

CCSA board meeting minutes

April 18, 2024

Attending: Andrew Shaud, Tim Eisele, Maria Bergstrom, Sarah Williams, Haley Fredrickson, Kristin Kytta, Traci Yu

Executive Director report

Donor/Event Amount

Marathon \$450

Auction \$498

Donations (thru 4/11/24) \$2,765

Fun Cards \$895 59 cards sold, 71 cards still outstanding

We will make 3 payments to Michigan Tech this year. We are still short one payment from last year.

Building

A donor has come forward and offered to provide \$120,000 as a no interest loan, possibly another \$10,000, but best if we can persuade the owners to come down in price, or delay the last \$10,000 until December.

\$433/month over 25 years at no interest

Currently \$500/month plus utilities

Tim is willing to be a bit flexible on repayment if we do some more significant improvement projects up front, we could pay less now and taper up over time.

Right Start was told that we are interested but not firm on price.

Mary Jo suggested we try to talk them down more. Andrew doesn't feel they will come down more. They started at \$200,000 and have already come down to \$130,000.

Tim has talked with Jenny Deephouse, who is confident that \$130,000 is under the realistic price.

Rents in our area have gone up significantly. Right Start offered us space in their Hancock building at \$1800 to 2000 per month.

If we could rent out part of the building to another non-profit, we could potentially recover some or all of our monthly payment.

Initial maintenance costs: don't have a good estimate at this time. A lot of things will pay for themselves (windows, furnace). There are some grants we could go for if we actually own the building.

What do we know about closing costs and taxes?

As a non-profit we don't pay property taxes.

A lot of closing costs are related to a mortgage. Without a mortgage we could significantly reduce that. We would need to pay the title company. Jenny Deephouse would serve as a realtor for us.

For the 2024-25 budget, Andrew added \$2300 for building insurance, based on what Right Start told us. Our insurance agent said it would be added on to our current liability policy, so it might be lower.

We might be able to rent space in the building for events as well (example, Pine Mountain Music Festival).

Mary Jo suggested a capital campaign, Renata suggests this be wrapped into the direct appeal that we have already been planning. Keweenaw Community Foundation could help us run a capital campaign, and we could perhaps create a building endowment for the future.

Concerns:

Don't want to put financial pressure back on our families (concerned about purchase of the building making the need for raised tuition).

We don't know what our other options would be?

Staying here is unlikely—or at a higher rent

Paying towards purchase of a building will over time build collateral

Other options for rent may not be available

Maintenance: we could consider requiring volunteer hours from families

Maria moves to go ahead and purchase the building for no more than \$130,000 plus closing costs, with an offer of \$120,000. Tim will take the lead and can enlist help in negotiating. Kristin seconds.

Approve: Maria, Kristin, Haley, Tracy, Tim

Oppose:

Abstain: Renata, Sarah

Renata moves to adjourn, motion carried.

