



**City Market**  
Onion River Co-op

**FY 2018**  
**Annual Report**



# City Market's 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



# The 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.

# General Manager's Letter

This fiscal year ending June 30, 2018, was a pivotal one for your Co-op as we transitioned from one store to two. While we've been working toward this goal for many years, to do so successfully took the collective work of our staff, our Members, our vendors and farmers, our team of contractors and consultants, as well as partnerships with the City of Burlington, the Chittenden County Regional Planning Commission, Vermont's Department of Environmental Conservation and many more. It was truly a cooperative effort for which we are all very grateful!

While success is about more than numbers, we like to start there. Our sales for fiscal year 2018 (FY2018) were just over \$48 million, a 15% increase over the previous year. Our Membership grew to almost 13,500. Including all the household members on these accounts adds up to a Membership of over 22,000. On average throughout the year, about 69% of our sales were to Members. It's interesting to note that Members average 67% of sales at the Downtown store and 72% of sales at the South End store. Many of you love the hustle and bustle of the Downtown store, while others prefer the elbow room and parking at the South End store.

There are so many benefits to owning the grocery store where you shop – volunteering with our Community Outreach Partners for a discount, supporting local agriculture, donating to the local community through our Rally for Change program, joining our classes at discounted rates, and more! One benefit you may have enjoyed since 2009 is our Patronage Refund program. With the opening of the South End store, we anticipated that the Co-op would experience several years of unprofitability, which is typically expected during times of expansion and has always been a part of our plans. While we will not be issuing Patronage Refund checks during unprofitable years, I hope it will help remind you to take advantage of the many other benefits that the Co-op offers.

You'll read about our cooperative successes in this Annual Report that covers July 1, 2017 through June 30, 2018. Thank you for your ongoing support of our Co-op and I look forward to connecting with you throughout the year!

Cooperatively Yours,



John Tashiro  
General Manager



# Board President's Letter

Thank you for investing this year in the success of your Co-op as we made the leap to two stores! We are growing in so many ways – Membership, employees, volunteer hours, sales and support of local vendors, Rally for Change – and are so proud to serve our Members and our community in this way.

In 2018, the National Co-op Grocers (a cooperative made up of food co-ops like us) chose “Customers – the Heart of the Co-op” as its annual theme. This theme was distilled into six critical traits of food co-ops, which really resonate for us here at City Market:

- We know our customers
- We prioritize the customer experience
- We align our stakeholders to meet the needs of our customers
- “Everyone welcome” is a fundamental business truth
- We challenge our own practices that don't appear to put customers first
- We model our expectations

As a co-op, we aspire to be more than just a store; we aspire to be a critical part of our community and a critical benefit to those who live, shop and work here. In this year of transition from one to two stores, these cooperative traits, in addition to our Co-op Principals and our Global Ends, really serve as the foundation for much of our decision-making.

As we grow into two stores and update our plans and budgets, your Board of Directors continues to focus on educating ourselves and working closely with the General Manager to benefit our community, our staff, and our Members while maintaining our fiscal strength and responsibility. Your participation and engagement is an integral part of your Co-op's success. We want to make sure you feel connected to our staff, other Members, our community, our farmers and producers, and our non-profit partners. We welcome your feedback throughout the year, so please reach out to connect at any time!

Our hope is that this Annual Report is a tangible reflection of how your involvement has helped the Co-op to have an amazing impact on our Membership and our community. We hope your Co-op experiences offer plenty of opportunity for daily pride and appreciation. We're certainly grateful for your part in our continued success!

In Cooperation,



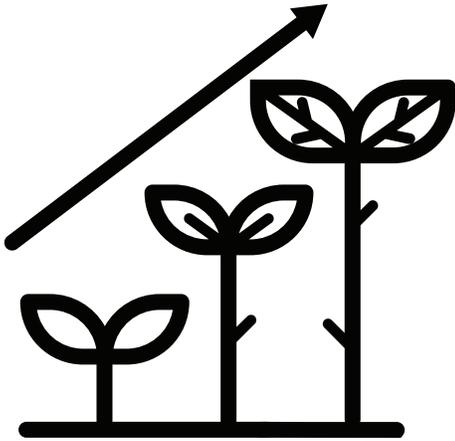
Faye Conte  
Board President





*A Lovely Spring Day, City Market South End*

**In FY2018 Membership  
at City Market grew to**

 **13,471  
Members**

**an increase from FY2017 of 9%**



*View from on High, City Market Downtown*

**Food for All  
Members**

saved a total of

**\$203,667**





*Appetizing Appetizers, City Market Member Meeting*

We diverted over **84%** of our waste to composting or recycling facilities.



**Compost**



**Recycling**



**Landfill**





*Monarch in the Storm Water Garden, City Market South End*



of reverse osmosis  
water were sold in bulk.

This took the place of

**1,202,918**

plastic 20 oz bottles!

# Financials

<b>Balance Sheet</b>	<b>FY2018</b>	<b>FY2017</b>
Current Assets	6,666,908	4,619,106
Property & Equipment	21,211,617	13,956,748
Other Assets	1,677,875	3,167,573
<b>Total Assets</b>	<b>29,556,400</b>	<b>21,743,427</b>
Current Liabilities	4,156,518	3,047,002
Deferred Revenue	214,359	-
Long Term Debt	11,809,587	4,685,556
Deferred Income Taxes	-	219,700
Members' Equity	13,375,936	13,791,169
<b>Total Liabilities &amp; Equity</b>	<b>29,556,400</b>	<b>21,743,427</b>

<b>Income Statement</b>	<b>FY2018</b>	<b>FY2017</b>
Net Sales	48,257,611	41,985,792
Cost of Sales	30,163,775	26,104,834
<b>Gross Profit</b>	<b>18,093,836</b>	<b>15,880,958</b>
Operating Expenses	18,760,588	14,217,466
Interest & Other (Income) Expenses	170,853	(36,073.00)
Patronage Refund Expense	-	1,162,177
Provision for Income Taxes	(262,981)	223,340
<b>Net Earnings</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, at [mcataford@citymarket.coop](mailto:mcataford@citymarket.coop).*

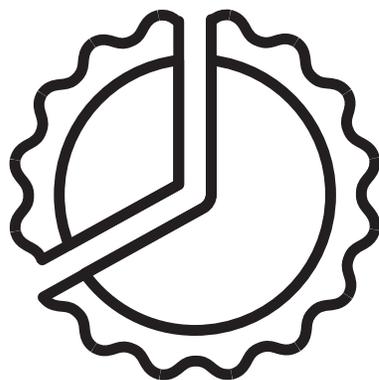


*City Market Board of Directors (and General Manager John Tashiro), City Market Member Meeting*

We had over  
**\$48 Million**

in total sales

**40%**  
of sales were  
**Local  
Products**



**68%**  
of sales were  
to Members



*Grilling Fundamentals with Chef Michael Clauss, Intervale Center*

# 2,193

people **tasted** new flavors  
and **learned** new skills

at our low-cost cooking and wellness classes.



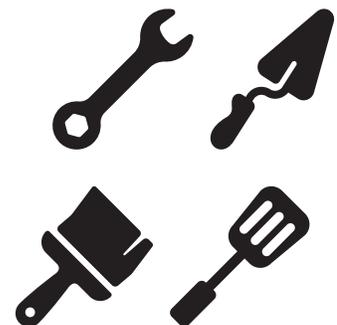


*Crob Mob, River Berry Farm*

# 17,782

volunteer hours were completed by  
Member Workers, many with our  
**22** non-profit community partners.

This is the equivalent of  
**8½** extra full-time workers  
in our community.





*COTS Tree Sale Donation Presentation, City Market Downtown*

**Our donations to  
local non-profits last year alone totaled**

**\$376,992**

**including**

**\$73,338**



**Community Donations  
& Sponsorships**

**\$266,942**



**\$36,712**



**Co-op Seedling  
Grants**





## Your Community-Owned Grocery Stores

### **Downtown**

82 S. Winooski Ave

Open 7am - 11pm every day

(802) 861-9700

**City**  
  
**Market**  
Onion River Co-op

### **South End**

207 Flynn Ave

Open 7am - 9pm every day

(802) 540-6400