



P E R T H

COMMUNITY FUTURES  
DEVELOPMENT CORPORATION



**2016**  
**Annual Report**

[www.perthcfdc.ca](http://www.perthcfdc.ca)

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# OUR GOAL



## Developing Local Entrepreneurs:



Free Consulting



Financing



Networking



Resources & Training



Mentoring

## Enabling Communities



Technology & Innovation



Community Partnerships



Agriculture Innovation



Downtowns & Tourism



Export Innovation

# OUR WORK





**Gordon Jack**

## Board Chair's Message

On behalf of Perth Community Futures, I am pleased to share with you our 2016-2017 annual report. It highlights the work of our staff and board serving rural communities throughout Perth County, Stratford and St. Marys. Perth Community Futures invests in Canadians with vision and entrepreneurial spirit – people who are not afraid to step up and out to diversify local economies. We open doors to opportunity by investing capital, resources and expertise in local entrepreneurs and our communities. Our success is gauged by the success of our clients and the added prosperity we bring to the region we serve.

In 2016-2017 we lent more than \$1.3 million dollars in flexible loans to meet the needs of small and medium-sized businesses.

We also supported community based projects and special initiatives by collaborating with partners and the private sector to implement projects or initiatives targeted to the communities we serve.

I would like to thank the Government of Canada for their continued support of the important work we do. Their financial support, combined with the dedication of our staff and commitment of our volunteers, ensures we will continue to support business growth and diversity in all regions of the county.

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## General Manager's Message

We had another tremendous year in 2016 with so many success stories. I continue to be impressed with the entrepreneurial spirit and ingenuity of the Perth County region.

For the third year in a row, our team of committed staff along with our Board of Directors disbursed over \$1 million to businesses in our community.

We are thrilled to continue to explore new and exciting ways to engage and enhance our relationships with entrepreneurs in Stratford, St. Marys and Perth County. The diversity and creativity in this community continues to expand our lending portfolio in new areas establishing strong investments in new business sectors.

This year we say goodbye to our long serving board member Gerald Weersink. Gerald joined the board in 2008 and has held multiple roles on our executive committee. His dedication to our team has helped shape Perth Community Futures into the strong and stable organization it is today. The staff and board thank him for his tremendous support and guidance throughout the years.

I would like to thank our partners at FedDev Ontario (the Federal Economic Development Agency for Southern Ontario) for their continued support of this region.



**Meghan Marshall**

# Snapping Turtle Coffee Roasters



*Emily Lagace at her downtown St. Marys storefront – she stole the name from a bandmate in her “cover-grass” band, Corduroy Gordon.*

145 Queen St. E, St. Marys ON  
226-661-8000  
[www.snappingturtlecoffee.com](http://www.snappingturtlecoffee.com)

## Who?

Emily Lagace and her husband Kevin moved to St. Marys from London three years ago for a change in surroundings and small town lifestyle. “We’ve had home based businesses before, but we really wanted to do something with a local presence and participate in the life of the town,” says Emily. “We shop local whenever we can and we’re fans of fine coffee, so the idea of owning a local coffee roaster just stuck.”

## The Big Idea

After a Specialty Coffee Association of America course in Illinois and experimenting with twenty different beans and roasts, the couple settled on direct-trade, shade-grown, top-tier 100% Arabica coffee from a farmer’s cooperative near Antigua, Guatemala.

To be clear: This is not a café – it’s a roaster selling beans with no seating. “We will offer two styles of brewed coffee for people on the run, but we’re not trying to compete with other local sit-down cafés. Actually, we hope they’ll buy from us and serve our coffee!”

They will also add some unusual products, like cascara, a tea made from coffee cherries, and nitrogen-pressured cold-brewed coffee, which takes 16 hours to steep. “We’ll also collaborate with other local businesses, like cookies from Breadtopia, and participate in local events like the farmers market and River Rock Festival.”

## Getting There

Emily and Kevin (“She’s running this, I’m just the muscle.”) found a tidy little space on the main street and hired local found-object furniture maker Matt Brenner to build fixtures. The biggest expenses were the centerpiece: an imported Probatone roaster and commercial venting system. “It’s a larger capacity roaster (5kg.) but it makes the most sense when you’re dealing with 150-lb. bags of beans,” says Emily.

And that name? “A musician friend has always wanted to open a business with the name ‘Snapping Turtle’ – they are a local at-risk species, we like the name, and we beat him to it!” From inception to their May 27th grand opening was a year-long process.

## Perth Community Futures

The couple approached PCF in the fall of 2016 with business plan and cashflow projections in hand for a wholesale business but they were receptive to PCF’s suggestion that they aim for a storefront and a 50:50 retail-wholesale split. “We came in prepared but open to ideas,” says Emily. “And when you see the numbers in black & white, the idea of a public retail presence is less scary.”

# The Pulp



*Treena Hough, with Bryce, getting ready for The Pulp's May opening.*

10 Downie Street, Stratford  
[www.thepulp.ca](http://www.thepulp.ca)

## **Who?**

Meet Treena Hough. On May 25th of this year, she and her husband James opened The Pulp – a 20-seat juice and smoothie bar in downtown Stratford. Treena is also on maternity leave from her job at the Stratford Perth Centre for Business where she plans to return to work in 2018.

Wait ... Her job, a new business and a new baby? "I like to be busy," she laughs. "And it's been a dream of ours to have our own business, building something of our own."

## **The Big Idea**

Stratford is ready for healthy grab-and-go alternatives to sit-down meals and sugary snacks. "The idea first came last summer [2016] after going to a Booster Juice," says Treena. "We thought, 'Why doesn't Stratford have one of these?' So we decided to create our own with added lunch, breakfast and snack options."

The Houghs ramped up a social media and video campaign, and even got the business name by creating a SurveyMonkey online questionnaire. "We asked people to pick from our three favourite names and at the last minute added a random fourth name just to round it out," she says. "And to our surprise that was the winner!"

## **Location, Location, Location**

Located at the top of Downie Street, in just about the highest foot-traffic area in Stratford, the old maxim, 'Location, location, location' holds in this market. "We saw two other spaces but for foot traffic, visibility and size this was our ideal," says Hough. "We had to buy some new and used equipment but we re-purposed the chairs and tables, counter and displays and lighting. The biggest investments were a new fridge and freezer, four heavy-duty blenders and the best of four popular juicer models."

The Pulp is starting with three kinds of fresh juice cocktails (like James' favourite "Spicy Apple" with apple, lemon and jalapeno pepper) and three blended smoothies (such as "Green Goddess" with kale, pineapple, kefir and chia seeds). Plus three brown rice bowls, three quinoa bowls and salads for more substantial lunches. Later they'll expand into health tonics, coffees, ice cream alternatives.

## **Starting Up**

Treena and James worked hard on their business plan. "Though I work at the Centre for Business, I found it was still hard work to get our research, census data, cashflow planning, surveying the target market, finding good examples from similar businesses in larger cities, and so on," says Treena. "It was the market feedback that prompted us to expand beyond juices and smoothies."

The Pulp will create five new full- and part-time jobs, "and we'll do pop-ups in different locations in collaboration with local farm producers and complementary businesses."

## **Perth Community Futures**

After being turned down by banks, "which I pretty much expected," she says, "we got a very positive reception at Perth Community Futures, and lots of help with both refining the business plan and arranging financing." That process took three months and the Houghs are up and running for the Stratford tourism season.

## **Takeaways**

"It took more money than we expected," says Treena. "And we found it very helpful to have supportive people around us, including others starting their own new businesses."

*Scott McIntosh (l-r), Mark King and Geoff Loucks in front of an occupied semi-detached home, with another in construction in the background, and the former Tradition Mutual Insurance building they renovated for Community Living.*

615 Queen St. E, St. Marys ON  
1-866-547-4600  
www.klmproperties.ca



## Who?

Mark King, Geoff Loucks and Scott McIntosh are lifelong Perth County residents in business to create a better life for the County's working poor. Together they formed KLM Properties, located in an 1858 heritage home in St. Marys.

## The Big Idea

KLM is buying, converting and building affordable rental housing, specifically for households earning \$36,000/year or less. Their business goal is to rent units at-or-below local Average Market Rent (AMR), based on Canada Mortgage & Housing Corporation data. "We're a for-profit company trying to help people along the way," says Mark.

The broader issue is the acute need for affordable housing in Perth County. "The real estate market in general is geared to building 'expensive' and selling 'expensive,'" says Geoff. "Or building and renting 'expensive,' which makes a tight market even more difficult for working families, single parents, seniors and special-needs residents. So that's the market we're serving."

## Country Wide Plans

KLM's first significant project was converting an idle commercial building into compliant residential units for Community Living in St. Marys – a year-long renovation that required extensive modifications and zoning changes. "We were pleasantly surprised at how supportive Mayor Strathdee, town council and staff have been," says Geoff. "There was a lot to do but they saw the need and helped us work it out."

To date, KLM has done five apartment conversions, built six new semi-detached units, have two more semi's under construction, and are next looking into multi-unit buildings. That's 13 units thus far, with a goal of another thirty in the next three years. All affordable, all toward a greater community good.

## Perth Community Futures

KLM's main challenge is that in addition to property and construction savvy, this is a numbers game – despite historically low (even negative) central bank rates, real estate financing is pricey. "The formulas for rent, debt, equity, security and liability become unworkable," Scott explains. "Banks are looking for 12-13%, and even short-term construction loans are 6-7%. So while there's no shortage of potential tenants, making the numbers work is our biggest hurdle."

So after seeing a newspaper article about PCF, the guys got in touch. "Meghan and the team were really helpful with candid input, creating a business canvas and focusing our plans," says Mark. "They arranged an interest-only loan for the first year with workable terms for the next 15 years, and brought in Libro Credit Union who agreed to offer residential mortgage rates as a special case."

"Libro is a community-based financial organization," says Matt Aarts, a local Account Manager at Libro. "So we are excited to partner with KLM and Perth Community Futures to improve access to affordable housing in our area."

## Need & Impact

KLM has financing in place to build the next four units but have 17 tenant applications on file. "And there are reportedly 74 men, women and children between Stratford and St. Marys who are homeless and staying in motels and friends' basements," says Mark. "We're not the answer, but we can help."

# White Wave Design

*Jenny Grimminck bought an existing business and made it her own by concentrating on offering more design services*

83 Ontario St., Mitchell ON  
519-348-9300  
<http://www.whitewavedesign.ca>



## Who?

"I like wordplay, and my given name can mean 'fair', 'yielding' or 'white wave,'" says Jennifer Grimminck, the owner of White Wave Design, the Benjamin Moore paint and decorating store in downtown Mitchell. As a four-year employee of the former Interior Expectations, Jenny offered to buy the business when the owner moved down to Brantford and found the commute too challenging. "The first winter settled it for him."

### The Big Idea

"I floated the idea of buying him out last summer (2016) and made a formal offer in the fall," she says, now days before her May 11 re-launch under the new name. "I enjoyed working here, had good relationships with the customers, and got excited about taking over the business. I had my 'What was I thinking?' moments but was more excited about what I would change."

Specifically, Jenny, a qualified Interior Decorator, and her key employee Interior Designer, Misty Zaranik, have expanded the Benjamin-Moore store to offer a wider range of flooring, counter surfaces and window shades. "But mostly, the change is the range of decorating services we are offering."

## What They're Doing?

With the advantage of an established clientele and lots of local good will, Jenny's catchment is generally within a ½-hour drive of the town, but extends as far as cottages around Grand Bend. "People used to just call this 'the paint store' so we're pretty entrenched, but helping customers with the décor and design is the exciting part. I think of what we do as 'Small town feel, fresh new ideas.'"

## Perth Community Futures

Jenny first approached PCF about financing to buy the business and they referred her to the Stratford Perth Centre for Business to work on her business plan. "It took six months to get organized on top of working full-time in the store," she says. "And then we arranged a seven-year business loan for the purchase and renovations."

## Going Forward

Jenny will be looking for more new product lines to offer and will shift her marketing to social media channels – Facebook, Instagram, her website, "and Pinterest, naturally. I find that the best approach in those channels is not to push products, but share personal stories about projects, experiments and trends."

# Consulting



## Our Time

**1,374**  
General Inquiries

**184**  
In-Depth Counselling Interviews

=

**1,041 Hrs**



## Business Impact

**25**

Businesses Started

**39**

Businesses Expanded/Maintained

**68**

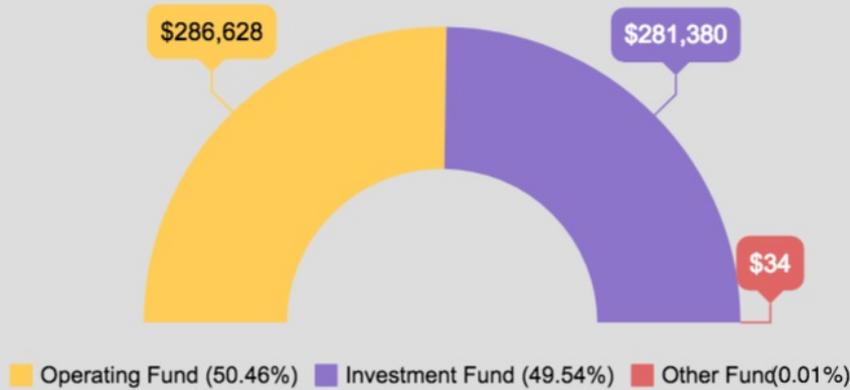
Jobs Created

# Lending Portfolio

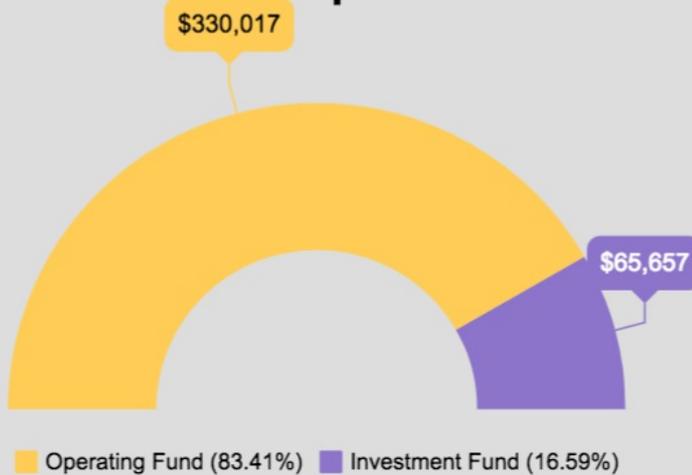
	2016	Since 2002
# of Loan Inquiries	71	1,338
# of Loans Booked/Advanced	14	240
\$ of Loans Booked/Advanced	\$1,185,849	\$16,629,847
\$ of Equity Loans Booked/Advanced	\$100,000	
# of Jobs Impacted	106	
\$ of 3rd Party Equity	\$555,000	

# 2016 - 17 Financial Statement

## Total Revenue



## Total Expenses



## 2016 - 17

Total Revenue	\$568,042
Total Expenses	\$395,674
Excess of	\$172,368
Net Assets, Mar 31, 2016	\$6,119,607

Full Financial Statements  
Audited by:



Available upon request.



# Perth CFDC

Perth Community Futures Development Corporation is a grass-roots, local, non-profit organization funded by the Canadian Government overseen by its Board of Directors. We support and fund businesses located in the geographic region of Perth County (including the Town of St. Marys and the City of Stratford).



## 2016 Board of Directors

Gerald Weersink  
Nancy Ross  
Julia Merritt  
Guy Chadsey  
Amanda Connolly  
Gary Van Bakel  
Steve Smith  
Jessica Kelly  
Gordon Jack  
Russell Mitchell  
Debbie Czaniecki



## Our Members

County of Perth  
Township of Perth East  
Township of Perth South  
Municipality of West Perth  
Municipality of North Perth  
Town of St. Marys  
City of Stratford  
Stratford & District Chamber of Commerce  
St. Marys Business Improvement Area  
North Perth Chamber of Commerce & Listowel  
Business Improvement Area  
Milverton Business Association  
Ontario Federation of Agriculture  
Four County Labour Market Planning Board  
Village of Millbank Business Association  
Elma Ward Business Community  
Perth CFDC Board of Directors

## GET IN TOUCH WITH US



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PerthCFDC



Federal Economic Development  
Agency for Southern Ontario

Agence fédérale de développement  
économique pour le Sud de l'Ontario