

# **Hack Factory of Minnesota, Inc. (d/b/a Twin Cities Maker) Annual Members Meeting Minutes**

June 8, 2011 at Hack Factory, Minneapolis, Minnesota

## **Attendees**

Attendees: Board Members Dave, Michael, Brandon, Bob, Wayne, Karin, and Riley; attorney Bob Elconin, and 48 Members (including 37 members present in person and 11 members represented by proxy)

## **Scribe**

Bob Poate

## **Agenda**

- Registration of Members
- Welcome - David Bryan, President
  - Introductions
  - Meeting logistics
- Call to Order
- Announcement of Notice and Quorum
- Resolutions for Consideration
  - Authorize and affirm the staggered terms of the members of the Board of Directors
  - Approve and adopt the First Amended and Restated Articles of Incorporation
  - Approve and adopt the First Amended and Restated Bylaws
- Discussion of proposed resolutions
- Call for Vote
- Report of Election Results
- Reporting Items

- Financial Report
- Report on the Activities of the Corporation
- Adjournment

## **Business**

- Members signed in, ballots were passed out, proxies collected (mail, email and dropped off by members). Email was checked immediately before meeting began for any last minute proxies but there were none. Out of 67 members in good standing as of the record date of June 1, 2011 (as recorded of the list of members for the annual meeting) 37 members were present at the meeting in person and 11 members were present at the meeting by proxy.
- David called meeting to order and announced there was a quorum present - i.e., at least ten members. David introduced Board, affirmed the meeting is called pursuant to the duly served notice to members, explained purpose of meeting, went over agenda, announced the appointment of the Inspector of Election (Scott), and explained how meeting would be run - proposals explained, followed by discussion, then voting.
- David then briefly described the three items up for consideration at the meeting pursuant to the meeting notice.
  - Item 1 - Authorize and affirm the staggered terms of the members of the Board as provided in the annual meeting notice.
  - Item 2 - Approve and adopt First Amended and Restated Articles of Incorporation in the form that the Board of directors approved.
  - Item 3 - Approve and adopt First Amended and Restated Bylaws in the form that the Board of Directors approved.
- Prior to open discussion, Bob E. (attorney) wanted us to be aware that even though we are applying for 501 (c) 3 status, and approval of these "housekeeping" items should help with our application, there is no guarantee that the IRS will grant tax exempt status to the organization since it is based on many factors and considerations.
- Much discussion followed.
  - Some in attendance expressed concerns about the length of terms and also suggested officers should be elected rather than appointed by the Board. Some wanted the terms of board members to be shorter and also thought the current board members are serving out previous terms rather than having been elected to new three year terms. Some were also concerned that volunteers might not be willing to serve three year terms, or would not take the position

intending to complete their term.

- Other points were made that the resolutions are primarily intended to formalize the status quo since the current bylaws say officers are appointed and that board member terms are three years. It was suggested by some that 3 year terms are a good length for consistency, stability, experience, etc. and consistent with what they have seen with other nonprofit organizations.
- Concerns were expressed that the terms of sitting members of the board could not be changed once set. Bob E. (attorney) said that even if these resolutions are adopted, members can always remove Board members, provided proper procedures are followed.
- Some asked questions about 501 (c) 3 status. Dave explained that tax exempt status would have a number of advantages, e.g. tax exempt purchasing of supplies, increasing attractiveness of the organization for donations by giving donors a tax deduction. There was some discussion about what restrictions are applied to a 501 (c) 3 organization and how it impacts members. It was emphasized that a non-profit tax exempt organization must be organized for the benefit of the community, not for the benefit of individuals. It was noted that Noisebridge is now a 501 (c) 3. It was agreed more research would be done and the board would report out to members on the questions/concerns raised about the impact of 501 (c) 3 status.
- Concerns were raised whether these resolutions were being pushed through too rapidly. It was explained that if TC Maker applied for non-profit status within 27 months of being formed, 501 (c) 3 status would be retroactive if granted by the IRS. Our organization was formally incorporated in November 2009 but we want to get our application in this summer if possible. It was explained that this is the impetus for proposing the resolutions so work can then turn to putting together an application and trying to get it in as soon as possible.
- David closed the discussion period and asked for ballots to be turned in to Secretary. Inspector of Election, Scott, watched the verification of ballots and proxies. Ballots and proxies signatures were double checked against the current member in good standing list. All proxies and ballots were found valid. There were 11 proxies that were sent in physically or electronically, and 37 ballots personally cast for a total of 48 votes. Signatures were separated from ballots and proxies before counting. Signatures, ballots, proxies and sign-in list are currently on file. Scott tallied the proxies and votes with the following results:

	<b>For</b>	<b>Against</b>
<b>Authorize Board Terms</b>	<b>29</b>	<b>19</b>
<b>Articles of Incorporation</b>	<b>35</b>	<b>13</b>
<b>Approve Bylaws</b>	<b>33</b>	<b>15</b>

- While votes were being tallied, Make: Live was having a live webcast in the shop. After votes were tallied, Dave reconvened meeting and announced results. Applause to Scott for helping to oversee election. Dave explained the results, and numbers; motions passed.
- Financial Report. Brandon showed the Profit & Loss statement from January 1 through June 1, 2011, and the Balance Sheet as of May 31, 2011. Brandon took questions, and will be posting the numbers. Membership accounts for approximately 90% of our income. We'll want to eventually have a 3 month reserve. It was asked if expenses would be available; Brandon responded that they will be available in the future, but this is what he has to show currently. Applause for Brandon was requested and given.
- Other activities.
  - Dave - classroom will become classroom again. Contact Karin to set up events. Also, check out new spaces, new bathrooms.
  - It was suggested that people adopt a tool, racking or dust collection system. Karin and Michael, as well as Riley also have some things in the works regarding equipment acquisition.

## **Adjournment**

- Moved to adjourn. Adjourned.
- Conversation and discussion continued. Michael, and the rest of the board, wanted to give a thanks to members for the time, help, concerns and understanding. Conversation drifted into talk of coolers and refrigerators. Hack Factory Cabaret coming up on June 22, if interested in giving a lightning 5 minute talk on the subject of your choice, contact [info@tcmaker.org](mailto:info@tcmaker.org).

## **Next Board of Directors Meeting**

- July 13

## **Next Board of Directors Meeting Agenda Items**

- To be determined.