

ELFCO Board meeting

May 15, 2017

Yelena calls meeting to order 7:01

Present: Marshall Clabeaux, Peggy Cuniffe, Shiloh Daum, Aaron Fields, Bruce Grambau, Rock Hudson, Yelena Kalinsky, Julia Kramer, Mike Moreno, Heidi Porter, Lily Woodruff

Yelena calls to approve the agenda. Agenda approved.

Rock Hudson (Downtown Neighborhood Association) is here to make argument for why we should go downtown. There are 1600 apartments, schools including Cooley, Davenport, and LCC. Across from MLK Dr. is the Westside, largely residential. There is a vacant building at corner of Saginaw and MLK. Downtown needs a walkable grocery store.

General Manager update (Bruce): Status of building sale: will happen tomorrow at 11 am at Vlahakis' building.

Office space and move update: went smoothly. IT has been frustrating. IT guy Bob Britton came in to help, and he might switch our email to a Google service. There would be a cost associated with that, but it would be very convenient.

ANC space update (Bruce): Bruce has not gotten any new information from Bill Mason yet. Bruce thinks Mason is looking for a commitment if not a signature on a loan.

Financial update (Peggy): \$29,000 in the bank. \$175,690 is the estimate for what we will end up with after the sale of the building. We need to ask accountant, Bill Boss, about the depreciation and/or capital gains on the building.

Staff task status (Bruce): We need to lay off Pete, there just isn't enough to do and he doesn't want to go down to part time. Pete would be open to coming back to ELFCO later. It is unclear what he will have for Shiloh to do—possibly grant research. Mike will go down to 20-25 hr/week starting next week.

Shiloh talked with Moonsail North Marketing firm, which is willing to work with us. Moonsail North can compile a timeline and price quote for us, which it would do for free. Might offer a “coop rate,” is flexible, pricing could plan for us carrying out some of the work.

Business Plan Development Status: Yelena and Peggy each volunteered to read the whole thing through to check for coherence. Peggy will look to highlight “coop-type” language. We should add a section on “staff positions”—not individual names, but position descriptions. Everyone should finish their sections by the end of the week. Yelena will read it all over on Saturday.

Update on meeting with Tom Donaldson and Mike Gay of SBDC (Yelena). Mike thinks they'll be most helpful with the numbers aspect for developing the coop. They think we

need \$550,000 to open. Need to think about what we want to sell in order to waste as little as possible. They said we do not need to pay to have a market study done. We can do our own, possibly with the help of the ANC and MSU's reference librarians. They suggested developing the store in phases rather than planning to do everything at once. We may not need to go to a bank if we are able to get enough grant and loan money. We should not sign a lease until we have the grant and loan money committed. We need to get them labor costs, monthly sales for 2015-2016, cost for equipment so that they can put together the pro forma. They were surprised by how much we spent on staff salaries.

Bruce suggests that Kriss Ostrom might be able to hook us up with grant information. Staff will work on this. There is already a list of grants in the ELFCO folder. Four areas that need funding: Start up inventory, equipment, staff cost, operational costs.

Shiloh said the biggest amount of money can come from an "owner loan campaign" as opposed to an equity drive.

Pete and Mike will do the 80/20 product analysis in the next 4 days, Shiloh will help with the deli estimates.

Consultant discussion: We will continue working with Tom D and Mike G. Bruce wants a clearer, professionally structured, timeline. Peggy notes that we will know what we need when we start to put together grant applications.

Mike knows a consultant for the relationship between the board and the staff—doesn't think she would be good for establishing a timeline though. She's friends with Mike and would work for a good price. Bill Gesner would work on an ad hoc basis. Bruce wants to have a consultant walk us through an ongoing process. Others think that we would only need a consultant for 2 hours. We will wait to decide on this until after getting the pro forma back from Tom and Mike. We will send the business plan to Bill and Mike soon and set up a conference call with them.

Marshall will put together a proposal for canvassing including a budget for the next board meeting.

ELFCO owner comments: Aaron congratulates us on our hard work and organization. Rock Hudson comments on grants: suggests writing for smaller specific grants that can be tailored. Target four groups in order to get funding: vets, disabled, seniors, and women & children.

Adjourned at 8:55pm

Submitted by Lily Woodruff, 15 May 2017