations.)

**Projects**

MW1 Bird & Bat Post-Construction mortality surveys will need to continue for two more seasons (2018, 2019). We had quotes c. $30,000/yr for the studies. My estimate for our work this year = $5320. ((1 visit/wk x 24 wks) + 4 visits = 28 trips. Each costs c. 2h x $60, plus $70 mileage, = $190. So $190 x 28 = $5320)

Add to this research, permits, and reporting, up to another $5500. That gives $10,820 for year 1. Subsequent years should be a good bit less. Est $6-8000/yr.

**Projects**

All JVs, except for JV50 (Mapleton), will be completed after 5 years (over the course of 2020). From that point we’ll have the following revenue streams:

* LS123 – Dividends, quarterly (est $48,000/yr)
* Moorefield Wind – Generation & loan payments, quarterly ($33,500/yr, of which c. $20k is generation + interest revenues, the remainder is payment of principal)
* JV 50 – Solar Generation Income, quarterly . ($5-6000/yr to 2030, $25k/yr after that)
* Total Revenues = $73,000/yr
* For next 3 years revenues should be closer to $115,000

**Management**

I anticipate the coming year will demand $2000-2500/mth on average, excluding Moorefield 1 Mortality Studies. That is to cover member management; board communications & meetings; project relations, collections, and analysis; financial management & bookkeeping; media.

**NEW PROJECTS**

This really is an additional budget. Going forward we can contemplate that additional funds raised through the sale of A.4 Shares.