

Co-op Annual Meeting  
Twin Valley Senior Center  
4583 Route 2, East Montpelier  
Sunday, April 2, 2017, 3 – 5pm

Facilitator: Joseph Gainza, Board Member

John and Rowan Cleary provided music at the start of the meeting.

**Welcome & Introductions** – Members introduced themselves (see attached attendance list), and answered the question “What would you tell someone about the Co-op?” Some of the answers included:

Nothing is more convenient! It’s outrageous if you don’t shop there! Lots of great produce that you don’t have to drive far for! You can see your friends there! They sell spinach! Kid’s playhouse! When you are new in town, volunteering at the Co-op is a great way to become part of the community! Great to support local farmers! I count everyone at the Co-op as a friend! Great staff with lots of knowledge! Good friends and good politics and good announcements! Great meeting space upstairs! It's personal – you know the people behind the counter, they know who you are! It’s a totally different experience than the supermarket! It’s participation in a local sustainable economy! I’ve never been turned down when I asked for a hug! 40% of what we sell is locally or regionally produced!

Joseph invited members to join the Marketing & Outreach Committee.

**President Report (see attached presentation)**

Gail and Joseph are leaving the board due to term limits. Gail started with describing lots of ways that the Co-op has changed in the past 6 years. One of the jobs of the board is to steer the ship and make course corrections. Some changes include:

The Co-op added 2 “ends” – added “Affordable” foods; added “Sustainability” of our store and our products and operations.

The Co-op added a Point of Sale system – essential for being a modern business. We are able to track sales by department, to measure how much our products are organic, local & regional, fair trade, produced by another co-op, etc.

We have expanded on social media – our website is new and improved! E-read of the newsletter, facebook, front porch forum. It’s been a great new way to engage with members. Lots of ways for tech-savvy members to help with communications and marketing!

We’ve made lots of changes to our building – renovations, boat landing, Main St. sign, changes to the interior, shored up the floors, boundary agreements, etc.

Board & Management Collective partnership solidified

We’ve taken actions to make us safer – financial review, fire marshal inspection, security

system, insurance, flood plain survey, new mirrors inside, MC made changes in staffing pattern to be more secure

Now members are “member-owners” with equity, where dues expand our capital fund; Gail explained the new policy on other Co-ops being members of the Plainfield Co-op. Copies of the new policy were made available; this policy was adopted after the members voted to include other Co-ops as members at the last annual meeting.

Strategic Plan was adopted with 4 goals. The next step with the strategic plan is to understand the feasibility of the activities – the resources (time, people, money) to move forward the strategic plan. In Fall 2016, sales were declining, which refocused the attention of the Board and MC.

Gail shared a number of unmet goals and vision for the future.

### **Treasurer Report (see attached presentation)**

Last year was a tough year financially. The sales did increase slightly (though not as much as expected). Bob shared other financial indicators: current ratio and debt to equity ratio are good. We are working hard to make sure that vendors (especially local vendors) are paid on time. We ended the year with \$0 debt. Bob shared that net income was down – we ended 2016 in the red about \$11,000. What happened? Lower sales + higher expenses.

- Sales were lower than anticipated. Why? We only have theories – larger chain grocery stores are carrying more natural and organic foods; Hunger Mountain is more aggressively marketing.
- Gross profit was 5% under budget
- Spending was 2% over the budget

First quarter was low, as is normal. Second quarter did not improve. Strict cost cutting started in the 3rd quarter, but it was too late to reverse the shortfall in time

Getting back on track – 2017 budget is very tight; Spending cuts are already being implemented; In-depth cost/profit analysis underway – are we putting products on the right shelves? Are we spending staff hours in the right way? We are planning outreach for new customers (as is part of the Strategic Plan). The point of sale system (COPOS) is allowing for a lot more analysis. We are planning to undertake a feasibility study on expansion. January and February in 2017 are off to a solid and profitable start!

### **Management Collective Report**

Karen provided the MC report.

The Co-op lost 2 MC members this year – Petra (produce) took other employment and Dawn Fancher (financial coordinator) went on medical leave. There are new staff and new MC members. It's added great new energy and commitment! The Plainfield Co-op collects donations for the Twin Valley Senior Center and the Onion River Food Shelf. Despite the current

financial challenges, the MC would like to keep supporting these groups as a hub for member donations and promoting the good work of these groups.

The MC asked the Board to phase in the work of the Strategic Plan due to the current financial position of the Co-op, and the limits of the MC in their ability to undertake new projects and coordination.

The 2017 budget is “cut to the bone”, and the MC has put the focus on increasing sales. Jean Hamilton, new board member, is helping the MC (as an unpaid consultant) to develop a comprehensive marketing plan. There’s also a goal to increase the expertise of the Co-op buyers so that they can be more effective in maximizing our shelf space and our staff time. This work is just analytical work to understand and respond to our customers. MC has also been working with a Farm-to-Plate consultant to rethink the internal layout of the store. The MC has also undertaken an analysis of staff, MC, and buyer hours – it’s an exercise in thinking how to strategically shift hours. The MC is reviewing the current management structure in order to be more effective; a collective structure will be maintained, but perhaps “less flat”. We’ve recently added more affordable products through a new vendor. The MC has worked on improving the produce department display and array of products. The MC would also like to improve the register area to make it work better for customers.

Shout out to the great staff!

Chloe Budnick, MC Membership Coordinator, gave thanks to all the great working members (past, present and future!) at the Co-op. The Membership Committee will be launching soon to work on ways to increase membership involvement and increase membership at the Co-op.

The Staff also gave a shout out to Gail and Joseph and their contribution to the Co-op!

## **Building Committee Report**

Alan introduced the Building Committee members at the meeting and in absentia. Alan talked about some of the major work that the Building Committee has done over the past few years – the committee focuses on both maintenance and repairs for the Co-op, and how to make the Co-op more accessible. The MC takes responsibility for managing the building needs, but turns to the Building Committee as additional resources and expertise.

In 2014, the Building Committee did a comprehensive building survey. The Committee has been whittling away at the tasks. The finances have prevented major projects.

The emergency exit from the Community Center was reinforced. Fluorescent lighting is being converted to LEDs. Floors were “spongy” in some areas; they are being reinforced. The Community Center floor/Co-op ceiling has been reinforced with a beam due to dance classes, etc. Security upgrades discussed by Gail. New pan under the water heater. Two counters in the back stock area will be replaced shortly. Kate (MC) is back. The Committee needs your ideas for improvements! Share them through the MC, the suggestion box, Alan, etc. Anything – please let us know! The committee needs your skills and energy – as a committee member or a worker on a specific project.

Thank you Building Committee!

### General Questions and Comments

People's personal finances are also sometimes "cut to the bone" given the reality of fixed or stagnant incomes. There was a suggestion that this has impacted people's shopping and choices at the Co-op. Many may be generally cutting back, not necessarily shifting spending to other places.

In the process of trying to increase traffic, have we thought about making the Co-op a little more visible? It's not easy to give instructions to find and the signage may not always be effective.

Having a discount on the food at the Co-op can make a real difference on affordability and shopping at the Co-op. If Hunger Mountain is offering a discount, and we don't have a similar discount, it can make a difference. We are missing an opportunity to expand sales by offering a discount to low income customers or customers with a disability. This is one of the activities to be considered by the Food Security committee at the Strategic Plan. Implementing the Strategic Plan goals could positively impact the finances of the Co-op.

Hunger Mountain Co-op is convenient, and offers a discount for Seniors. Offering this kind of discount could be attractive. There was a comment on layout and display – I love the Co-op for its funkiness. This is part of its attractiveness to some – does it work for new members of our community?

Getting into the building can be tough for folks. The entrance is difficult for folks – especially those who aren't familiar. It feels too much like an obstacle course.

More events and more celebrating our work would inspire and motivate all of us to do more!

There was a second on the need for additional discount opportunities. A mini "truckload" sale might be a way to bring new folks to the Co-op.

City Market does a good job of offering multiple choices of the same product – affordable, organic, local, etc.

There was a recognition that we actually offer competitive prices on products; we are not just a boutique or expensive convenient store. Our market basket study showed that we are generally competitive – "for a co-op, we are not expensive". The MC has been actively working to add more conventional, affordable whole food products. Produce has also been working to make changes. There was some discussion about the importance of getting the word out – **MARKETING!** – of the new products.

Hunger Mountain has been purchasing advertisements on the Front Porch Forum to reach Plainfield and Marshfield Co-op. We should too.

There was additional commentary on the ability to improve the entrance. For instance, the inside door to the Co-op. Or adding art to the door.

Does the Co-op accept “food stamps” – now called 3SquaresVt or EBT? Yes, we have looked at this and it is not enormous, but not insignificant.

There was some discussion on member and non-member prices in the past; as well as, the ability to adjust the prices up for non-low income customers.

There was a question about whether the Co-op could take advantage of purchasing short-dated products? Yes, the MC sometimes does this, and doing it on a larger scale would take some additional research and planning.

There was a suggestion that we need to paint the floor and that this is a priority item. There was some discussion about the past paint products and potential paint products.

There was a suggestion that there be better outreach at Goddard College.

There was some suggestion that reciprocity is important – there was clarity about which Co-ops receive a reciprocal discount.

### **By-laws Change**

Bob presented the by-laws change – which is to allow an e-notice to the members for the annual meeting announcement and the dividend announcement. It does not require an e-notice or replace the “snail mail” notice for those who prefer this method. The plan is to have members actively choose to receive communication by email or mail.

Glenda Bissex made a motion; Kristin Brosky seconded the motion. There was no discussion. The motion passed unanimously.

### **Election of the Board**

The Board can have between 5 and 7 members.

1) Giordano Checchi’s term ends in 2019. He is eligible for re-election then.

There are 6 nominations for 3 year terms: May 2017 – April 2020.

2) Bob Fancher is standing for re-election.

3) Sarah Phillips and 4) Jean Hamilton were appointed mid-year but are standing for election now.

5) Chris Jackson

6) Pete Coleman

7) Alicia White

There was a suggestion that the Board consider how to address staggering terms in the future. Gail mentioned that this happens naturally. Nominees agreed to look at this.

There was a motion to accept all 6 candidates for the board. Betsy Ziegler seconded the motion. There was no further discussion. The motion passed unanimously.

### **Call for Volunteers – Joseph Gainza**

The Co-op is not a Store. The Members are the Co-op. The Co-op is a part of a movement to create local economies. There's a lot that you can do as a volunteer that may have nothing to do with the store. The Marketing & Outreach Committee is looking at how to promote the Co-op from this larger perspective. We need volunteers!

**Report on the Building Timeline** (see attached presentation)

Comments and questions following the presentation:

Should we reconsider moving to Route 2 before we do this?

Is there grant money to improve the building? Answer: None for a for-profit store (which we are) that we know of. That is why we are considering Nonprofit .

This presentation was stunningly good. You are thinking very clearly about this.

Tell us more about the USDA grant.

How will you report back to members on the decision to expand or not to expand? Answer: probably at a special meeting.

I signed up for the Layout Committee and no one has contacted me. That committee hasn't started yet.

Meeting adjourned at 5:15 pm