



## Proposal: Member Dues Increase

May 30, 2017

### PROPOSAL

Raise member dues from \$20.00/year to \$40.00/year effective July 1, 2017. Additionally, the option to prepay dues for one or two years at discounted rates is proposed.

### TIMELINE for discussion and vote:

Event	Date		Time	Location
<b>Annual Membership Meeting</b>	May 24		6:00 pm - 8:00 pm	Brieman Bldg.
<b>Open House / Q &amp; A Sessions:</b>	June 1	Thurs.	6:00 pm - 8:00 pm	<i>see sign in the Co-op: maybe outside if nice, maybe in Co-op, maybe Upstairs (@ the Co-op)</i>
	June 4	Sunday	12:00 pm - 2:00 pm	
	June 7	Wed.	12:00 pm - 2:00 pm	
	June 10	Saturday	10:00 am - 12:00 pm	
	June 11	Sunday	2:00 pm - 4:00 pm	
<b>Upon request</b>			contact Hannah Stevens (Treasurer) or Charlie Reiss (Proposal author)	<a href="mailto:hannahs@capital.net">hannahs@capital.net</a> <a href="mailto:charlesreiss5643@gmail.com">charlesreiss5643@gmail.com</a>
<b>Via Email</b>			send message to <a href="mailto:villcoop@gmail.com">villcoop@gmail.com</a> ; <b>USE SUBJECT LINE: member dues</b>	
<b>Board Meeting</b>	June 14	Wed.	6:00 pm - 8:00 pm	Upstairs @ the Co-op: Office 4
<b>SPECIAL MEMBERSHIP MEETING</b>	June 25	Sunday	1:00 pm - 5:00 pm	Brieman Bldg.: Lower Level (use side door)

## **CONTEXT**

Our Co-op's treasurer, Finance Committee, and Board recommend the member dues increase to address successive years of financial losses. The additional revenue will stabilize our situation while we discuss our options to build a strong financial base. Thus the dues increase is the first but not final step in securing our future for another generation.

Financial Pressures:

Our Co-op has experienced mounting financial pressure for the past three years.

- *Competition* from grocery stores in our region selling natural and organic foods has increased considerably in recent years. A quick survey found 3 competitors in 2010 but 9 significant competitors in 2016 (see table 1).
- *Sales* have been *FLAT!* Unfortunately, we fit into the national trend in which food co-ops are struggling with flat sales year over year. This reflects a dramatic change from our recent past:
  - From 2009 – 2012 our Co-op experience an average increase *EACH* year of +13.5%!
  - From 2013 – 2016 our Co-op's sales flattened out
- *Expenses* and *inflation* have continued to rise, of course.
  - NYS Minimum wage annual increases beginning in 2016 have added significantly to our expenses: \$10,000 in 2016 and \$8,700 in 2017. (Projected to be \$6,400 in 2018.)
- We have experienced a *net loss* for the past three years. The Co-op has been able to partially make up the losses through fund raising efforts. (see table 2)
- Building *reserves*, putting money away for a rainy day – or an electrical outage, is impossible when expenses outpace sales income. Even in good years improvements or purchases of equipment use short-term profits. This has been a long-standing problem for our co-op which is now exacerbated by the year-over-year losses. This need will be addressed in the next stage of our deliberations.

## **ACCESSIBILITY OF MEMBERSHIP**

We continue our commitment to make membership in our co-op possible for all community members. We will plan an expansion of our program to reduce or waive membership dues. Input on this is also requested from you.

## **OUR STRENGTHS**

Our most important assets – our members, our staff, and our board – are stronger than at any time in my 16 years of membership. We are capable and determined to build a vibrant, dynamic and welcoming co-op for many many years

to come. We can and will transcend our current financial strain. The most important thing you can do is, well, SHOP at the Co-op! But the second most important thing you can do is engage in planning our future.

**MEMBER DISCUSSION & VOTE**

We are member-owners and the Co-op thrives on our discussions. Please let us hear your questions, concerns, and ideas. We can meet at the open houses, we can ask and answer questions via email, and we have two meetings - the Board meeting on June 14 and the Special Membership meeting on June 25 - to speak to and listen to each other. See the Calendar above for dates and times and communication channels.

Thank you,

Hannah Stevens, Treasurer

**TABLES**

Table 1: Growth in competition

<b>Cambridge Food Co-op</b>		
	<b>2010</b>	<b>2016</b>
Competition	+ 4 Seasons (Saratoga) + Spice 'n Nice (Benn.) + Honest Weight (Albany)	+ 4 Seasons: expanded + Spice 'n Nice + Honest Weight + Aldi's (Benn.) + Whole Foods (Saratoga) + Healthy Living (Saratoga) + Fresh (Saratoga) + Hanniford (Greenwich & elsewhere – expansion into organic) + Shurfine (Cambridge – expansion into healthy foods)

Table 2: Net Profit/Loss

NET PROFIT / LOSS : FY2015 – FY2017			
	FY2015	FY2016	FY2017 (budgeted)
Net Income	\$5,533	<b>\$-7,106</b>	\$1,853
Incl. Fund Raising	<u>\$9,089</u>	<u>\$ 1,561</u>	<u>\$7,000</u>
Position without Fund Raising	<b>\$-3,556</b>	<b>\$-8,667</b>	<b>\$-5,147</b>