

Coronavirus and Coop Annual Meetings Scheduled for April/May 2020

Many Texas agricultural cooperatives have asked questions about the Coronavirus and its implications on their annual meetings, particularly those meetings scheduled for April and May. Below are some brief answers as of the date of this email.

Can our coop simply cancel its annual meeting for this year?

No. Texas agricultural cooperatives operate under two state laws, the Texas Business Organizations Code-Nonprofit Corporations and the Texas Agricultural Code-Cooperative Marketing Association Act pertaining to annual meetings, each of which mandates that an agricultural cooperative must have an annual meeting.

Is there anything which could occur to amend the laws requiring our coop to have an annual meeting?

Yes. The Governor of Texas could suspend the cooperative's state law requirements, as he has done to date in other areas of the law. We will continue to monitor the Governor's actions in this regard; however, to date, no emergency proclamation of the Governor has relieved us from the obligation to eventually conduct an annual meeting.

Could we postpone our meeting to a later date?

Yes. Some coops have a bylaw provision which states a specific date or time frame for the coop's annual meeting. Such bylaw provisions can be overcome, in these circumstances, by a reasonable postponement, in this case based upon meeting restrictions imposed by city and county officials essentially rendering most annual meetings impossible to conduct through May. In this regard, many coops are contemplating late August or September meetings to accommodate crop schedules and perhaps get beyond the projected meeting restriction schedules.

What are key considerations in deciding to postpone the coop's annual meeting until late summer?

I spoke with Greg Taylor this morning about this subject. Each coop will need to counsel with him individually, if he is your auditor, but one option would be to mail patronage checks and audited financial information during the timeframe of the regularly scheduled annual meeting. Then, at the postponed annual meeting, a coop could have a scaled down version of its meeting, essentially receiving the manager's report and holding director elections, or you could have a full-scale meeting to include the auditor's report as well as everything else normally accomplished at the annual meeting. Depending upon the Coronavirus circumstances in August and September, if patronage checks and financial information were already received, the postponed annual meetings could, if circumstances warranted, be relatively quick meetings and might involve no meal or door prizes, thereby reducing the possible crowd size, which might still be at issue.

I don't wish to postpone my scheduled meeting. Any suggestions?

Yes. Below are a few suggestions:

- **Do not** serve a meal, for all the obvious health reasons.
- **Do not** hand out door prizes or patronage checks (mail) to reduce person-to-person contact.
- Institute ‘social distancing’ at the meeting by having skip seating.
- Have plenty of hand sanitizer available.
- In the 10-day notice letter, you might remind members of the CDC suggestions to certain high-risk individuals for staying away from meetings due to age or health risks.
- As mentioned earlier, you could pare down the meeting agenda to a brief report and elections, and mail the financial data and the checks.
- All of the above, and perhaps more, should reduce the attendance, so you might consider having a simple meeting at the coop.
- Because we are talking about suppressing attendance, I would suggest furnishing a mailed summary letter of the previous year to all members, since many will not be able to attend.
- Finally, it is difficult to estimate attendance at a ‘scaled down’ meeting. You will need to, nonetheless, meet your quorum requirements and obey any city or county restrictions, which are a moving target at present.

Given the rapidly changing policies pertaining to this subject, if a declaration is issued which bears upon these comments, we will send out an update. For now, it seems accurate to state that the present laws and restrictions will remain in place through the end of May at least, and more stringent restrictions could be forthcoming in the next weeks. It is not possible to project, at this date, what circumstances could exist for those having regularly scheduled June meetings in South Texas and the Valley.

I hope this answers some of the more common questions and concerns. If not, please email Gary McLaren at gmlaren@sbcglobal.net.