

ELFCO board meeting  
Allen Neighborhood Center  
May 1, 2017

Yelena called meeting to order at 7:04 pm

Present: Chris Bardenhagen, Michele Bridges, Marshall Clabeaux, Peggy Cunniffe, Shiloh Daum, Aaron Fields, Bruce Grambau, Liz Harrow, Yelena Kalinsky, Julia Kramer, Mike Moreno, Heidi Porter, Lily Woodruff.

Agenda accepted moved by Julia.

Marshall moved to accept minutes from April 12.

Northwind building update:

Bruce announced that the closing of the Northwind location is set for May 16. We need someone to sign for the building sale—this should be someone from the board. Heidi asked about closing costs. Vlahakis will tally this. We are paying a 7% commission fee, ~\$45,000. No other offers were made on the building, which sold for \$650,000.

Office space update:

We will not have internet and phone at the office after closing. Bruce is considering hiring professional movers to move the remaining desks, filing cabinets, etc. to the office space on Lake Lansing road. It might be too early to ask volunteers to move. Jerry Fine, the owner says there will be no consequences for breaking the lease at the new location after 6 months. 6 months costs \$3000.

Heidi motions that the staff sign a lease to move into temporary office space on Lake Lansing Road. It will not have internet and phone. Everyone is in favor, no one opposes.

Financial updates from Bruce:

Bank account is down to \$35,400. The buyer is paying the fees, so we should not have any major expenses other than “what is normal.” In April we spent around \$20,000. From May-on most fees will come down significantly to around \$10,000. We will have ~\$200,000 from the sale of the Northwind Dr. building. We have put down a \$500 retainer for lawyers White & Schneider (this money came out of gift from Anne Woiwode, they bill at \$275/hour). Financial updates will be posted in the Board of Directors’ notebook in the dropbox (dropbox is more private than the google drive).

Staff tasks update from Bruce:

Mike: Working on financials. He created a document from “Know Your Numbers” workshop for board member education. He is breaking down ratios [of what?], and identifying key performance indicators. This document is in the Board of Directors file. Board members who are interested can meet to get instructions on how to read the indicators and decide which are most important. He also updated the website.

Heidi says we need to spend our time on generating a budget to take to Tom Donaldson. She sent Bruce the information on how to do that. We need a budget based on the old numbers in order to plan a budget for the first year of the new store. This document will be used to fundraise. Liz notes that we should use the estimates from the projected budget to see what kind of store we could build. Bruce notes that everyone at the coop made close to minimum wage.

Peggy: worked on posting the [... ?]

Pete: purchasing still, working with distributors, checking in with UNFI and [Kayhe?] Setting up conference calls [with whom?].

Shiloh: working on the volunteer program, communicating to owners, inputting information into the business plan, customer service training.

Staff hours: Bruce, Pete, Peggy each work 35-40

Mike: 30

Shiloh: 15

Total 160 hours/week

Yelena asked if Pete need to be working that many hours? Bruce said that after the office moves, probably not and that he would need other jobs to do to keep himself busy until the new store opens or a buying club starts.

Yelena notes that we need to be attentive to the time that people are spending because we need to be responsible with owners' money.

Heidi proposes that the staff hold daily group meetings to review daily plans and accomplishments. Heidi will email Peggy a list of questions to ask regarding this process.

#### Business plan development status from Yelena:

The meeting last Saturday targeted areas to edit and revise: multi-year vision, marketing, industry analysis, strategy. There is a new document in the Google drive titled "Implementation" where action items will go. Next working meeting scheduled for 4pm this Sunday at the ELFCO store. Sample business plan (CDC) and 5-year plans are in the Google drive.

#### Building tour updates:

ANC and Gillespie locations were both toured. Gillespie is larger, will have a gastropub and café already going into that locations. ANC would likely involve more volunteer community input. Gillespie would want to know within a month if we want that space. 5700 ft2 at Gillespie vs. 4550 ft2 at ANC. At ANC we would need a kitchen-like prep area, but it would have to be minimal. ANC is not a triple-net lease. Bruce got in touch with Bill Mason and reports that we will be responsible for the rent and utilities, but not property taxes, insurance, or maintenance (depending on who's at fault). The barber shop space is going to be available, adding an additional ~1000ft2, which would allow access to the ANC incubator kitchen directly.

Liz: talked to Clair Lindeman, and made a plan for the ANC space, which she brought. It is flexible, makes more room for deli because it's more profitable.

Yelena: According to Matt Jason of Sleepwalker Brewing, it might be possible to negotiated a lower rent at ANC if we do some of our own rebuilds, rather than Bill Mason doing them himself.

Bruce will talk with Bill again tomorrow to talk about The Kutt's space. Mason has already turned down people for those spaces. It might cost a bit extra to rent the Kutt for the first year. It could be office space. Bruce will ask Mason about moving into the Kutt, using it as an office, and to Vlahakis about staying in the Northwind store past the closing date.

Julia: Capital Community Foundation, Laurie [?], seed money provider, gave \$75,000 to the ANC. The Penny for your Thoughts campaign is looking to fund food in the Eastside corridor through grants, etc. Michigan Good Food Fund can offer money in the form of a loan (ANC might be using them to buy the whole building). We could apply for these funds as ELFCO alone, or in conjunction with ANC.

Liz: offering her services for close to free. Clair will work with her. Mary Swanson is also a possible architect, and she could pass off work with Liz. Liz and Clair can give an estimate of how much equipment and construction would cost.

Heidi motions that we take the Gillespie building off the table and that we move forward on the building at Shepard and Kalamazoo. Seconded by Julia. No oppositions or abstentions.

Chris motions that we look into renting the Kutt for office space immediately and empowering him to make that decision. Marshall seconds, no oppositions, no abstentions.

Yelena: Updating corporate resolution documents for closing at Northwind, includes new member names. Heidi motions, Chris seconds, all approve, no abstentions.

Heidi: prepared and presented an outline of fees and services for Tom Donaldson, Bill Gessner, and Keith Wicks. Gessner and Wicks are coop specialists. Donaldson doesn't have the same coop experience. Gessner is less expensive than Wicks. We could do a free session but not about the business plan, it would just be for getting acquainted. We could send them a summary of the business plan anyway.

Peggy: staff shouldn't take the lead on fundraising, the Board has to do this, and the staff will do the grunt work. The Board works on connecting with the community. The staff can have a meeting on fundraising. Meeting with Donaldson should happen within the next two weeks.

Before fundraising begins, we need to complete the business plan, including financial estimates and a feasibility check. Shiloh has put links into a fundraising folder in the Google doc. Staff can research these links and insert information.

Volunteers and canvassing are tabled until the next meeting.

Mike proposes setting deadlines for staff in terms of hitting bench marks until we open. He will set that up.

Julia motions to adjourn Chris seconds.

9:08 pm.