

Willimantic Food Co-op
Annual Meeting of Members
May 19th, 2024, 12:00 pm – 1:30 pm, Camp Horizons, South Windham

Directors Attending: Brock Alosky, Steve Bachiochi, Linda Brock, Matthew Coolbeth, Niti Pandey, Patty Smith, & Joanne Todd

Absent: Katherine Gavin.

Call to Order: 12:05 pm

Agenda Item
Welcome, Introductions, BOD Elections
The Board Walk, Linda Brock
Where we expected to go in 2023 and where we actually went
- Support GM: This was a great success, as Alice and Patty had already worked together for many years, which led to a seamless change. - “Conscious Culture,” the relationship between the Board & GM, focus was on building trust and confidence as well as clear and effective communications. - Board Recruitment & Succession - “meet and greet” sessions were a success, and the candidates were strong. - Diversity, Equity, and Inclusion work—several members attended the multi-part workshop on DEI and talked to consultants about how to enact it; we will continue to focus on this moving forward. - Member awareness, member involvement - survey and meet & greet sessions, Co-op activities such as the Co-op Birthday and Downtown Country Fair; looking for additional ways for members to participate. Member benefits were discussed this year with Patty's lead. - Reincorporation derailed some expected progress
Reincorporation Journey
- In 2023, the reincorporation was approved; the next step was the legal process. - CT statute that prevented what Co-op wanted to do - merge legal structure into a new one. - In the Fall of 2023, various options were looked at. - Winter 2024 consulted new advisor and Secretary of State office. - In Winter/Spring 2024, we backed a new amendment allowing the merger. - May 8th at 11:15 pm amendment passed. - Special thanks to Mae Flexer, CT State Senator; Bruce Adams, Credit Union League of CT; and Denise Merrill - former Secretary of State; Joanne Todd, Alice Rubin and Kathleen Krider. - Goal to finish reincorporation as of 01/01/2025 for tax purposes.
This Year
- GM Empowerment - support strategic thinking and action. - Conscious Culture: orient and integrate new directors, ensure all voices are heard. Three new directors = 1/3 of board turning over. - Thanks to Katherine and Steve’s service as board members. They are part of the younger culture the Co-op needs for continued growth. - Board perpetuation - earlier and more extensive recruitment and information.

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- DEIB work – with consulting support, develop sustainable practices – what is the subject, what does it mean, and what steps do we need to take? - Member awareness & involvement: expand & regularize opportunities - get members more involved.
Member Suggestion:
- NAACP, assistant secretary of the local branch—work with them. They also suggested virtual meetings as a way of including members who cannot be present.
Treasurer’s Report, Joanne Todd
Balance Sheet - What is the balance sheet? – a snapshot in time. Reviewed the balance sheet of the Co-op 2023 compared to 2022 - Cash \$1.5 million - Total Assets \$3 million - Total Liability about \$600k - Total Equity is about \$2.5 million; this means we have resources to work with! These statements have been audited, which provides confidence in the reporting. - GM change: How does this affect the Treasurer’s report? Policies don’t change; the GM’s interpretation of them changes, but the GM must still uphold them. Income Statement - What is an income statement? – Shows the company’s revenues and expenses during a period of time? Reviewed 2023 compared to 2022. - \$7.2 million in sales, 11% sales growth. - Board Policy: “The General Manager will not allow sales to decline or be stagnant where we believe the market has potential for growth.” - Gross profit \$2.6 million. - The jump in income tax is due to a change in deferred taxes between one year and the next - Net income \$85,000. - Policy: “The General Manager will not allow operations to generate a net income inadequate to meet the expected needs of the Co-op in the current fiscal year and to provide long-term support for its Ends.” - \$1.6 million in personnel expenses - all Co-op employees are paid a living wage. - Reincorporation will give us some tax advantages; Co-op will be able to pay patronage rebates; otherwise, reincorporation will not affect the financials.
GM Report, Patty Smith
- Net Income \$85k, which is 1% of sales after tax, bonuses, and depreciation. - Member savings of 2.8% of sales - 406 new members, \$36,000 in new member equity - 86% of sales are to members. Member Survey To serve the members, the Co-op needs to know about the members. Per the member survey, based on the majority of those members who responded (1,500 responses out of about 4,500): - Members are at or above median income. - The membership is predominantly white. - The membership is predominantly 65 or older. In 2020, the Co-op stopped applying a non-member surcharge and has not reenacted it. The membership supports the elimination of the surcharge. Those opposed felt members should have better pricing and

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questioned what incentive there would be to join the Co-op without the surcharge. However, new members continue to join at about the same rate as when there was a surcharge.

The Co-op plans to incorporate one or more new options: member-only specials, points earned on purchases, Food-for-All discounts, 10% off Co-op deals, and a quarterly discount. The Food-for-All discount would be based on needs, a benefit for qualifying members. The cost of Co-op membership can create an additional barrier to entry. \$12,000 was raised so far for the Go Ask Alice Membership Fund.

Co-op Future, approaching 20 years of growth at 91 Valley St

- Doubled the number of employees, higher sales throughout the store, paid off relocation debt, and built a strong cash reserve.
- Going forward, the staff need more space to do their work safely and efficiently.
- Members want freshly prepared foods.

87 Church property purchased for expansion

- Projections in 2019: Single project - \$9.8 million phased project - \$10 million.
- The GM and Board are creating a plan to leverage the assets accumulated over the years.
- Undergoing a feasibility analysis.
- Working with a commercial realtor, kitchen designer, etc.

WFC Global Ends:

The Willimantic Food Co-operative strives to provide its members, shoppers, and the greater community a retail food store which:

- Supports and increases sustainable agriculture locally, regionally, and globally, strongly emphasizing local and regional agriculture and food processing.
- Works towards reducing our environmental impact. This includes showcasing our Co-op as a model of sustainability in the retail food world, with aspirations for zero waste.
- Ensures inclusivity and represents our diverse community.
- Demonstrates the economic and social value of the Co-operative model by maintaining financial sustainability and viability.

The plan must include Community partners, the town of Willimantic, and the current landlords.

GM is creating a guiding policy: reinvestment and expansion, current and future conditions, centering the needs of the stakeholders, grounded in alignment, and utilizing member input.

The project will create a great shopping experience, create better jobs and increase the quality of employment, and move us closer to our Global Ends.

Q&A

87 Church—We own the property, and some work has been done, but we have not done any real numbers to see what the feasibility of the project is. The Co-op has looked at opportunities with landlords at the current location and has considered buying a different location downtown Willimantic.

Purchased in 2017, zoning restrictions are in place per town of Willimantic.

Environmental hazards - asbestos abatement - potentially grants to support.

Cost of holding property - approx. 4k insurance, 7k property taxes annually

Current location - landlords are not ready to sell or change their options.

Feasible alternatives - looking at options, not many alternatives.

Vote Results

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521 ballots submitted; a quorum was attained. All Director candidates were elected.

- 465 votes Hannah Moore
- 411 votes Peter Kirk
- 307 votes Deborah Pallatto
- 25 abstained

Adjourned: 1:30 pm