



# FY 2019 Annual Report

July 2018 - June 2019





# Global Ends

The Onion River Co-op will be central to a thriving and healthy community, where:

- Consumers have local access to progressive social, environmental & healthful choices;
- Residents enjoy an enhanced quality of life;
- The local food system is strengthened;
- The cooperative model is supported; and
- Our owners have a sense of pride in their cooperative.



# Co-op Values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity.

## **Kindness**

Be genuine, have concern for ourselves and others, and build meaningful connections with all those around us

## **Diversity**

Respect and acceptance of all; individually and collectively

## **Responsibility**

Hold each other accountable for consistency with our behaviors and actions

## **Fun**

Maintain a happy and healthy work life balance that fuels creativity and enjoyment

## **Learning**

Be courageous and curious to learn, listen, grow and better ourselves, our colleagues, organization and the community

## **Positive Impact**

Embody our purpose from the smallest to the most worldly; be optimistic



# Cooperative Principles

## 1. Voluntary and Open Membership

Cooperatives are voluntary organizations; open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

## 2. Democratic Member Control

Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions.

## 3. Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative.

## 4. Autonomy and Independence

Cooperatives are autonomous, self-help organizations controlled by their members.

## 5. Education, Training and Information

Cooperatives provide education and training for their members, elected representatives, managers, and employees, and they inform the general public about the nature and benefits of cooperation.

## 6. Cooperation among Co-operatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.

## 7. Concern for Community

While focusing on members' needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

# Board President's Letter


There is a lot to take pride in with our Co-op. After successfully growing to two store locations, we now serve over 12,800 Members and employ over 330 people in our community. This time of growth is also a moment of self-reflection as an organization. Even with all of the good work we are accomplishing – from addressing food access to supporting our staff – we recognize that expansion has presented many new challenges for our business. For our part, the Board of Directors looks to our Global Ends and Cooperative Principles to guide the way forward.

One particular focus for us is Cooperative Principle 2, a foundational component of all cooperatives: Democratic Member Control. The value of electing us to represent your interests, and the responsibilities that come with that, are not taken lightly. Board Members are tasked with ensuring that the Co-op's policies and direction represent the diverse views of our Membership, that the business maintains strong financial health, and that our community is served in a myriad of ways. As a group, we are thorough and comprehensive in our thought process and decision-making. We strive to be accessible and transparent so that we may share our work with you and listen carefully to your voices. We want you to know what the Board is discussing and monitoring, and we want to hear your questions, ideas, celebrations, and concerns. Hearing your thoughts helps us better represent your perspectives to our General Manager. A well-informed and engaged membership means a stronger Board, and a stronger Board can better address the diverse needs of our ever-growing Co-op community.

Being able to vote for the policymakers of your local grocery store is quite unique. Imagine if every business, large or small, openly welcomed that level of participation. Imagine the impact we could have together nationally or globally, and especially right here in our own community. At the end of the day, Onion River Co-op exists for more than just healthy food choices; we exist for the betterment of our stakeholders and broader community.

Thank you for being a part of this cooperative venture! Together, let us continue to foster stronger connections where our work is fruitful, where our community is prosperous, and where all are welcome.

In Cooperation,



Faye Mack  
Board President



# General Manager's Letter

Reflecting on Fiscal Year 2019, there are many successes to celebrate and challenges to embrace. Overall, our first full financial year as a two-store cooperative saw many positive steps forward, and for me, that progress all boils down to people – our amazing staff, committed Members and customers, industrious farmers and producers, and inspiring community partners. The Co-op would not be what it is today without our interconnected community and we are so grateful.

It's easy to tout the ways that our cooperative continues to thrive. We outpaced our sales projections, increased our sales of local and Made in Vermont items, boosted the spending power of our Food for All Members, and more. Our hybrid grocery model remains competitive in a tightening marketplace. At the core of this success is our staff who go the extra mile every day to ensure an exceptional customer experience.

In this regard, the end of FY 2019 also marked the start of contract negotiations with our employee union, UE Local 203. This process offered an opportunity for Management and Union teams to collaboratively work toward an agreement that best represents all employees and is in line with Co-op values. Many hours of thoughtful negotiating led to a new three-year contract that continues the Co-op's commitment to supporting its people.

While this year exceeded expectations by many metrics, there were also a number of challenges that we confronted. Record low unemployment in Burlington posed recruitment challenges. The need to assess our overall infrastructure needs has become apparent, especially given how busy our Downtown store has been over the years. We also experienced some interesting fluctuations in Membership numbers where, even though Membership has grown 16.5% over the last four years, we saw a slight dip this year. We recognize the need to explore new ways to enhance and highlight the benefits of Membership. Stay tuned for new membership benefits in the coming year.

The collective efforts of all our staff make our success a reality every day. It is because of them that I remain optimistic and proud of how we serve you, our Members, customers and broader community in the cooperative spirit.

Cooperatively Yours,



John Tashiro  
General Manager





# Financials

## Balance Sheet

	FY 2019	FY 2018	FY 2017
Current Assets	5,084,635	5,469,508	4,619,106
Property & Equipment	20,358,687	21,211,617	13,956,748
Other Assets	2,379,345	2,875,275	3,167,573
<b>Total Assets</b>	<b>27,822,667</b>	<b>29,556,400</b>	<b>21,743,427</b>
Current Liabilities	3,863,747	4,156,518	3,047,002
Long Term Debt	11,055,095	12,023,946	4,685,556
Deferred Income Taxes			219,700
Members' Equity	12,903,825	13,375,936	13,791,169
<b>Total Liabilities &amp; Equity</b>	<b>27,822,667</b>	<b>29,556,400</b>	<b>21,743,427</b>

## Income Statement

	FY 2019	FY 2018	FY 2017
Net Sales	52,086,091	47,382,068	41,985,792
Cost of Sales	33,260,461	30,163,775	26,104,834
<b>Gross Profit</b>	<b>18,825,630</b>	<b>17,218,293</b>	<b>15,880,958</b>
Operating Expenses	19,292,385	17,885,045	14,217,466
Interest & Other (Income) Expenses	353,670	170,853	(36,073.00)
Patronage Refund Expense	-	-	1,162,177
Provision for Income Taxes	(213,200)	(262,981)	223,340
<b>Net Earnings</b>	<b>\$(607,225)</b>	<b>\$(574,624)</b>	<b>\$314,048</b>

*For additional information regarding the Co-op's financial performance or to receive a detailed copy of the Annual Financial Statements, audited by Gallagher, Flynn and Company, LLP, please contact Madelyn Cataford, Director of Finance & IT, at [mcataford@citymarket.coop](mailto:mcataford@citymarket.coop).*

# Sales & Performance

FY 2017  
\$41,985,792

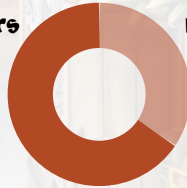
FY 2018  
\$47,382,068

FY 2019  
\$52,086,091

9.9%  
increase

## FY 2019 Breakdown

Members  
65%



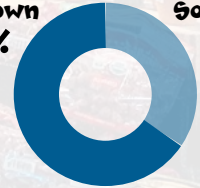
Non-Members  
35%

Local  
41%



Non-Local  
59%

Downtown  
65%



South End  
35%

## \$21.8M in Local Sales

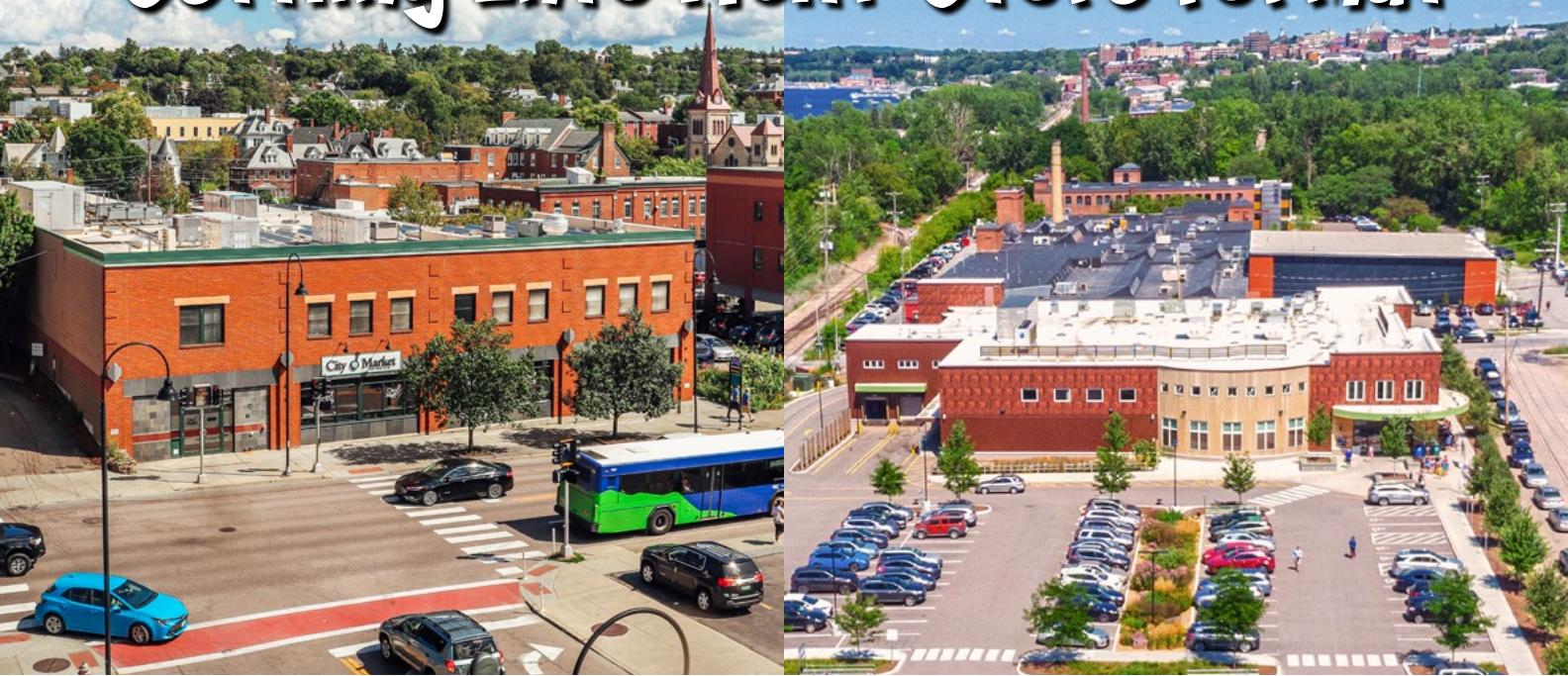
41% of all sales

3,100+ local products





# Settling Into Multi-Store Format



## Successes

**188**

staff promoted or transferred since Oct 2017

**100**

new jobs in the community

South End ahead of projections by

**6%**

**146**

educational classes, many in our Community Teaching Kitchen

## Challenges

Recruitment challenges due to

**Record Low Unemployment** in Burlington

Adjusting

**Product Mix** in response to customer feedback

Improving

**Internal Communication** amongst staff

Updating and modernizing **Infrastructure** across both stores

# Committed to our People

Flipping the Industry Norm

**330+**  
people

**79%**  
full time

**21%**  
part time

**Average  
Tenure**

**3.4**  
years

**5.9**  
years

General Staff

Managers

**19**

employee wellness  
initiatives

**260**

staff attended  
diversity and inclusion  
trainings

**484**

activities logged  
throughout the year

We added  
**Pronouns**  
to nametags  
and created  
**Pride**  
**Buttons**

to show solidarity

2019 Governor's  
**Excellence in  
Worksite Wellness**  
Gold Level Award



# FY 2019 Membership

# 12,804

## Long-Term Membership Growth



# Member Work in the Community

Member Workers completed

**17,234**

volunteer hours

many with our

**24**

non-profit  
community partners.

This the equivalent of

**8 ¼**

extra full-time workers  
in our community.

The average discount was

**\$993**

per Member Worker  
for the year!



Member Worker Crop Mob at River Berry Farm

Food for All Members  
saved a total of  
**\$224,520**

Expanded Savings:

New!

**15%**

Produce & Bulk

**10%**

Storewide

# Environmental Commitment



**229,316**

gallons of reverse osmosis water  
equivalent to over

**1.4M**

plastic 20 oz bottles

**50%**

of our waste diverted to compost  
and food scraps



**50%**



**34%**



**16%**

Refrigeration Gas Emissions:

**4%**

at our  
Downtown store

**40%**

industry  
standard

Our South End was built with  
Vermont's first transcritical CO2  
refrigeration system.

EPA GreenChill  
Partnership Program



**Film Plastics Recycling**  
initiatives in conjunction with  
fellow Downtown businesses

We will eliminate plastic bags  
at the registers as of  
**Earth Week 2020!**



Pollinator in South End Stormwater Swale



**Community Donations & Sponsorships**

**\$77,040**

**Co-op Seedling Grants**

**\$30,000**

**Rally for Change**

**\$275,668**