

River Valley Market

A LOCALLY GROWN FOOD COOPERATIVE

2006 ANNUAL REPORT TO THE MEMBER-OWNERS



*Every great work, every great accomplishment,
has been brought into manifestation
through holding to the vision.*

Florence Scovel Shinn
Artist, Author, Metaphysician



President's Report

Betsy Powell

It has been a year of progress and challenge for River Valley Market. Since January we have moved steadily toward our goal of securing financing for the project and beginning construction of the store. General Manager Rochelle Prunty and the Board of Directors have worked tirelessly together with our financing team to finalize the financing structure, and although it has taken much longer than anticipated to get to this point, we are poised to complete the funding process and to begin construction soon afterward.

I'm pleased to report, on behalf of the Board, Rochelle, and our financing team, that we received a commitment letter for the senior debt loan of \$3.5 million that we have been working towards. We are working through the details for the New Market Tax Credits (NMTC) investment agreement between the lender and equity investor and expect to finalize this commitment soon.

Many people have collaborated to make this achievement possible. Austin Miller of MBL Housing and Development, and Chris Sikes and Richard Shortt of Western Massachusetts Enterprise Fund have worked with us as consultants, advising Rochelle and the Board throughout the process. Steve Weems and David Cohan from Coastal Enterprises, the organization that has been allocated the tax credits that are part of our financing, have been strong supporters of our project, and have worked directly with the co-op and potential lenders to develop the structure for our financing and to bring lenders to the negotiating table. Board members have participated in many meetings with advisors and investors and, of course, Rochelle has represented River Valley Market every step of the way, attending scores of

meetings, spearheading strategy sessions and keeping the entire project on track.

Our financing team continues its work to put the last major piece of our loan in place, the tax credit partner that will provide an equity investment in exchange for the leveraged tax credits on our project. We expect this to be finalized over the coming weeks and it will enable us to complete our closing process on the overall financing.

Also integral to achieving this financing watermark was the completion of our record setting member loan campaign in early 2006 in which River Valley Market members loaned over \$1 million to the co-op. This unprecedented level of community support has played a key role in making outside financing for our project possible. As a start-up business, our tremendous member-owner support is one of our biggest strengths.

Many thanks to everyone who made a loan to the co-op, and also to the Member Loan Committee that worked to publicize, execute, and complete the campaign. This hardworking and



Rochelle Prunty, Sharon Rudnitzky and Betsy Powell celebrate after surpassing the \$1 million mark

persistent group included Sharon Rudnitzky, David Gowler, Barbara Fingold, Andrea Ayvazian, Loran Diehl Saito, Deb Chandler, Marci Linker, Susan Kimball, Jade Barker, Liz Suozzo-Gole, Caroline Sadeh, Dan Romeo, Apple Ahearn, Tom Duffy, Margie Hutter, Matt Blumenfeld, and Rochelle Prunty. They did a fantastic job, and ran a professional campaign that has been recognized both regionally and nationally for its success.

In other work this year, the Board continued its effort to become more proficient in the use of

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Treasurer's Report for Fiscal Year 2005-2006

David Gowler



The fiscal year ending June 30, 2006 was a year of successful community fundraising, construction planning, and development of the outside financing for the completion of the project. This required increasing our investments in

the project with controlled spending of our available resources and huge amounts of support, effort and labor on the part of our member owners, the outreach committee, the member loan committee, the Board and our General Manager.

We started our eighth fiscal year in our development phase having over 1,600 members, almost halfway through our member loan drive, and working to finalize store design plans.

Moving our project forward in the 2005-2006 fiscal year

For our business and financing models to work, we were looking for a property appraisal on the fully constructed store of 15,000 sq. feet store plus 3,000 sq. feet of mezzanine space for offices to have a value of at least \$3 million. In December the appraised value came in over that amount at \$3.65 million.

In 2004 we negotiated a long-term lease with the option to purchase this unique former quarry site which included a lease option period for the co-op to undertake the rezoning process, conduct the required site analysis, and due diligence before a final decision. Our lease options expired at the end of December 2005 and the Board was required to make a go/no go decision. All our site analysis work demonstrated that the land lease with the option to purchase provided a financially sound basis for a ground up construction project and this

location would very successfully accommodate our facility and member services needs. With the positive appraisal, market analysis, construction plans finalized, and financing well underway we waived the contingencies on our lease option for our North King Street site and moved forward with signing our lease and officially took possession January 1st 2006.

On June 30th, 2006 we had 1,849 members and had successfully completed an unprecedented \$1,000,000 member loan drive. We have developed a viable financing package with local, regional and national support and we are working hard to finalize the rest of the financing package.

During the year, the Board monitored and conservatively approved funding expenditures by our general manager for the completion of financing model documentation, site and building design, as well as holding costs, rent, and insurance for our North King Street site.

Joe Wolkowicz, CPA of Boisselle, Morton & Associates, LLP completed a review of our accounts for the fiscal year ending June 30, 2006. Excerpts from the reviewed financials are included in this report. *(The full financial report is available to members on request and copies will be available at the annual meeting for review.)* Dorothea Sotiros of Green Fields Market has been serving as our book-keeper again this fiscal year.

Our income for 2005 was \$82,690: \$64,218 in grants (Massachusetts Technology collaborative Green Building Design Grant), \$12,508 in interest income and \$5,964 in newsletter advertisements and misc. donations. We also took in \$36,346 in new member equity investments and \$606,050 in new member loan funds.

2005 Fiscal Year Operating Expenses

We spent a total of \$432,727 in the 2005 fiscal year, \$95,054 in operating expenses and \$337,673 for developmental stage construction in progress. Our construction in progress expenses broken

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Manager's Report

Rochelle Prunty

The past year started with the tremendous accomplishment by our membership of reaching our \$1 million member loan goal. Congratulations to all of us for the great work, you've left no doubts that Northampton is ready for the River Valley Market to open! Last fall our expectation was that construction was just around the corner. That has turned out to be a harder corner to get around than we expected, but we are almost there now.

Store Design

The design team worked to complete details on the plans and worked through some intensive value engineering after the bid process as we found ourselves in the midst of rising construction costs related to last fall's gas price increases. I want to thank our design team for all the creative work to trim costs while still maintaining all the key elements of the store plans including the energy efficiency and green design measures our membership values highly. Thanks to:

- Store designer Chuck Bomely Jr. of Plan B Retail Design and Project Management
- Site designer Peter Wells and his team at Berkshire Design
- Owners' representative construction manager David Hill of Works in Progress
- Store planner PJ Hoffman of Cooperative Development Services
- And thanks to Ben and John Harrington of H.P. Cummings Construction for the all the great work to pull us through the finalizing of construction plans and value engineering.

General Contractor Selected

We selected H.P. Cummings of Ware, MA to be our general contractor. This family-owned business was established in 1879 and has a service area that includes Massachusetts, Maine, New Hampshire and Vermont. H.P. Cummings is experienced with supermarket construction systems and has worked successfully with our store designer on other retail projects for many years. They also have experience with green building design and LEED certification. (They built the ECHO at the Leahy Center for Lake Champlain in Burlington Vermont, which is an innovative green building that is Vermont's premier lake aquarium and science center.) This company has just the right combination of ecological, economical, and retail grocery experience that we are looking for and we are pleased to be working with them.

Starting Construction

In August we began the highway related construction for the project and we are prepared to finalize the contract for the full project as soon as the financing is secured. We were required to complete our highway related work before the fall repaving scheduled for Rte 5 which includes the stretch in front of our store site. This work includes connections for water and sewer located under the high-



Adam Sweeney serenades one of our co-op kids at our 2nd Annual Plant Sale

Joan Borgos and Kate Kelleher take a break from organizing the scrumptious selection of baked goods



way as well as the left turning lane and driveway entrance. As I am writing this article, this phase of the construction has nearly been completed and we are looking forward to getting started on the on-site construction as soon as the financing enables us to give them the order to proceed!

Outreach Committee

The Outreach Committee (chaired by Marci Linker) with regular members: Apple Ahearn, Deb Chandler, Phillippe Deguise, Carol Jolly, Susan Kimball, Larry Kuttner, Rebecca Neimark, Fran Schneid, Liz Suozzo, Trevor, Marvin Ward and Leslie Young have been focused primarily on new member outreach, event planning, publicity and public awareness by tabling at various venues. Risa Silverman came on board as our Volunteer Coordinator and Nora Israeloff collaborated with Risa on plans for farmers' market outreach.

Several committee members joined forces with the Member Loan Committee over the first part of the year. This group produced flyers, ads, and newsletters (special thanks to Deb Chandler and Rebecca Neimark for graphic design with oversight by Board Member Sharon Rudnitzky), orchestrated bi-weekly community informational meetings, made phone calls to members, and assisted with the organization of the fundraising dinner at the Apollo

(right) Mary Witt, with some locally grown plants for her garden



(below) Mark Pollard of Bread Euphoria with his euphorically delicious breads!



Grill where we hit our \$1 million member goal at the end of October! This was an intensive effort and a big thanks to all for the great work.

The Outreach Committee also helped organize, set-up, and clean up for the Annual Membership Meeting which was highly attended by over 80 member-owners last November and featured a fabulous potluck at the Haydenville Congregational Church.

Over the winter the Outreach Committee ran a member-drive with letter writing campaigns and did several showings of *Sweet Soil*, a film about local farmers and the Berkshire co-op Market. This Spring they planned and implemented our second local Plant Sale featuring 10 local growers/producers, fair trade Food Bank Farm coffee from the Pierce Brothers Java Coffee Roasters and live music by Adam Sweeney and the jazz quartet of Ron Freshly, Chris Gole, Don McCool and Carl Rausch.

Throughout the year the Outreach Team orchestrated e-mail member updates. We've used e-mail updates as the most low cost method for communication over the seven months. Special thanks to member Mike Ippolito for working with Marci and Susan to get these e-mails out on a regular basis. *If you are not getting e-mail updates please check your spam filter settings to ensure you are not inadvertently filtering them out and make sure we have your current e-mail address by e-mailing Marci at linklet@rivervalleymarket.coop.*

The next event in the works for Outreach is our ground breaking ceremony. This highly anticipated event has been under discussion all year while we await the financing and finalizing of the schedule for breaking ground.

The More the Merrier!

Membership has grown by nearly 200 members over the last year. This is primarily due to the efforts of the Outreach Committee. Signing up new members will continue to be important moving forward and with construction going on it will

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NORTHAMPTON COMMUNITY COOPERATIVE MARKET, INC.
(A Development Stage Company)

Statement of Operations

Year Ended June 30, 2006, and the Period from July 6, 1999 (Date of Inception),
to June 30, 2006

	Year Ended June 30, 2006	July 6, 1999 (Inception) to June 30, 2006
Revenue		
Grants	\$ 64,218	\$ 89,818
Donations income	1,133	26,429
Truck load sale income		20,121
Newsletter income	4,590	10,404
Other income	241	559
Interest income	<u>12,508</u>	<u>26,850</u>
Total revenue	<u>82,690</u>	<u>174,181</u>
Expenses		
Payroll and related		88,757
Grocery purchases		15,581
Office administration	1,779	19,842
Professional fees		3,994
Member services administration	39,233	64,933
Board of Directors		2,432
Marketing and membership	8,153	38,383
Rent	34,927	34,927
Interest	9,893	41,784
Income taxes	456	3,509
Bad debt expense		293
Depreciation	613	996
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>95,054</u>	<u>428,458</u>
Net loss	\$ <u>(12,364)</u>	\$ <u>(254,277)</u>

NORTHAMPTON COMMUNITY COOPERATIVE MARKET, INC.

(A Development Stage Company)

Statement of Members' Equity

Period from July 6, 1999 (Date of Inception), to June 30, 2006

Common stock, \$1 par value, 50,000 authorized,	
3 issued and outstanding for the period ended December 31, 1999	\$ 3
184 issued and outstanding for the year ended December 31, 2000	184
808 issued and outstanding for the year ended December 31, 2001	808
272 issued and outstanding for the six months ended June 30, 2002	272
298 issued and outstanding for the year ended June 30, 2003	298
21 issued and outstanding for the year ended June 30, 2004	21
65 issued and outstanding for the year ended June 30, 2005	65
198 issued and outstanding for the year ended June 30, 2006	<u>198</u>
Total common stock, 1,849 issued and outstanding	<u>1,849</u>
Additional paid-in capital:	
For the period ended December 31, 1999	447
For the year ended December 31, 2000	29,342
For the year ended December 31, 2001	96,236
For the six months ended June 30, 2002	49,375
For the year ended June 30, 2003	68,420
For the year ended June 30, 2004	3,909
For the year ended June 30, 2005	17,222
For the year ended June 30, 2006	<u>36,148</u>
Total additional paid-in capital	<u>301,099</u>
Stock issuance costs	<u>(29,839)</u>
Development stage income (loss):	
For the period ended December 31, 1999	(448)
For the year ended December 31, 2000	2,563
For the year ended December 31, 2001	(4,855)
For the six months ended June 30, 2002	(12,483)
For the year ended June 30, 2003	(98,234)
For the year ended June 30, 2004	(111,950)
For the year ended June 30, 2005	(16,506)
For the year ended June 30, 2006	<u>(12,364)</u>
Total deficit accumulated during developmental stage	<u>(254,277)</u>
Total members' equity	<u>\$ 18,832</u>

NORTHAMPTON COMMUNITY COOPERATIVE MARKET, INC.

(A Development Stage Company)

Balance Sheet

June 30, 2006

Assets

Current assets	
Cash	\$ 720,282
Total current assets	<u>720,282</u>
Equipment, net of \$996 of accumulated depreciation	<u>920</u>
Other assets	
Construction in progress	522,161
Liquor license	17,009
Investments in others	<u>2,382</u>
Total other assets	<u>541,552</u>
Total Assets	<u>\$ 1,262,754</u>

Liabilities and Members' Equity

Current liabilities	
Accounts payable and accrued liabilities	\$ 6,967
Line of credit	100,000
Note payable	50,000
Accrued interest	<u>36,705</u>
Total current liabilities	<u>193,672</u>
Long-term liabilities	
Member loans	<u>1,050,250</u>
Members' equity, net of deficit accumulated during the development stage of \$241,913	<u>18,832</u>
Total Liabilities and Members' Equity	<u>\$ 1,262,754</u>

NORTHAMPTON COMMUNITY COOPERATIVE MARKET, INC.

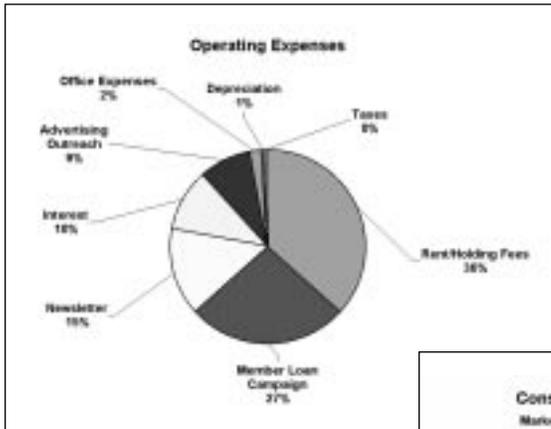
(A Development Stage Company)

Statement of Cash Flows

Year Ended June 30, 2006, and the Period from July 6, 1999 (Date of Inception),
to June 30, 2006

	Year Ended June 30, 2006	July 6, 1999 (Inception) to June 30, 2006
Cash flows from operating activities		
Net loss	\$ (12,364)	\$ (254,277)
Investment devaluation		100
Expensing of construction in progress		72,657
Depreciation	613	996
Changes in operating assets and liabilities		
Liquor license		(17,009)
Accounts payable and accrued liabilities	602	6,967
Accrued interest	4,359	36,705
Net cash used by operating activities	<u>(6,790)</u>	<u>(153,861)</u>
Cash flows from investing activities		
Construction in progress	(337,673)	(594,818)
Purchase of equipment		(1,916)
Investments in others	(382)	(2,482)
Members loans received	606,050	1,050,250
Net cash provided by investing activities	<u>267,995</u>	<u>451,034</u>
Cash flows from financing activities		
Proceeds from line of credit	18,000	100,000
Proceeds from note payable		50,000
Issuance of common stock (net of stock issuance costs from inception of \$29,839)	36,346	273,109
Net cash provided by financing activities	<u>54,346</u>	<u>423,109</u>
Net increase in cash	315,551	720,282
Cash - beginning of period	<u>404,731</u>	<u> </u>
Cash - end of period	\$ <u>720,282</u>	\$ <u>720,282</u>

(Treasurer's Report, continued from page 3)

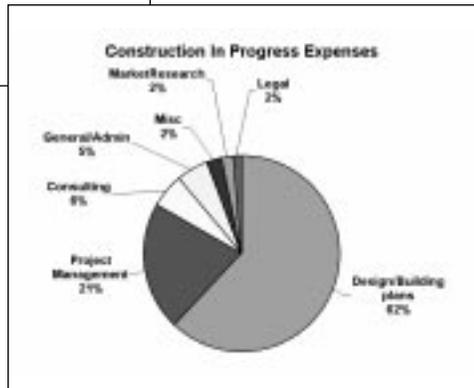


down into percentages: 61.95% design and building plans, 21.28% project management (general manager payroll and related tax expense), 5.6% consulting, 5.42% General and administrative expenses, 2.37% miscellaneous project expense, 1.85% market research, 1.5% legal expenses. Our operating expenses broken down into percentages: 36.75% Rent and holding fees expenses, 26.53% member loan campaign expenses, 14.74% newsletter, 10.41% interest expenses, 8.58% advertising and member outreach expenses, 1.87% office expenses, .65% depreciation expense, and .48% taxes.

We are continuing to move closer to finalizing our financing plans with the assistance of the Western Mass Enterprise Fund, Coastal Enterprises in Maine and our consultant for New Market Tax Credits, Austin Miller of MBL Housing and Development in Springfield, MA. The complexity of changing banking policies related to the New Market Tax Credit financing, our cooperative ownership structure, in addition to the risk factors in starting a new business, have slowed our progress. However, we are optimistic about a successful resolution to this end of our development phase and

the beginning of construction of our store and business operations. Rochelle Prunty, our General Manager, continues to demonstrate her savvy, perseverance and tenacity as we struggle forward through these frustratingly slow last steps.

Though we don't yet have our store under construction, we should reflect on the strength of our position. We worked with the community and the City of Northampton to rezone our site. We invested in a professionally prepared and well documented business plan. We have an approved



site plan with full architectural and engineering plans plus a Green Design grant to support our environmental construction goals. We had the foresight to purchase a beer and wine license at a reasonable price.

We negotiated a National Cooperative Bank advance and raised a record breaking \$1,000,000 in member loans in only six months. We have a completed store design with a construction contract that has been subject to many layers of review and revision to achieve optimum environmental efficiencies for the lowest cost. We have well documented financial projections using national respected consultants who have used current industry data to project realistic financing plans.

Our strongest asset, of course is our human resources: our General Manager; our Board of Directors; our committees; our advisors; our supportive sister co-ops; and most importantly you, our founding member owners. ■

Ends Report

Betsy Powell

Policy governance is a tool used by the Board to guide its work throughout the year. The system of policy governance insures, through written policies that are regularly monitored, that the Board maintains a focus on specific areas for which it is accountable. One of these areas of accountability relates to the effect the cooperative will have in the community; the policy that addresses this is the Ends policy. River Valley Market's Ends policy is as follows:

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.*

As you can see, an Ends policy is similar to a mission statement in its breadth and scope, and also in its sense of creating something positive and beneficial for the community. One area of difference is that, written in the form of a policy, we are tasked with monitoring and measuring whether we are meeting those end goals every year.

In 2006 our work to achieve the goals of the Ends policy included the work of raising the funds necessary to begin construction and to finance the opening of the store, and working with a general contractor and site planner to ready the construction plans. Using grant funding from the Massachusetts Renewable Energy Trust we have made plans for an environmentally-friendly building that will include a roof-top solar electricity system, energy-efficient natural lighting, a heat recovery system for the refrigerated coolers, and much more.

GM Rochelle Prunty has worked with industry professionals to develop a staffing plan based on best practices that will make River Valley Market an excellent employer with regard to work environment, training, wages, benefits, and development opportunities. Rochelle is building relationships with producers, CSA's, farmers markets, and cooperatives, and will collaborate with them to insure that a growing diversity of local producers flourish in our region. Strengthening the local and regional farming community will have a ripple effect, helping to preserve land for agriculture, increasing our regional self-reliance by reducing our reliance on food produced outside the region, and reducing our consumption of fossil fuels used to bring in products from outside the region.

The Board and Outreach Committee have worked together to inform the membership with internet updates and outreach events. This free flow of information throughout our organization is also an important part of creating the "just marketplace" we are becoming. Our project nourishes the health of our community with its transparent, democratic process, and through the faithful persistence of the board, general manager, and member-owners to build a cooperatively owned and operated market in Northampton.

Looking ahead to work planned for 2007 related to Ends policy goals: member linkage, the process of keeping the Board, the membership, and the GM connected and working together toward commonly understood group values, has been elevated as a priority. Keep your eyes and ears open for opportunities to get involved and help give voice to the values and principles we hold in common and that we will use to guide the work of River Valley Market into the future. ■

(President's Report, continued from page 2)

policy governance. A Board retreat was held in May and, together with facilitator Mark Goehring from Cooperative Development Services (CDS), we gamely took the measure of our current governing process and made plans for improvements. We receive support from Mark and CDS through the generosity of the National Cooperative Grocers Association, which for two years has provided us with scholarship funding for this important service. CDS is a team of co-op experts who support the Board in leadership development, helping to insure effective and accountable leadership of our cooperative.

Finally, credit for the most important, yet most behind-the-scenes effort of this year, must be given to you, the member-owners of River Valley Market. You have proved true to the course we have set and, along with sharing your ideas and inquiring about our progress, you have let us know you believe in the work we are doing. Every member of our Board is acutely aware of our responsibility to each one of you. We are proud to work on behalf of such a visionary and steadfast group, and are buoyed by your continuing support as we approach the completion of our financing and the day we break ground for construction.

As people are fond of saying these days, "Life is an adventure!" We founding member-owners are certainly part of a great adventure, pooling our collective intelligence, determination, resources, and enthusiasm to make a better world. Our efforts and vision have already been an inspiration to many individuals and groups throughout our community, our region, and our world. The journey of the last nine years has been arduous with many unpredictable twists and turns and the last year has been one of the most frustrating, interspersed with moments of excitement and achievement. As we reach the final turn in making the store a reality, I would like to tweak another popular saying to suit our cooperative natures: "If you believe in it and work cooperatively, it will happen!" ■

(Manager's Report, continued from page 5)

be lots of fun! We encourage interested members to consider joining the Outreach Committee to help out with planning and implementing events and other related outreach projects. Check the website for the next scheduled monthly meeting or e-mail Risa to let her know you are interested in helping out: risa@schoolph.umass.edu.

Board of Directors

I want to thank the Board of Directors for all the hard work preserving through all the challenges and timeline extensions we've had to endure over the past year. Leadership in launching a new community based organization is no small job and we have a wonderfully diverse group of members who have shouldered this responsibility and stuck with it when the going has gotten tough. I want to especially thank outgoing Board Members Betsy Powell and David Gowler. It has been inspiring to work with these founding River Valley Market member-owner leaders over the last five years.

Thank you for your support!

Member-owners welcome in spring at our plant sale. Pictured at right are Ruth Ever, Kevin Hale, Simon and Luna; below are Woody and Sarah Bliss



Tribute to Departing Directors

Ed Maltby

As we get ever closer to opening a store, two of our greatest advocates and leaders have decided that they have to move their energy and time into other endeavors. Regrettably, both David Gowler and Betsy Powell have decided not to run again in 2006. We are very sorry to see Betsy and David leave the Board, but appreciate the tremendous contributions they have both made to River Valley Market over the years.



David Gowler

David was part of the original "Northampton Community Market" steering committee of six people that started to move the discussion from a buying club into a storefront, and he has been a member of the Board since its legal formation.

He helped initiate and lead meetings in 1998 that took the idea of a community food cooperative in Northampton into a business plan that provide the basis for funding our development. His leadership and vision was instrumental in building a diverse community that has carried the project forward through many difficult challenges.

He has stayed with us every step of the way serving as a Board Director, President, Vice-President, and Treasurer, never afraid to learn new skills and adapt old ones to present his common sense, community-based views. Despite his active involvement in many other community projects (including four years work on the board of Valley Free Radio) he played a key role on the Member Loan Committee and has contributed to River Valley Market in countless other ways. Though he will no longer serve on the Board, David will remain an active supporter and member-owner of River Valley Market.



Betsy Powell

Betsy joined the co-op Board in 1999 during the early planning stages, took a break to complete her educational goals, and was re-elected to the Board in 2002. She has been a key leader in the development of our consumer-owned cooperative. As Board Clerk and Vice President, she learned, and then taught the Board, policy governance procedures that provide excellent guidelines for rational decision making without micro management. Never afraid to challenge herself, she has led the Board of Directors as President through many meetings and deliberations with humor, passion and common sense.

Perhaps Betsy's greatest achievement was her tireless leadership in raising a record breaking million dollars during our member loan drive while supporting Rochelle Prunty in the development of the financing and site for our storefront. As a true leader, she never grabbed the stage for herself but was always willing to rise to the occasion when necessary.

Words fail to describe Betsy's contribution to the cooperative as she has encouraged and inspired the support of the community to place River Valley Market in the strong position it is in now. She is leaving the Board now to provide support and assistance to her parents and family in Virginia, and she plans on returning to the area in the near future.

We have been extremely fortunate to have had two incredible people like Betsy and David on our board. We wish them well as they tackle new challenges and projects.

They will both be greatly missed! ■

2006 Board Elections

Barbara Fingold

This year is an important year for board elections, so please make sure you fill out the enclosed ballot and cast your vote! There are five director seats up for election and a total of eight people running for them (three incumbents and five additional member-owners). This makes for a great opportunity for other member-owners to get more involved in the development of our co-op.

Thank you to all the candidates for their eagerness to contribute to our cooperative by serving on the Board of Directors. ■

Board Candidate Statements



Andrea Ayvazian

(Incumbent)

I am very excited about River Valley Market and have been since Russell Powell came to my office several years ago, told me about the co-op and asked me to join. I joined that day and have been involved ever since. I have served as a member of the Board of Directors for the last two years and feel inspired by the work of the Board and encouraged by the commitment of the membership.

I am a big supporter of co-ops, having joined my first food co-op in 1975 in Chapel Hill, NC when I was in graduate school. I am a 55 year-old woman, mother, community activist, and ordained minister (in the United Church of Christ). I have lived in the Pioneer Valley since 1980 and I love this community dearly. My partner, Michael Klare, and I have one son, Sasha, who was educated in the Northampton public school system and now

attends college in Ohio. I have taught at Hampshire College and at the Smith College School for Social Work and was for ten years the Dean of Religious Life and Protestant Chaplain at Mount Holyoke College. I am currently the Pastor of the Haydenville Congregational Church.

Over the years, I have served on many local Boards of Directors including the United Way, the Sojourner Truth Memorial Statue Committee, Casa Latina, National Priorities Project, DA's Civil Rights Advisory Board, and the Promoting Active Nonviolence Project.

I am a strong co-op supporter because I believe that co-ops strengthen community. Besides offering healthy food at a fair price, co-ops foster community involvement and pride. I know that River Valley Market will thrive in Northampton. I envision it as both a place to buy good products and food and (less formally) a meeting place where friends will see one another and leave with warm feelings and strong connections.

I bring to the Board of Directors a long history of grassroots fundraising (I was the Director of Training at the Peace Development Fund in Amherst in the 1980s), experience serving on Boards of Directors, strong energy, a love of community, and decent organizational skills. I was radicalized in the early 1970s through the women's movement while at Oberlin College and believe sincerely that even small personal decisions are political in nature. My guiding philosophy (which dovetails nicely with my theology) is that individuals can be powerful agents of change and that we are "called" to the Jewish practice of "tikun olum"—to mend, repair and heal the world.

I know that River Valley Market is entering a very important stage in its growth and development. I would be honored to continue to help guide it along the way.



Andy Donson

I have been a member of food cooperatives my entire adult life, including ones in Ithaca, New York; Ann Arbor, Michigan; and Madison, Wisconsin. I became a passionate cook at age 20 while a member in Stewart Little co-op in Ithaca and have since preferred to eat lower on the food chain and support local, sustainable growers.

An environmentalist since a child, I have always lived where I could walk or take public transportation to work or school. I currently takes the bus to UMass, where I am a professor of European and German history. My study of late 19th-century European cities and my time abroad (three years in Berlin, Germany) has led me to believe that the most livable cities are ones like Northampton with the population densities to support businesses within walking distances of most residents.

My experience on academic program committees (UMass Faculty Senate, Executive Committee of the Language, Literature, and Cultures Department) has made me realize that good board members speak less, listen more, and listen again. As a member of co-ops that run on consensus, I realize the importance of trying to understand why someone disagrees, to imagine what it would be like to be them. I have often been in situations where I could not put into practice what I thought was right, and accepted this. I also realized that though formal meetings are the venue to finalize a decision—they exclude other members and allow only one person to speak at a time.

Proficient in use of Excel and financial programs and a former accountant for his co-op, I knows that River Valley Market must be financially sound to succeed. I also realizes that its success should contribute to the commercial vitality of the city. My desk is always clutter-free; I always know how much is in my bank account; and I love making to-

do lists. Punctual and sometimes obsessively responsible, I have never turned in an assignment, report, or article late. I am good at attending to details.

I am also good at smiling. I do not take myself seriously, I do not take myself seriously, I do not take myself seriously....



Chris Gole

My family and I have been involved with the co-op since 1998. My wife, Liz Suozzo, served as contact person for the co-op in the early years. Our daughter, Marguerite (14), was enthusiastically passing out co-op brochures near the farmers' market when she was nine (it takes a co-op to raise a child!). Meanwhile, I helped create the early incarnation of our website. Over the years, I have been member of the Outreach Committee, helped maintain the website, and been out in the streets advocating for the co-op.

My background is culturally diverse: I was born in France of an American mother and French father and spent many of my formative years living in Algeria, Morocco and Mexico. In 1997, after several postdoctoral positions, I became a professor of mathematics at Smith College. Apart from teaching, I worked with eclectic teams that created an exhibit on plants and math, and that wrote several successful national research grants. From 2003 to 2004, I directed the Smith Junior Year Abroad Program in Geneva. The job included writing a year's budget for the program, hiring and training staff, writing reports, facilitating group dynamics and managing crises. I am presently a member of the JFK School Council. In a group setting, I try to listen to all points of view and bring about win-win resolutions.

As a board member of River Valley Market, I would advocate for bicycle and public transportation access, fair trade and local agriculture. I would

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support offering an exciting yet balanced array of products that would make it possible for a variety of buyers to do their week's shopping at the co-op.

While a graduate student (1984-89), I was a working member of the Boston Food co-op, where bread tasted like bread, tomatoes like tomatoes. I still remember the thrill of going to the cash register and asking, "Do WE have any basmati rice?" and being comforted to know that my purchases there had a positive political, nutritional and environmental impact. I would be honored to help make this an everyday experience for our fellow members and the community.



Mike Ippolito

I am seeking a position again on the Board of Directors for River Valley Market. From 2001 to 2003 I proudly served as a member of the board and helped the cooperative create a foundation for its current activities. Serving on many board and member committees, I assisted with finance, policy governance, and community events. Successful events I ran such as the pancake breakfast are still topics of conversation within the co-op. The policy governance was created during my time as a board member and is the foundation of how we make decisions in the best interest of the co-op and its members.

I found serving on the board of Directors in the past a fulfilling experience. The vision that the members hold and leadership from the committee chairs up to the general manager cannot be described any other way than symbiotic electricity.

In my professional life I have worn many hats in varied industries. I am currently a Mortgage Consultant / Branch Manager providing residential and commercial financing for homes and businesses. Having grown up in the catering and restaurant business, I have a solid background in the food

service industry, and have classical training as a chef. Previous to my current position, I held the position as the VP of Product Marketing for a publicly traded high technology company. I have extensive marketing and brand management experience.

I would appreciate your vote of confidence to elect me back on the Board of Directors of River Valley Market.



Marci Linker

My involvement with River Valley Market dates back to 1998, before there was an official name. I was approached by David Gowler to serve on the newly formed Outreach Committee, and continue to this day, having served as a chair for the past 4 years. In addition, I am also a member of the Member Loan Committee, assist with database management and new member processing, moderate the member online bulletin board, and instituted and continue to maintain the co-op e-mail listserv.

It didn't take long for me to become hooked on food co-ops after becoming a working member of Boston Food co-op in Alston, MA in 1990. I love that they provide a democratic, community-based avenue that enhances the local economy, while promoting local agriculture and healthy eating. When I moved to Northampton in 1992, I was disappointed to discover that there was no food co-op in the immediate area, but I soon learned about pre-order buying food co-ops and became a working member of the Meadow City co-op. 14 years later I am still a member. In addition, four years ago I joined a group of people to help build (and now reside in) a cohousing community, which uses consensus as its decision making model. I serve on several different committees and have become well-versed in policy-making and lengthy discussions.

My non-co-op life includes being a licensed occupational therapist, basketweaver, chair caner and

water filter distributor. Past jobs include rental property owner, newsletter editor, working in business doing accounting, computer training, and insurance underwriting. I have also been involved in a number of community organizations. I was a co-founder and organizer of the Valley Vegetarian Society, am a health care activist and advocate, and a member of the Northampton Wildlife Committee. I regularly attend Northampton Friends Meeting, participate in a Chavurah, play in a music jam group, attend the local RUSH singing group, am a member of a local CSA and a long time contra dancer. I am also an organic gardener, serving on the Garden Committee at the Northampton Community Gardens, where I tend three plots.

I've always thought that having a co-op in Northampton is a good idea and I have remained deeply committed to obtaining this goal for the past eight years. I am inspired by the dedication of our General Manager, the Board, and Outreach Committee, and am proud to be a part of the River Valley Market team. I would welcome the opportunity to contribute in a significant role as the co-op moves through the final stages of development to completion and see the role of board member as a way to do this.



Ed Maltby (*Incumbent*)

When we started meeting in restaurants, the library and the fire station, at the start of this adventure in 1998, there were times when I questioned whether we could ever fulfill this bold quest for a community-owned store. Our search has mirrored life with peaks and troughs, changes for good and bad but an overwhelming strength from the support of the community. It has been my privilege to be part of this community effort which started just after I resigned as manager for the Smith Vocational and Agricultural School farm and continued through the five years spent establishing Bramble Hill Farm as a viable farm using sustain-

able and organic practices.

Nora and I are now working on a variety of projects to ensure a strong and economically sustainable agricultural community for the northeast that will provide a wide variety of products for our community market. As we move into the next stage of the project, I believe my experience will be a valuable asset to the Board.



Amy Martyn (*Incumbent*)

As River Valley Market is poised to finalize our financing, the final step before construction begins, I am seeking a third term on the Board of River Valley Market. If elected I would help provide continuity from our start-up phase to that of a fully operational grocery store. With seven years of history as a "virtual co-op" this transition will be critical.

Since having first joined a food co-op at age 18 in Minneapolis, I have always been an active member-owner in the co-op closest to my home and I'm ready to have one close by again. I'm also a strong supporter of farmers markets, CSAs, and all ways of making locally grown and produced and organic foods widely available. There are so many reasons why this makes sense, and the reminders come every year, more recently from skyrocketing gas prices and the way my 2 year-old daughter will pick half-heartedly at most veggies but will chow down on ones she picks from our garden or that are bought while shopping with us at the farmers' market – un-jaded taste buds really know fresh!

I joined the River Valley Market Board in February of 2000, and have served as Vice-President, President and am currently the Clerk of the Board. I have also been a member and chair of the Outreach Committee. Throughout the co-op's development process, I have worked to gather reliable data and consider all of the perspectives of the people and organizations involved in order to find

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practical, achievable and humane solutions to the complex challenges we have faced. I am an astute listener and ask questions that lead to shared understanding and agreement.

My primary professional work over the last 15 years has been in non-profit administration. I have been the manager of a hospice, a social justice funding organization, and the local Planned Parenthood. I currently do a job share (with another co-op member!) as the Finance Manager of Free Press, a national media reform organization headquartered in Northampton.

I am immensely proud of how our community has steadfastly stayed true to our collective vision of a co-op that provides both member-owners and the wider community with wholesome products in an environment that is healthy, accessible, and supportive of employees, and is a positive economic force in the Valley. It is a vision well worth all the time and effort our co-op community has exerted. I would be honored to serve on the Board of the co-op for another term to help ensure the actualization of this vision.



Vince O'Connell

When my wife and I heard in 2001 that a new co-op was forming in Northampton, we immediately joined and when the call to members came to provide start-up loans we were happy to participate.

Having recently sold our business, I am looking for ways to use my 22 years of knowledge and skills developed while growing a complex manufacturing business to benefit the local community. As a Board member I would bring an experienced business perspective, tempered by my personal interest in local sourcing and minimizing human environmental impact, to board deliberations and decisions.

Our previous business, VOMax, a team sports

apparel manufacturing company, had many of the same guiding principles as River Valley Market. We used local vendors whenever possible, provided stable and equitable jobs and a safe and comfortable work environment, recycled approximately 70% of our waste, and provided health and retirement benefits at the top end of those provided by companies of our size. We respected our employees, vendors and customers as partners and always tried to treat them the way we would want to be treated. I feel that, in part because of our adherence to those principles, we were able to successfully compete with competitors from China and Eastern Europe.

Two years prior to selling VOMax, my wife and I started a natural and organic bath and body product company called Kathy's Family, which we continue to run, and whose products are currently sold in over 400 retail stores including many co-ops. My community involvement includes 2 terms on the Plainfield Planning Board, and fundraising for the rehab of the Plainfield Town Hall.

Because of my wife's ties to Minnesota, she was born and raised there, we purchased a hundred year old 8000 square foot creamery in Lake Benton, Minnesota. We are in the process of getting it listed on the National Historic Register and restoring it to its original condition. Consistent with our business and personal philosophy, we plan to produce value added products from local ingredients for markets within 200 miles. This is a very exciting project for us!

Very brief bio: Born in Rio de Janeiro July 1956. Attended UMASS 1975 to 1980 studying physics and mathematics. Almost graduated but not quite! Interested in green building, all aerobic sports/activities, organic gardening, open space. Married 25 years to wonderful partner Kathy Swanson. Feel very strongly about supporting local business and minimizing environmental footprint.

I would be honored to serve on the Board of Directors and help move the co-op forward! ■

Changes to the Bylaws

Loran Diehl Saito

The River Valley Market Board of Directors proposes two changes to our cooperative's bylaws, for members' review and approval. The aim of both of these changes is to enable quality governance and a sense of continuity and shared vision among those serving on the Board.

The first change is to increase Board members' terms from two to three years. In our experience, it takes nearly a year for new Board members to gain complete familiarity with the co-op's history, current status, and Board governance procedures. We believe that bringing terms to three years will allow Board members to apply the skills and knowledge they gain during the first year to the co-op's greater benefit. Also, with two-year terms at least half of the Board could turn over every year. This possibility does not provide for optimum stability to the Board or the best utilization of board skills. Three-year staggered terms would provide a system with the potential for one-third of the directors to turn over annually. Minimizing how many directors can turn over at any one time would not only help ensure that more experience will be maintained on the Board from year to year, but would also provide a better return to the membership on the investment made in board training and development.

The second change addresses unanticipated vacancy on the Board between elections. The revised bylaw would allow the Board to appoint a substitute to fill the vacant seat for the remainder of the term. We believe that the previous bylaw calling for a special election at the next membership meeting is unnecessarily cumbersome for the purpose of filling a vacant seat for a short period. ■

We recommend that the membership approve the following revised bylaws:

4.4 Election and Term: Directors shall be elected by plurality vote at the annual membership meeting. Directors shall be elected to serve for terms of three ~~two~~ years, and may not serve more than five consecutive terms.

4.8 Vacancies: If a vacancy occurs on the Board between annual membership meetings, the remaining Board member-owners shall appoint a replacement to fill the slot of the departing director. **In the case of a Board member leaving the Board before completion of his or her term, the Board will appoint a substitute to complete the remainder of the term.** If there are no remaining directors, a special membership meeting shall be convened to appoint new directors. ~~Any such replacement for a departing director shall serve until the next annual or special membership meeting at which meeting there will be a special election to fill the unexpired term, if any, of the departing director.~~

YOUR VOTE COUNTS!
Please make sure to fill out
the enclosed ballot and
cast your vote!

*"River Valley Market will be more
than a great shopping experience;
it will become a part of the fabric of life
(and the soul) of Northampton."*

Michael Cohen and Chia Collins,
Member-owners, Shelburne, MA

This 2006 Annual Report was published October, 2006

River Valley Market

8th Annual Member-Owners Meeting

Sunday, November 12, 2006

6:00 - 9:00 p.m.

Haydenville Congregational Church
143 Main Street, Haydenville

AGENDA

- 6:00 - 6:30Board Candidate "Meet and Greet"
6:30 - 7:30Potluck, Social Hour and Entertainment
7:30 - 7:35Welcome, Agenda Review
and Call for Ballots
7:35 - 7:40Approve Minutes
7:40 - 8:15President's Report, Treasurer's Report
and Manager's Report
8:15 - 8:55Open Forum Q & A
8:50 - 9:00Announce Board Election Results
9:00Adjourn Meeting

Directions From Northampton:

- Take Route 9 West through Florence and into Haydenville
- Before the the flashing light in Haydenville center, take a right onto High Street, and then an immediate left into the church parking lot.

For Potluck:

Please bring food to share based on the first letter of your last name:

- A - G** main dish
H - P side dish or salad
Q - Z dessert

- Please provide a serving utensil and a card that lists all the ingredients in your dish.
- Also, please bring your own plate, cup and utensils.
- Beverages will be provided!

Questions? Want more info?

(800) 392-3862

www.rivervalleymarket.coop

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