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EAST LANSING FOOD CO-OP  
MINUTES OF THE OCTOBER 27, 2009 REGULAR MEETING OF BOARD OF DIRECTORS

Date and time: Tuesday, October 27, 2009, 7pm

Location: Michigan Energy Options (formerly Urban Options), 405 Grove Street, East Lansing

Present: Board: Julie C, Ray K, Kriss O, Tony W Staff: Carly P, Dave F Owners: Marilyn S, Gene T

1. Call to order and introductions

2. Consent agenda:

2.1. **Approval of the agenda** – the agenda was approved with the addition of discussion of the Old Town Union Hall building as a possible ELFCO expansion location with Gene T.

2.2. **Approval of the minutes of 9/27/09** – the minutes were approved as drafted.

3. **Old Town Union Hall building** – Gene T, long-time ELFCO owner and owner of a local construction company, presented a potential option for ELFO to open a grocery store in the old union hall in Lansing's Old Town (1135 N. Washington, SW corner of Washington and Grand River), most recently a dollar store. The Ingham County Land Bank and the Old Town Commercial Association (OTCA) are interested in the possibility of a grocery store AND having that building remodeled. Gene showed us and explained a draft of a Renovation Pro Forma, which included many attractive financial opportunities that would be gained by working with the Land Bank, whose mission it is to get taxpayers back on the land. One of the areas that the Land Bank has targeted in Lansing is Old Town, where they have built a new LEED-certified house and are updating properties at the old School for the Blind properties. Gene summarized the assets of the property as the generous size of the space, its central location near residences and offices, very reasonably-priced parking, a prominent corner façade, upstairs space that could be turned into three loft apartments to provide rental income, heavy subsidy of renovation costs, and easy credit terms. Board members asked many questions and received a lot of information to consider. We scheduled a board meeting next week to discuss the ideas.

4. Old business – discussion items

4.1. **ELFCO Bylaws proposal to exclude ELFCO staff from serving on the board of directors - tabled after discussion at the last board meeting** – tabled again, until 2010

4.2. **Board email communications between meetings -Transparency and email communications to meet this goal – tabled after discussion at the last board meeting; we hope to gather “board email protocol” from other co-ops and see if we can adapt for ELFCO board email discussions** -- Kriss got email etiquette from the Briarpatch Co-op in California, which turned out to be basic email etiquette (don't use all caps, respond quickly, be careful not to cc too many people, etc), not specific for board communications. She will email it to board members and post a question on the Cooperative Grocers Information Network (CGIN) email list and see if any other co-ops have developed “board email protocol”

4.3. **Possible format for Financials beginning in January 2010 –Tony** – Tony thinks we should use the CoCoFist (<http://www.coopmetrics.coop>) format to allow comparison of ELFCO financials with other co-ops. He also wants us to have the ability to compare to our past financials. Tony will write a proposal for the 11-18-09 board meeting.

4.4. **Appointing a seventh board member to serve until April 2010 elections – the ELFCO Bylaws leave it up the Board to appoint someone or leave the seat vacant until the next election** – Board members unanimously approved the motion to “Take no action at this time to appoint a 7<sup>th</sup> board member.”

4.5. **Election of a secretary to the Board of Directors - tabled at the 9/27/09 meeting** – Tabled again. Kriss asked Tony to chair the next board meeting and she will continue to serve as secretary.

5. Reports

5.1. **General manager's report, including financials - Dave** – Dave emailed his report to the board prior to the meeting and it is copied below:

**General Manager's report to the ELFCO Board of Directors, October 27, 2009**, Submitted by David Finet

The last month or so has been spent trying to get my feet back underneath me after the upheavals of the last few months. I'm glad that we've made some decisions about the LCM, and I'm in the process of shutting it down in an orderly manner. Here is what I've been working on lately...

**Beer and Wine License acquired** – Between the added insurance, inspections, paperwork deficiencies, and the lot, we've finally secured our Beer and Wine License. (27 years after we started working on it as Ray says). I have found

a retail wine display on Craigslist, but it is over north of Detroit and I need to borrow a vehicle large enough to haul it (size is the issue, not weight). I also have found some inexpensive shelving to display beer on so we should be up and running for less than another \$500 (before purchasing stock that is).

**Staff** – we have had a fully staffed schedule since the beginning of the fall semester and with the closing of the LCM, we have an opportunity to free up some staff time to accomplish some projects that have been way on the back burner (Allergen labeling, Country of Origin Labeling, updating our PLU system, designing and implementing an informational shelftag system, and more). Malia has taken over the lead spot in produce and is doing a wonderful job.

**CCMI** – CCMI is over. I did not make the trip to Iowa City for the final in-person session based on the fact that our financial team's woes have prohibited us from completing the Open Book Finance project planning that I had put forward as ELFCO's project, coupled with the fact that the extra day in Seattle was not all that productive. The cost for the benefit didn't seem to make it a good use of resources in time or money. I will continue to work with the Finance team develop and implement OBF at ELFCO and will provide progress reports to the CCMI organizers.

**Exploring additional locations for ELFCO** – I was contacted by Gene T about a potential partnership with the Land Bank and the Old Town Commercial Association to place a second location in Old Town. A number of us toured the building in question and we've had a good deal of follow-up from both Gene and the OTCA. I also met with Colleen Davis about the possibility of an ELFCO outpost on the Eastside of Lansing.

**Turkey Orders** – I worked with Carly to get the turkey ordering system set up for this year and with the rest of the staff to make sure that we've prepared adequately for the holiday season coming up. We are taking orders for Turkeys, Tofurkys, and (soon) Zingerman's pies. We could use help from Board members on Sunday, November 22<sup>nd</sup> around 11am to unload and process turkeys at the store, please contact Carly if you're willing to help ([Carly@elfco.coop](mailto:Carly@elfco.coop))

**Proposals** – I've written a few proposals (roofing, Phoenix loan, board retreat) for the board to consider at the October board meeting and I'll be happy to answer any questions as well.

Board members expressed strong concerns about the delays in getting financials from ELFCO's new accounting firm (William Boss). The Board's most important responsibility is to make sure that ELFCO has a future and we need to see the numbers. Dave explained that ELFCO HAS to get our financials in order by November 15<sup>th</sup> with CoCoFist (<http://www.coopmetrics.coop>) or face monetary penalties and assured us that he will make sure that is done. He said that he had told Bill Boss to do anything necessary to get caught up and that ELFCO will pay any extra costs involved.

Ray asked when Dave expects that we will have beer and wine for sale. Dave hopes by the first or second week in November.

Tony asked if Dave felt CCMI was worth it. Dave felt that a lot of the material covered was aimed at general managers with much less experience than Dave. In addition, ELFCO is one of the two very small coops involved in CCMI, so he didn't have the advantage of being able to have other staff members assist on his project.

Kriss noted that Jane Bush had emailed the board expressing interest in a possible satellite store in Gone Wired. Dave indicated that Colleen (owner of Gone Wired) had asked him and Jane to meet.

- 5.2. **Expansion Committee report – Julie** – Julie reported that in the last meeting the committee mostly talked about expanding "in place," having the current store analyzed for efficiency per square foot and looking at cost/earning per square foot. The next Expansion Committee will be 11/5/09.
- 5.3. **Retreat planning and facilitator update – Meghan and Dave** -- Meghan emailed us after the last meeting that she had to withdraw from planning. Dave proposed that we use this year's 12/12/09 retreat to look for options for, and create a work-plan to achieve, long-term board development goals and elements of board continuity. Board members were in general agreement. Kriss will investigate holding the retreat at the Bengel Conservancy Center.
- 5.4. **GM evaluation – Meghan and Kriss** – Kriss said she was still in the process of drafting the first version of Dave's evaluation. She will email it to board members as quickly as she can.

## 6. New business for board action

- 6.1. **Proposal for ELFCO roof –Dave** – Dave determined only 1/3 of the roof was upgraded by the previous manager in 2004. The east two-thirds need repair to avoid the kind of water problems we saw last year. Board members unanimously approved authorizing Dave to get estimates and choose the best company to get the roof repaired.
- 6.2. **Proposal for short-term loan to the Phoenix Coop in Toledo – Dave** -- After a long discussion on Dave's proposal to lend \$3000 to the Phoenix Co-op, Board members were in agreement but require that Dave have the Phoenix General Manager sign an agreement that includes the specific dates by which ELFCO will be repaid at the rate of \$1000/month.

## 7. Discussion and informational items

- 7.1. **Member comments** - no comments
- 7.2. **Announcements and questions** - none

8. **Adjournment** - the meeting was adjourned at 10:21pm.