

River Valley Market

A LOCALLY GROWN FOOD COOPERATIVE

2007 ANNUAL REPORT TO THE MEMBER-OWNERS



*To accomplish great things,
we must dream as well as act.*

Anatole France
(French novelist, 1844–1924)

Over the past few years consumer cooperatives within and neighboring the Connecticut Valley have been meeting to exchange ideas and explore ways of working together for our mutual benefit and the benefit of our communities. This spring representatives from River Valley Market and 12 other consumer cooperatives spent a day together in Middlebury, Vermont brainstorming the different opportunities for cooperating within the region. They wrote up this “Middlebury Manifesto” as a declaration of their values and commitment to work together.

The Middlebury Manifesto

We, the Cooperators of the Connecticut River Valley and nearby regions of Massachusetts, New Hampshire and Vermont,

in order to further the ideals of democracy, cooperation, autonomy and education as enshrined in the International Cooperative Principles,

to pursue public as distinct from private happiness,

to reorient the economy from one primarily dedicated to maximizing individual wealth to one calculated to advance the common good,

to promote regional autonomy in food production and other goods essential to human existence,

to strengthen our individual cooperative organizations,

to develop new insights and promote enlightenment about how we might achieve our common purposes,

to act upon our shared concerns about the long term viability of our region and Planet Earth in general as a beautiful and thriving habitat for humans and all other forms of life,

to cultivate the bonds of friendship and mutual respect,

do hereby ordain and establish the *Connecticut Valley Neighboring Co-ops*, an alliance that will

seek and implement opportunities for common commercial activities that would be beneficial to all but inefficient if conducted by individual cooperatives,

share operational and organizational insights that will allow all participating cooperatives to benefit from the work of individual cooperatives,

provide occasions for collective action to build a cooperative economy in our geographic region,

develop leadership and management capacity for our individual cooperatives,

advance the state of knowledge in the fields of economics, finance, the sciences, law, politics, governance, philosophy and the arts, to the extent these disciplines inform our work and shared purposes,

provide a forum for gatherings that will allow us to further our purposes and build human connections, and

engender joy, enthusiasm and optimism among all who come into contact with our organization,

and to further these purposes do mutually pledge that we will devote such resources of our cooperatives as are necessary to advance the values and secure the ends for which we have come together, and that we personally will dedicate ourselves resolutely to this alliance so that cooperation achieves its potential in our region as a transformative mode of human endeavor.

October is Co-op Month!

Co-ops generate hundreds of thousands of jobs and billions in income for their communities through their day-to-day activities.

- There are more than 3,000 farmer-owned cooperatives in the United States that account for 300,000 jobs nationwide and a total payroll of more than \$8 billion.
- More than half the electrical lines in America are operated by rural electric cooperatives, providing electricity to 37 million people.
- In Minnesota alone, cooperatives of all types generate more than \$10 billion in economic activity annually. In New York, credit unions alone generate \$4 billion annually.



President's Report

Ed Maltby

I had the honor to be elected President by the Board last January to succeed Betsy Powell, who led us so well through the difficult tasks of creating the financial and community assets that we needed to build River Valley Market. Betsy's cheerful and pragmatic optimism is a continuing source of inspiration to us in the knowledge that together we can, and have, achieved what some thought was impossible. I will try to fill Betsy's shoes as we enter the next phase of the cooperative's life.

In looking back over the year, there can not be enough praise for the work of our General Manager, colleague and friend, Rochelle Prunty. Rochelle has worked with the Board to educate, inform and lead us through a maze of financial and construction detail to ensure accountability and transparency in all of our decision making. She then went out and implemented those decisions with very tight budget restrictions and ensured the future success of our cooperative. Thank you Rochelle.

The work of the Board shifted in the second half of 2006–2007, as we moved away from the more operational aspects of guiding the establishment of the store to fulfilling the wider mission of the Northampton Community Cooperative Market (NCCM). Board members have continued their own education to help with that shift by attending retreats and workshops organized by Cooperative Development Services, with whom we continue to contract annually for support and advice.

When the idea of River Valley Market was first discussed, the CISA Buy Local program was in its infancy and the accessibility of local products was limited to farm stands, farmers' markets and Community Supported Agriculture (CSA) farm marketing. The last decade has seen great growth nationally in the alternative marketing of products from farms and small, community-based businesses. This growth has provided economic security and increased sustainability for family farms and businesses, and for the communities that they support. We in the Connecticut River Valley have led the nation in supporting the establishment of the infrastructure and skills necessary to provide a sustainable future for our communities. We have embraced many different ethnicities, lifestyles and individual goals while respecting the need to protect our environment and land for our future prosperity. Our cooperative will continue to play a pivotal role in the future of the many diverse communities in the Pioneer Valley.

With River Valley Market opening its doors in early 2008, we will be able to provide a great selection of local and regional foods and a product mix and full-service format that encourages regular and routine shopping. The market will be inclusive and respectful of our personal preferences and budgets by including a selection of conventional products as well as challenging our purchasing choice with alternatives that may be more environmentally and socially sustainable. The Board will continue to work with management, our member-owners, and the community to explore ways we can use the power of our purchasing dollar to impact the future sustainability of our community, while highlighting the successes we can achieve by working cooperatively.

During the past year we have had many reasons to celebrate together as member-owners, especially at the special member-owner meeting where we all heard about the success of finalizing our financing package and at the groundbreaking celebration. In the coming year there will be more regular newsletters as we move away from a bare bones budget to a "tight" budget and we will continue our email updates, events and member orientation to sustain and improve our connection to our member-owners and to our community.



Member-owners and community leaders havin' fun and diggin' in at the May groundbreaking ceremony.



Our success in reaching this stage of development has been the result of many partnerships, cooperative ventures and the support of the many communities across the nation. In the future we will continue to help farmers and small businesses increase their sustainability by marketing locally. We support and value the many farmers' markets, CSAs, and farm stands that bring fresh, locally grown produce to the community. We will continue to work with other consumer-owned cooperatives to "further the ideals of democracy, cooperation, autonomy and education as enshrined in the International Cooperative Principles," (Middlebury Manifesto 2007).

Just as we hope that shoppers will leave River Valley Market with a full basket of goods that satisfy their shopping needs, we will continue to work to ensure the sustainability of the many other opportunities for the marketing of fresh, local products. ■

Treasurer's Report for Fiscal Year 2006-2007

Jade Barker



What an exciting fiscal year! We secured mortgage funding for our project, began construction and held a well-attended groundbreaking ceremony. The official closing day on our financing was Friday, March 9, 2007.

The complicated financing package was managed by the Western Massachusetts Enterprise Fund in partnership with Coastal Enterprises, Maine; and we were represented by member-owner Austin Miller of MBL Housing and Development, Springfield, MA. Reaching agreements with seven different partners, plus coordinating all the loan guarantees, took longer than we had anticipated but with the commitment, support, and expertise of our financing team, we completed the deal. (Our financing team consisted of consultant Austin Miller, Chris Sikes from the Western Massachusetts Enterprise Fund, Walden Swanson of Cooperative Development Services, Steve Weems of Coastal Enterprises, and our general manager Rochelle Prunty.) Within a week of the closing, our construction company was on site, clearing brush and exposing the old quarry which had lain dormant and unused since the 1920s.

While using the New Market Tax Credits program made the loan process more complicated, it significantly reduced our financing costs and will ultimately save us some \$2,000,000 (via equity investment) on our \$7,293,000 development loan. Member-owners contributed over \$1 million in member loans and over \$300,000 in member equity. The pri-

mary loan of \$3.5 million was provided by the Bank of Western Massachusetts and the capital investment portion of the package (\$2,030,000) was provided by Trans Capital, a subsidiary of Morgan Stanley and Co., Inc. Other lenders are the Western Massachusetts Enterprise Fund, the Co-op Fund of New England, the Local Enterprise Assistance Fund and the National Co-op Bank Capital Impact. In addition, the City of Northampton contributed Community Development Block Grant funds; Florence Savings Bank provided a loan; we were able to maintain a \$406,522 Green Building Grant from the Massachusetts Technology Collaborative to support environmentally friendly, energy-efficient design, equipment and a 30+ KW solar electricity system for our new facility; and an additional \$400,000 was raised in loan guarantees from other food co-ops across the country (many thanks to our sister co-ops!). The Bank of Western Massachusetts is managing our construction loan.



Member-owner Adelheid von Goeler displaying one of the colorful cards we sent to our sister co-ops.

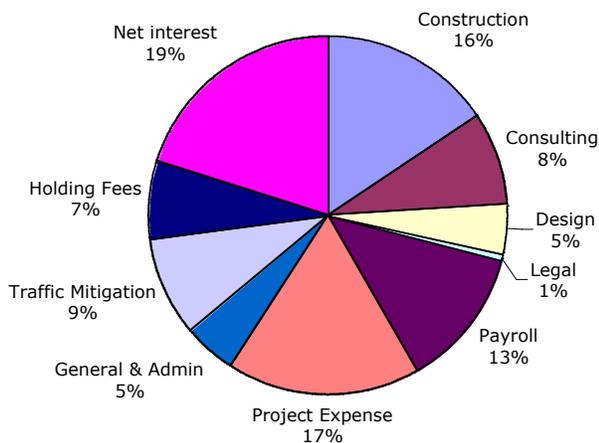
We contracted with Joe Wolkowicz, CPA of Boisselle, Morton & Associates, LLP, to review our accounts for this fiscal year. Excerpts from our draft annual financial review (pending board approval in the October board of directors meeting) are included in this report. (The complete and final financial report will be available for member-owner review at our annual meeting or by request.) Many thanks to Bruce Boardman of Brattleboro Food Co-op, who has been doing our monthly bookkeeping over the past year. Also, a big thank you and welcome to Monica Nunez our new Financial Manager!

Operating revenue for this fiscal year was \$17,311, of which \$16,343 was interest from the deposit of our member loans, \$168 in donations and \$1,365 in other income. Expenses for the same period were \$45,817 of which \$26,038 was interest on loans; \$5,967 was for office administration; \$2,094 on professional fees; \$6,038 on marketing and membership and \$456 on taxes. Of the total expenses \$368 was for depreciation and \$4,533 was booked as accumulated amortization on loan origination costs. This resulted in an operational net loss of \$28,183 for the fiscal year.

Our consolidated statement of cash flows shows an increase in the cooperative's cash position because of the loan we received through the mortgage financing. The cooperative spent \$721,876 on the construction-in-progress costs associated with the new store. 19% was interest paid on our

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Fiscal Year 2006-2007 Construction-in Progress Expense Details





Manager's Report

Rochelle Prunty

October is National Co-op Month, a great time to celebrate the vision, perseverance, and commitment of River Valley Market's founding member-owners! I'm

pleased to report that our collective project to open a retail community food co-op in Northampton is well underway as a result of a multitude of combined efforts both great and small from the Founding Member-owners; the leadership of our Board of Directors; the work of our financing, construction, and business consulting partners; and the support of our network of independent food cooperatives, and the local business community.

We are looking forward to opening for business and are targeting a March 2008 opening. With your continued support it's going to be awesome!

Project Update

Here is an overview of where we are to date in our project to open River Valley Market:

- 2,030 founding co-op member-owners and more joining every week adding to the diversity and strength of our membership base. ... Go co-op!
- A beautiful store site in Northampton created between the 1870s and 1920s by the city's quarry operations. Little did those late 19th and early 20th century quarry workers know that they were creating a level building site for a 21st century community food co-op at the same time they were producing stone to build Route 5/10 and King Street. ... Go Co-op!
- Financing to complete this \$9 million+ construction and start-up project organized by CEI Capital (Coastal Enterprises), providing nearly \$2 million in equity benefit for the co-op at the end of the mortgage term along with below market interest rates during the term of the loan. ... Go Co-op!
- Financing secured with the support of The Bank of Western Massachusetts (primary lender), Trans Capital Investments, the National Co-op Bank Capital Impact, the Western Massachusetts Enterprise Fund, the Cooperative Fund of New England, the Local Enterprise Assis-

tance Fund, Northampton Community Development Block Grant, MassDevelopment, Blooming Prairie Fund, Florence Savings Bank, member loan participation by several hundred individual co-op members (with member loans ranging from \$1,000–\$50,000 each) and more than 40 independent food co-ops whose support included a \$400,000 loan guaranty. ... Go Co-op!

- Construction well underway to build a certified green building to house our store operations, including the installation of a substantial (34.2 KW) solar electricity system made possible with the support of the Massachusetts Technology Collaborative's \$406,522 green building grant. ... Go co-op!
- Co-op staffing underway to fill the approximately 70 new jobs created by the co-op. Staffing is planned to be completed by the projected March 2008 store opening. ... Go co-op!
- Plans for a local foods purchasing program to support local/regional farmers and to help build a thriving local food system and strengthen the locally based agricultural economy. ... Go co-op!



Right: Our co-op is really taking shape. Here's the steel frame back in August.



Left: Trevor the Games Man, Board members past and present and General Manager Rochelle Prunty express their excitement at the groundbreaking ceremony.

climbed ever higher, but because of the many community members on board keeping the vision alive and helping to push when needed, we are now nearing the opening of our co-op!

I want to especially acknowledge our Board of Directors, who have provided amazing leadership through our challenging development stage. New business development is hard work and our volunteer Board of Directors has risen to the challenge time and again to keep the co-op moving forward.

I also want to acknowledge our Outreach Committee. This group of volunteer member-owners has been a fantastic force for community and member communications. They make community connections, plan and implement events

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The following are financial statements from our draft annual financial review, pending board approval in the October Board of Directors meeting. The complete and final financial report will be available for member-owner review at our annual meeting or by request.

NORTHAMPTON COMMUNITY COOPERATIVE MARKET, INC. (A Development Stage Company) Consolidated Balance Sheet June 30, 2007		NORTHAMPTON COMMUNITY COOPERATIVE MARKET, INC. (A Development Stage Company) Consolidated Statement of Members' Equity Period from July 6, 1999 (Date of Inception), to June 30, 2007	
DRAFT		DRAFT	
Assets		Common stock, \$1 par value, 50,000 authorized, 3 issued and outstanding for the period ended December 31, 1999	\$ 3
Cash and cash equivalents	\$ 6,621,780	184 issued and outstanding for the year ended December 31, 2000	184
Loan receivable	600,000	808 issued and outstanding for the year ended December 31, 2001	808
Equipment, net of \$1,364 of accumulated depreciation	552	272 issued and outstanding for the six months ended June 30, 2002	272
Construction in progress	1,083,505	298 issued and outstanding for the year ended June 30, 2003	298
Liquor license	17,009	21 issued and outstanding for the year ended June 30, 2004	21
Investments in others	1,632	65 issued and outstanding for the year ended June 30, 2005	65
Loan origination costs, net of \$4,533 of accumulated amortization	403,401	198 issued and outstanding for the year ended June 30, 2006	198
Total Assets	\$ 8,727,879	75 issued and outstanding for the year ended June 30, 2007	75
		Total common stock, 1,924 issued and outstanding	<u>1,924</u>
Liabilities and Members' Equity		Additional paid-in capital:	
Accounts payable and accrued liabilities	\$ 2,267	For the period ended December 31, 1999	447
Accrued interest	62,743	For the year ended December 31, 2000	29,342
Notes payable	7,597,555	For the year ended December 31, 2001	96,236
Member loans	1,062,750	For the six months ended June 30, 2002	49,375
Total Liabilities	8,725,315	For the year ended June 30, 2003	68,420
		For the year ended June 30, 2004	3,909
Members' equity, net of deficit accumulated during the development stage of \$282,460	2,564	For the year ended June 30, 2005	17,222
		For the year ended June 30, 2006	36,148
Total Liabilities and Members' Equity	\$ 8,727,879	For the year ended June 30, 2007	11,840
		Total additional paid-in capital	<u>312,939</u>
		Stock issuance costs	<u>(29,839)</u>
		Development stage income (loss):	(448)
		For the period ended December 31, 1999	2,563
		For the year ended December 31, 2000	(4,855)
		For the year ended December 31, 2001	(12,483)
		For the six months ended June 30, 2002	(98,234)
		For the year ended June 30, 2003	(111,950)
		For the year ended June 30, 2004	(16,506)
		For the year ended June 30, 2005	(12,364)
		For the year ended June 30, 2006	(28,183)
		Consolidated net loss for the year ended June 30, 2007	<u>(282,460)</u>
		Total deficit accumulated during developmental stage	
		Total members' equity	\$ 2,564

See accompanying notes and accountants' review report.

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NORTHAMPTON COMMUNITY COOPERATIVE MARKET, INC.

(A Development Stage Company)

Consolidated Statement of Operations

Year Ended June 30, 2007, and the Period from July 6, 1999 (Date of Inception),
to June 30, 2007

	Year Ended June 30, 2007	July 6, 1999 (Inception) to June 30, 2007
Revenue		
Grants	\$ 168	\$ 89,818
Donations income		26,597
Truck load sale income		20,121
Newsletter income		10,404
Other income	800	1,359
Interest income	16,343	43,193
Total revenue	<u>17,311</u>	<u>191,492</u>
Expenses		
Payroll and related		88,757
Grocery purchases		15,581
Office administration	5,967	25,809
Professional fees	2,094	6,088
Member services administration		64,933
Board of Directors		2,432
Marketing and membership	6,038	44,421
Rent		34,927
Interest	26,038	67,822
Income taxes	456	3,965
Bad debt expense		293
Depreciation	368	1,364
Amortization	4,533	4,533
Construction in progress on previous site		72,657
Project consulting expense		11,894
Project legal expense		13,057
Project design expense		15,419
Total expenses	<u>45,494</u>	<u>473,952</u>
Net loss	<u>\$ (28,183)</u>	<u>\$ (282,460)</u>

See accompanying notes and accountants' review report.

NORTHAMPTON COMMUNITY COOPERATIVE MARKET, INC.

(A Development Stage Company)

Consolidated Statement of Cash Flows

Year Ended June 30, 2007, and the Period from July 6, 1999 (Date of Inception),
to June 30, 2007

	Year Ended June 30, 2007	July 6, 1999 (Inception) to June 30, 2007
Cash flows from operating activities		
Net loss	(28,183)	\$ (282,460)
Investment devaluation		100
Expensing of construction in progress		72,657
Depreciation	368	1,364
Amortization	4,533	4,533
Changes in operating assets and liabilities		
Loans receivable	(600,000)	(600,000)
Liquor license		(17,009)
Accounts payable and accrued liabilities	(4,700)	2,267
Accrued interest	26,038	62,743
Net cash used by operating activities	<u>(601,944)</u>	<u>(755,805)</u>
Cash flows from investing activities		
Construction in progress	(561,344)	(1,156,162)
Purchase of equipment		(1,916)
Investments in others	750	(1,732)
Members loans received	12,500	1,062,750
Net cash provided by investing activities	<u>(548,094)</u>	<u>(97,060)</u>
Cash flows from financing activities		
Proceeds from line of credit		100,000
Payments on line of credit	(100,000)	(100,000)
Proceeds from notes payable	7,597,555	7,647,555
Payments on notes payable	(50,000)	(50,000)
Loan origination costs incurred	(407,934)	(407,934)
Issuance of common stock (net of stock issuance costs from inception of \$29,839)	11,915	285,024
Net cash provided by financing activities	<u>7,051,536</u>	<u>7,474,645</u>
Net increase in cash	5,901,498	6,621,780
Cash and cash equivalents - beginning of period	720,282	
Cash and cash equivalents - end of period	<u>\$ 6,621,780</u>	<u>\$ 6,621,780</u>

See accompanying notes and accountants' review report.

Ends Report

Ed Maltby

Member-owners elect the board to represent their interests in the operation and future growth of the cooperative. There are many different ways for a board to function and the cooperative has chosen to operate by "Policy Governance," a method recommended by our consultants and other cooperatives. This method of accountability and process divides the areas of responsibility into two parts: 1) monitoring of operations and 2) ensuring that the board process is working.

River Valley Market is not just a natural foods store that promotes local purchasing and healthy communities; as a board we also have another responsibility to monitor what is commonly called a "triple bottom line." This means that we are in business to be profitable, follow excellent environmental and social practices and fulfill the mission that is embodied in our Ends policy:

A POLICIES: ENDS

A.1. What will be/is different because of the existence of the co-op? *A just marketplace that nourishes the community.*

A.2. Who benefits? *Consumers in Hampshire and surrounding counties, and regional producers.*

A.3. At what cost? *For costs that ensure that the co-op thrives.*

The board monitors the implementation of the Ends policy annually in July through a report prepared by the General Manager. By spending time every year looking at these goals, we can monitor our progress in positively impacting our community.

The first section of the policy questions whether we have created a just marketplace and "nourished" our community. We have built and sustained a community that values local ownership of a full-service, natural foods market that will provide high quality, nutritious, fresh, local, organic, and natural foods. In a time of war, conflict, and poverty we have shown that a community working together can achieve that which is inaccessible to individuals. We have held firm to the vision and wishes of our member-owners to have a full-service market that would be of a size to ensure profitability and sustainability. We have secured a financial package that reflects our values rather than compromises them. Our record breaking member loan campaign and financial support from other cooperatives and agencies have shown how we have inspired our community and banking institutions with our determination and strength of purpose. You can be sure that the next time a consumer cooperative or any community business approaches a bank for financing, River Valley Market will serve as a wonderful example of what can be done.

How have we benefited consumers in Hampshire County and surrounding counties and regional producers? Without a store we have to look at the long-term benefits of community ownership and how they can help preserve our community and way of life. With the increasing consolidation of the natural supermarket chains and more centralized distribution and warehousing, it is becoming increasingly difficult for family farms and businesses to maintain their markets at a sufficient volume to provide a reasonable quality of life. River Valley Market will provide a sales outlet that will always take store door deliveries; will give preference to local and cooperatively owned businesses; will not close for business because a company based in Texas, Holland, or Saudi Arabia has purchased a supermarket chain and has too many stores in one region. River Valley Market, because of its size and year-round selling capability, will be a great addition to the existing market outlets for local farmers at farmers' markets, farm stands and CSAs. Now those vendors can start to build sales to River Valley Market as part of a sustainable future for their families.

The final question: What has the cost been to bring the cooperative to this stage? In 2002 we conducted a member survey in which member-owners overwhelmingly expressed their desire for a full-service, natural foods, community-owned market that supports local farmers and products. Our market study (originally conducted in 2001 and updated recently to evaluate the market potential of our current site) confirmed that a full-service, natural foods store at the Old Quarry on North King Street would be profitable within three years and cover debt service. Empowered by this information, we fully utilized our financial and community resources to raise the money necessary to move this project forward to the next stage of development. Using our resources frugally to conserve for the future and working within our budget, we secured the financing necessary to build a 15,000 square foot store at the Old Quarry site.

Apart from some long meetings and sleepless nights, the toll on our committed member-owners has been shared because we have worked together to overcome the many challenges to success. Community ownership holds none of the traditional security that banking institutions prefer, but shares the risk and reward throughout the whole community so no one individual or family is burdened with all the responsibility. Community ownership provides emotional and financial support to the owners at times of stress and challenge. Success is also much sweeter when shared with committed friends and colleagues.

Next year we will be assessing our Ends policies in light of six months of operation, which will be, as my granddaughter might say, "Sweet." ■

Board Candidate Statements



Jade Barker
(Incumbent)

Watching the co-op arise from the granite quarry has been one of the most inspiring events of my life; a small group of determined people can indeed change the world! It has been an honor being on the board and I'd love to continue in this role as we transform our dream into reality.

I've been involved in co-ops for many years: first living in UC Berkeley's cooperative student housing, then joining the Cambridge, then Sacramento, food co-ops. More recently, I co-chaired River Valley Market's Outreach Committee and am currently Board Treasurer.

I love the vision, talent and passion of the co-op members I meet and I treasure the excitement of working together for the common good. My role as a mediator and trainer for The Mediation & Training Collaborative (TMTC) in Greenfield has expanded my listening skills and helped teach me the value of diversity. This knowledge is enhanced weekly when I coordinate the mediation program at the Northampton Small Claims court. In addition, being TMTC's fiscal coordinator has increased my understanding of what it takes to make a business successful.

My involvement with many great local projects (like Hadley Neighbors for Sensible Development, the Hadley Greens, and Dance New England's Camp Coordinating Group) has helped me appreciate and value the resources we have here in our valley. Historically, I've worked at South End Press, a progressive, collectively-run publishing company, and was managing editor of the Central America Solidarity Association's newsletter in Cambridge, MA. I am a California native who constantly enjoys the cross-cultural experience of living in New England, my adopted home. I love gardening, sustainability, and the young at heart.



Barbara Fingold
(Incumbent)

I have co-owned Bart's Homemade Ice Cream since 1978 and Snow's Nice Cream Co. since 1983. Bart's is the retail arm of the company, while Snow's is the production, wholesale and marketing component. Over the past 30 years my responsibilities have included everything from general management of retail sales to product development and marketing on the wholesale level.

My academic background is in psychology and social work. I received my M.S.W. from U Conn and practiced Social Work in a variety of settings before going into business. I have worked to make Bart's Homemade a socially responsible business that has integrated a social work awareness with a business framework. I have a personal and business commitment to strengthen our network of community organizations, growers, producers and other local businesses that are working to create a vibrant, sustainable local economy.

In the past 20 years, I have served on many committees and boards including: a founding board member of the Western Mass. Specialty Food Association, a founding steering committee member of the Pioneer Valley BALLE (Business Alliance for Local Living Economies), a two-term member of the Northampton Arts Council (a city appointed position), and a member of the CISA Marketing Committee. Through Bart's Homemade, I was involved in the founding of Our Family Farms Milk Co-op. Most recently, I have been part of the Pioneer Valley Network Work Group, a Pioneer Valley Planning Commission advisory group that is helping to create a more sustainable vision for our region.

I have been on River Valley Market's board since May 2001 and was on the original steering committee that first conceived the co-op in 1998. As a member of the Member Loan Committee, I have helped River Valley Market attain our financial goals and move forward to completing our loan package, and to now, in 2007, to reach out to members to raise additional funds to support our initial start-up phase. I am deeply committed to the success of River Valley Market. I am looking forward to our opening in 2008, and envision a food co-op that exceeds our wildest dreams.



Bobbe A. O'Brien

I am currently retired having worked for 7 years at Tri-County Youth Programs (now called Northeast Center for Children & Families in Easthampton) an agency for troubled youth in the care of the state, which was located on Riverside Drive in Florence. My position was Executive Assistant to the Executive Director. At the present time I am a regular weekly volunteer at the Northampton Survival Center. I worked at the Grove Street Homeless Shelter cooking weekly meals for more than three years and recently as their gardener.

I would very much like to serve on the co-op's board of directors as I firmly believe in its mission and goals and would bring to it my organizational and interpersonal skills honed from my experience in the corporate and non-profit business world. My food co-op experience has been as a member of the Ol' Turtle Farm Food Co-op in Easthampton where a

huge selection of wonderful fresh produce was available all season long for a comparatively small fee. When River Valley Market began to look for members, I was very excited to join and look forward to seeing the dream become a reality soon.

One of the successful strategies I have used in team relationships and problem solving have been “Bridges and Barriers” exercises in which all the issues, pro and con, are clearly delineated, thoroughly discussed by all team members, issues resolved, then moving to the decision-making processes with the goal of group consensus. Rather than becoming paralyzed in the problems, I believe that total commitment to solutions, and building teams to brainstorm and solve the problems is key to the successful operation of any business

Policy is developed by an organization to reflect and illuminate its mission. In my business experience, strategic planning and goal setting must be developed and performance measured by the management of that organization to assure achievement of its mission and goals. I have been trained in strategic planning, organizational development, and human resources and have used these skills in my business and community affiliations.

I am a member of the Pascommuck Land Preservation Trust in Easthampton, a watercolor artist, avid gardener and trained cook. I believe strongly in the vision of the River Valley Market and Freecycle. I am “Goatmama” to two darling Nigerian Dwarf goats and the guardian of four birds and one cat and am blessed to happily live here in Paradise with all of you.



Sharon Rudnitzky
(Incumbent)

I have always been interested in unique ways of bringing community together to make a difference and am inspired by food cooperatives, worker-owned cooperatives, community supported agriculture (CSAs), community gardens, and intentional communities. Needless to say, I was thrilled when I found out about the forming co-op back in 1999 and quickly got involved.

I was one of the early board members and served as Clerk for three years. Through the years I have also edited and produced River Valley Market’s newsletters and Annual Reports, and I have maintained the co-op’s database. More recently, I chaired the 2005 Member Loan Campaign which reached its goal of raising over \$1 million in member loans from our co-op community, and now I am heading up a new Member Loan Campaign to raise funds to continue to support our cooperative during its start-up phase.

I earned a B.A. in history from the University of Pennsylvania and returned to school some years later to study sustainable

agriculture. I completed the Fruit and Vegetable Crops program at The Stockbridge School of Agriculture which is part of the University of Massachusetts. Over the years I have worked on several local organic farms, for Real Pickles (making lacto-fermented pickles and sauerkraut using local, organic ingredients), and in my own organic yard and garden which is a Certified Wildlife Habitat (a program sponsored by the National Wildlife Federation). I am also a member of The Food Bank Farm CSA in Hadley. I also practice and teach classes in Non-violent Communication (also called Compassionate Communication) to small groups of adults in the community; and I am incredibly inspired by this work which can lead to greater understanding and empathy between people.

I, and many others, have worked hard to get the co-op to where it is now. It has been an incredibly rich experience for me being part of such an amazing team, and I am absolutely thrilled to see our store being built. My commitment and dedication to River Valley Market is as strong as ever and I would be honored to again serve on the Board of Directors as we open our doors for business!



Loran Diehl Saito
(Incumbent)

I’m a resident of Florence, where I live with my husband, Max Saito, and our four children Liam (10), Evan (8), May (4) and Nolan (2). I am Communications Manager for the National Collegiate Inventors and Innovators Alliance. I also perform freelance and volunteer graphic design and writing work and, together with Max, homeschool our children. I have a bachelor’s degree in French from the Catholic University of America, a Master’s degree in Intercultural Management from the School for International Training, and an MA in English with a concentration in Professional Writing and Technical Communication from UMass Amherst. I served as a Peace Corps Volunteer in Namibia. I am a member of Northampton Friends Meeting (Quaker).

I first became involved with River Valley Market in 2003 when I served as a volunteer board assistant. I was appointed by the Board in the fall of 2004 to fill a one-year vacancy, and have since fulfilled a second two-year term. I am proud to be part of the River Valley Market’s dynamic team, and am excited to be a witness and participant in the final steps toward bringing the dream of a local grocery co-op to reality.

I am an enthusiastic Valley resident who appreciates daily the work that others have done to make this such a fantastic place to live, to walk and ride a bicycle, to work, and to raise a family. My life experiences and personal philosophy

(Continued on page 9)

(Treasurer's Report, continued from page 2)

loans; 17% was project related expenses; 16% was construction; 13% was payroll costs; 9% was traffic mitigation costs paid to the City of Northampton; 8% was consulting services; 7% was holding fees which included rent on the site; 5% was design and architectural costs; 5% was administration and miscellaneous expense; and 1% on legal expenses.

Looking to the Future

We enter the 2007–2008 fiscal year in a very strong position, and our last year as a development stage company. Our financing is in place, and we have a fixed-price contract for construction of our facility. We expect to be open for business early in 2008. With a visible location, and lots of positive interest in this cooperative project, our prospects look good for our first fiscal year with an operational store. Our general manager has a well-developed business plan, which contains a large cash supply to handle unexpected contingencies. As a start-up, we have prepared for operational losses for at least our first two years as our sales reach maturity.

As always, our strongest assets are the people who support us—not just a skilled and resourceful general manager, a devoted and enthusiastic Board of Directors, talented and seemingly tireless volunteers too numerous to mention, supportive sister co-ops across the country, or even the patient and committed member-owners (you). The community we live in has also helped this dream come true. Thanks to everyone. ■

(Board Candidate Statements, continued from page 8)

give me a strong faith in our community's ability to build on our strengths, conserve the things that are precious, and address the areas where our community needs to grow. I

(Manager's Report, continued from page 3)

(ground breaking celebration, local plant sale, membership meetings, outreach tables, etc.), maintain the website, maintain the member emailing system, and produce informational materials such as newsletters, postcards, flyers, and signage.

Thanks to our many food co-op supporters throughout the region and country who helped support our project. Nearly fifty independent food co-ops joined in as members and helped to financially support our project with equity, loans, and loan guaranties totaling approximately \$600,000. An additional guaranty from the Brattleboro Food Co-op secured a \$200,000 loan from the Co-op Fund of New England and we want to give them a special thank you for that in addition to the other support they've provided.

Also a special thank you to Lynn Benander of Co-op Power for managing our green building grant, and to co-op member Austin Miller of MBL Housing and Development for his support throughout our financing process and beyond.

We have a great team and we've come a long way together... but we're just getting started. Its going to be fun working with you over the coming years to meet our shared goals to nourish the community and to create a just marketplace and thriving locally based agricultural economy. I'm looking forward to many great River Valley Market shopping experiences and a work environment that includes an abundance of fresh foods and lively co-op shoppers every day. Its all happening because of you! ■

see River Valley Market as an important vehicle for people in our area to gather in community and contribute to the local economy while enjoying healthy food and the bounty of our region. ■

October is Co-op Month!

Co-ops have a strong commitment to the communities in which their members live and work. Through cash contributions, volunteerism and more, co-ops invest in new community businesses and support local causes ranging from education to the environment.

- Collective Copies in Florence, Amherst, and Belchertown, MA, donates 10 percent of its profits to the community in support of causes including labor and human rights, the environment, child development and the homeless.
- New York credit unions helped low-income taxpayers with their tax forms, triggering \$2.5 million in tax refunds that otherwise would have gone unclaimed.
- Food Conspiracy Co-op in Tucson, Ariz., formed a recycling program that now includes 100 businesses and was cited as the best in the state.
- The Heart of Iowa Communications Cooperative in Union, Iowa, launched an economic development program that created, among other things, an assisted living facility, an apartment building, three new restaurants, and an Alzheimer's care unit.

River Valley Market

A LOCALLY GROWN COMMUNITY FOOD COOPERATIVE

P.O. Box 1245, Northampton, MA 01061

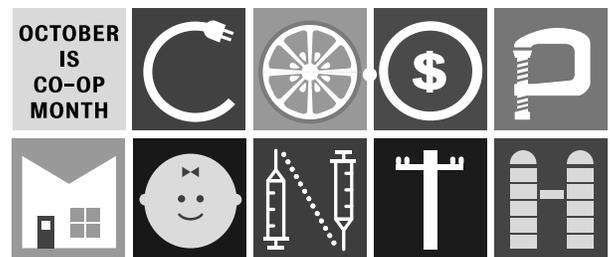
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The Principles of Cooperation

Most co-ops share seven basic principles. These principles help co-ops maintain the spirit of cooperation, and they demonstrate how people-oriented cooperatives are at heart.

- First Principle: **Voluntary and Open Membership**
- Second Principle: **Democratic Control**
- Third Principle: **Member Economic Participation**
- Fourth Principle: **Autonomy and Independence**
- Fifth Principle: **Education, Training, Information**
- Sixth Principle: **Cooperation among Cooperatives**
- Seventh Principle: **Concern for Community**



River Valley Market

9th Annual Member-owners' Meeting

**Sunday, November 11, 2007
6:15-8:30 p.m.**

Northampton Center for the Arts
17 New South Street, Northampton

AGENDA

- 6:15 p.m.Potluck Dessert and Social Hour
- 6:45 p.m.Welcome, Update on Co-op's Progress,
Board Election Results and Q & A
- 7:30 p.m.Ha-Ha Sisterhood!

Whip up your finest chocolate soufflé or apple crisp and bring along your neighbors, friends, and family to a very special River Valley Market Annual Member-owner meeting. This year's family-friendly meeting will be open to the public as well as to member-owners as we celebrate the construction and imminent opening of our brand new cooperative grocery store!

The evening will start at 6:15 p.m. with a potluck dessert and social hour followed by time to cast final votes for River Valley Market Board members. At 6:45 p.m. we will kick off our business meeting and answer your questions about the co-op's progress. And at 7:30 p.m., laugh local with the Ha-Ha Sisterhood, the Pioneer Valley's own all-woman comedy improv group, presenting their delightful brand of humor for all ages!

The meeting will be ASL (American Sign Language) interpreted and wheelchair accessible.

Don't miss this sweet, informative, and hilarious evening! We look forward to seeing you there!