

**Springfield Food Co-op  
Annual Meeting  
6/12/19 6 p.m.**

**Members present:** 40 voting members

**Board members present:** Lindsay Post, Brooke Decker, Steve Greene, Jane Sandelman, Caitlin Christiana, Marianne Chapin, John Vorder Bruegge, Sarah Bolaski

**Meeting called to order:** 6:47 p.m.

**Welcome and Introductions (Lindsay Post)**

President Lindsay Post welcomes everyone to the 2019 Annual Meeting of the Springfield Food Co-op membership. She asks members to stand to be recognized: who has been a member since the beginning, who joined over 10 years ago, who joined over 5 years ago, who joined over 1 year ago, and who joined in the last year.

Thank you to the Board - all stand. Lindsay could not do her job without you.

Thank you to the captain of this ship - General Manager Neomi Lauritsen.

Thank you to the staff.

Thank you to everyone who provided food for this event.

Thank you Kelen and Trout River Brewery for providing the beverages.

**A Look Back at the Past 5 Years (Lindsay Post)**

In **2014**, the Board commissioned a shopper survey that included learning what else shoppers would like to see in their co-op. Results included more local organic produce and a sit-down cafe. At the Board retreat that year, the board committed to strengthening itself and building capacity.

At the **2015** and **2016** board retreats, the board continued this work on creating a vision for the future of the store, using the shopper survey as a guide.

In spring of **2017**, the board commissioned a market study into the feasibility of a few new locations in order to provide a larger store in a more centralized location.

At the **2017** Annual Meeting, the membership voted for a change in bylaws to allow patronage dividends to be distributed, thereby reducing our tax liability and building equity.

In fall of **2017**, the board identified possible locations for a new store and began diving into the feasibility of relocation and/or expansion. Many thanks to our Board consultant Marilyn Scholl.

In spring of **2018**, the board began to create intent for a new location at 6 Main Street in downtown Springfield. We studied the viability, worked with site designers, met with town officials.

### **Looking forward - Relocation and Capital Campaign (Lindsay Post)**

Our goal is to start renovating our new location in the fall of **2019** and to birth that, we are launching a campaign to raise \$1.5 million dollars from the membership. We will have two main forms of investment:

- Preferred shares
- Opportunity Zone fund (for larger investments)

We have already raised \$145,000 for this campaign, which is 10%! Please see Lucy with any questions.

### **Approving the Minutes from 2018 (Lindsay Post)**

*Neomi Lauritsen moves to accept the minutes from 2018; John Lomachinsky seconds; motion passes unanimously.*

### **Results from the 2019 Vote**

58 ballots submitted in total.

Entire slate of board members voted in with overwhelming majority:

Term ending in 2021: Sarah Bolaski, Marianne Chapin, and John Vorder Bruegge

Term ending in 2023: Jane Sandelman, Lindsay Post

Bylaw change for Article VI - Capital Stock. Unanimous “yes” on removal of Section 6.1.

Lindsay acknowledges and thanks Kelen Beardsley, who is stepping off the Board at this time.

### **General Manager Report (Neomi Lauritsen)**

We've been a co-op for 27 years. Thank you! It's been a wonderful and challenging year.

Our high sales growth created the need for new systems. We have a committed staff who always says yes - thank you to them.

Some highlights from the store over the last year:

- Thanks in part to Front End and Marketing Manager Ali Lillie, we adopted the principle of kindness.
- We are working to reduce plastic in the store and hoping to make it easier on customers by giving credits at the register for any reusable shopping containers: bags, boxes, jars, etc. And next year at the annual meeting, we will be asking everyone to bring their own place-setting.

Our expansion goals are listed in the Annual Report. They include a safer environment and better pay and benefits for staff, a more energy-efficient store, and cafe seating.

Please feel free to reach out to Neomi; her door is always open.

### **Finance Manager Report (Lucy Georgeff)**

We had a stellar year with high net profit and double-digit sales growth for several quarters.

Lucy explains the process for calculating patronage dividends, as laid out in the Annual Report. Co-op can allocate for patronage the same percentage of profit as the percentage of sales to the membership, which in FY 2019 was 65%. That amounted to \$58,000 this year. The Board took management's recommendation to distribute the federally-allowable minimum of 20% back to the membership, while retaining 80% in a non-refundable equity fund. \$11,600 will be distributed to members in October 2019, which is National Co-op Month, and will be made available as a credit on members' store accounts. Members have the option to take their payment as a check. Please see Lucy or Neomi to discuss or for any questions.

### **Treasurer's Report (Steve Greene)**

The co-op is in a good place right now. We have over \$200k in our checking account, and that's after spending over \$80k on our expansion/relocation efforts so far. He has been working in Springfield for many years and is looking forward to having the co-op downtown.

Member question: What's the co-op's arrangement with the potential building? Will we rent or buy?

Steve: We have a Purchase and Sale agreement with People's United Bank, with a clause that a separate entity may purchase the building - an arrangement that could have better tax benefits.

Our current space is roughly 4000 square feet of retail with 2000 sf of back space. At 6 Main St, we would have 6000 total - 4000 retail and 2000 back space. We will also start selling beer and wine.

Member question: Is it possible to service a larger retail space with the same amount of back space?

Steve - yes.

Member question: What's the timeline for moving to the new space?

Steve: We want to purchase the building and start construction in November 2019, with opening date set at the earliest for April 2020.

**Funding Updates (Jane Sandelman and Steve Greene):** 6 Main Street can be made into an Opportunity Zone and therefore available for purchase through an Opportunity Zone Fund, which provides a tax advantage for members who are able to invest larger amounts.

We will also be working with a grant writer to apply for a few federal and state development grants. Hoping to raise \$350,000 through grants. If you have any leads on more grants, please let Jane Sandelman know.

Member question: People's is going to rent from us - have they committed to a long-term lease?  
Steve: They have committed to a five-year lease, with a five-year renewable. This was intentional in case we decide we want to expand. It's been great to work with People's. They've helped us understand this whole process and we expect we will be great neighbors.

Jane: We know the amount we're looking to raise is a lot of money. We're hoping to be able to finance this project largely through the membership, without conventional debt.

Member question: Have you talked to Cooperative Fund of New England?

Jane: yes.

Steve and Jane: Please let us know what you want - we're working for you! Please take a look at the renderings. Thank you.

Member question: If the co-op loses the bank as tenant, is the project still financially feasible?

Steve: yes, we've looked at that scenario in the pro forma and it will be feasible.

Member question: If we want to remain members, are we required to buy preferred shares?

Jane: No. And you can always purchase more regular membership shares. Note: preferred shares are not voting shares. Each member gets only one vote no matter how many shares.

Member comment: This is really exciting!

### **Volunteer Opportunities (Lindsay)**

Look for the appeal letter in your mailbox soon! And look for upcoming events!

We will need volunteers for getting out some mailings - addressing and stuffing envelopes.

Please contact us if you'd like to help.

Member question: Does the co-op have debt on our current location?

Steve: Yes, from increasing our current space 9 years ago. In our pro forma, we have projected selling this building. There are a few interested parties but we would also consider selling it at a low rate if necessary. Our current debt is with CFNE.

Member question: What will be the parking arrangements? The current 6 Main St lot is often full.

Steve: the Dufresne group has done a traffic survey at that location and determined how it could work. The town is widening that entrance and the rear entrance can be closed off to take deliveries. We will have to coordinate with the movie theater. The town owns parking spots on the side of the building with no restrictions, so we can use those, too. The building behind the 6 Main St location is condemned, with the town involved in a lawsuit. We'd like to be able to use that someday to widen the driveway and create more parking.

Member question: Has anyone looked at the structural integrity of the river?

Steve: Yes, I've walked through it! It's reinforced concrete big enough to drive through. In great shape - no cracks or rumblings. The stream runs through it all the way under the parking lot and Main Street into the Black River.

Member question: I don't see a mailbox outside the building in the renderings - will that stay?

Steve: Yes, the ATM will be moving inside but the mailboxes will stay.

Neomi: thank you to all the musicians tonight!

*Ron Hoffman moves to adjourn the meeting at 7:50 p.m.; Sharon Mueller seconds; motion passes unanimously.*