



Co-operative VOICES

News about the Leverett Village Co-op
Produced by volunteer members from
the Leverett Co-op Community

What's New ?

Before talking about the latest news of the Co-op, we wanted to remark on the wonderful, vibrant **Annual Meeting** which just took place in January. Despite all the financial concerns and challenges occupying our minds, seventy people turned out to show their love and concern for the Co-op. Who couldn't participate in that meeting and feel grateful to be living in this wonderful community? As we moved through the election process, many of our neighbors volunteered to give up their time and energy to save our Co-op, and they each brought unique skills and strengths. Some had personally taken on debt for the Co-op. Some had regularly volunteered at the Co-op, others had long and close histories with the Co-op. It was a very special meeting, and reminded us of how lucky we are to live in this special community.

In this issue, we will review the events of the Annual Meeting, discuss the election process and outcome and dig into the information provided at the Member's Meeting. We will review the feedback being provided on other platforms and synthesize it for discussion (omitting names and paraphrasing rather than quoting), and we offer you articles about members of our community and their contributions to our Co-op. We also received submissions from the community members, and those will be included in this issue.

We encourage you to turn to this platform for discussion about the Co-op, rather than social media

sites or email. We see two advantages: a) We can assure that only interested parties are included in this conversation (and not annoy our neighbors); b) We can strive to assure that all ideas are positively and constructively framed so that the process of debate moves us forward together. We can also try to vet information to assure that it is factual rather than a rumor. Be a part of this publication!

Friendly reminder – if you want to submit an article, we suggest a limit of 200 words. Please also feel free to submit letters to our letter section. As always, keep it civil and please no targeting of individuals. Submissions should be sent to: Ellen Edge – eedge@leverettnet.net.

The Co-op is open daily from 7 am to 7 pm.

- **Phone:** (413) 367-9794
- **Website:** <https://leverettcoop.com/>
- **Address:**
Located at **Moore's Corner:**
180 Rattlesnake Gutter Road
Leverett, MA, 01054



Farewell to Ann & Melissa

We recently learned of the planned departure of the General Manager Ann Walsh, and we want to thank her for her creativity and incredibly hard work. To manage in a climate of “crisis” is a challenge most can never begin to imagine. Ann had a vision and she worked tirelessly to realize that vision. We will have warm memories of Wednesday night dinners, chocolate tastings, musical brunches, and more. We are grateful for all she contributed and wish her well in her future endeavors.

We also offer thanks and best wishes to Melissa Murkert, the Assistant Manager and Buyer, who left in January to pursue further education opportunities. We will miss your efficiency, hard work, fresh baked bread, and sunny disposition!

Blame & Crisis Management

When an organization slides into crisis, chances are that an arc can be drawn from the first worrying indication, to the full-blown crisis that manifests down the road. For our Co-op, there were external factors, such as an increasingly competitive retail landscape. It’s not like we haven’t seen the harmful effects of big-box stores, the internet etc., on small businesses. It is a challenge to operate a small grocery in a sparsely populated rural community these days.

Internally, when an organization finds itself sliding into fiscal crisis, leadership will ideally “see the problem coming” and develop a revised business plan which

addresses those external threats. This is easy to say, and hard to do - hard because *change* is always hard – it is especially hard to build support for change among a vibrant and lively community with diverse opinions, like ours. For whatever reason, the Co-op was not able to stop the business from cascading into debt.

When dollars are scarce, but the needs of the organization require cash, that creates a **crisis**. When we make decisions within a climate of crisis, we often find the options we have available to us are limited.

Decisions such as deferral of critical bills or fees (carrying penalties), deferral of badly needed physical plant or equipment repairs, decisions to take on debt at usurious interest rates, or the decision to operate at a loss, are all the types of choices made in a **crisis** climate.

All the choices are bad choices and every decision is potentially harmful in some way (debt or disrepair or default). One is forced to make decisions that may not serve the organization in the long term, and one may find that their decisions are questioned later on. In the meantime, balls get dropped as instability becomes the order of the day. In the meantime, working in a crisis climate is fantastically stressful and it’s important to recognize and acknowledge that.

Which brings us to finger-pointing. There is always a motivation to locate blame and we are all quick to judgement. Because the topic is the financial health of the Co-op, there have been, at times, intense debate about how it all unfolded. There have been communications out there in the community which have targeted individuals (on all sides of our debate). **We beseech all on the Board and in the community to refrain from this type of targeting.** We have such a wonderful community and we have a duty to each other, to manage our angry feelings and work together towards reconciliation and repair.

The Co-op needs to engage in an honest review of its financial history so that lessons learned can be identified from the past and applied to our future plan, whatever that plan may be. This has to happen without blame, and please let’s thank all the people, ***past, present and future***, who have dedicated their love and caring to our Co-op.



Feedback from the Community

There has been a lot of discussion on social media platforms and e-list platforms, and we thought we would review those comments and provide an integrated picture of member's concerns as expressed on these platforms.

Election Process & Outreach - There were comments about the election and the process, and people expressed a desire that more detailed information be available on the website for future elections. Members also recommended that the Co-op engage in a more vigorous outreach campaign to assure greater awareness about the process among the membership. There was also a question about the process of voting and whether only "yes" votes would be counted. So, generally, a recommendation would be for greater clarity about the process, and a more robust outreach campaign to assure participation.

Labor Costs – A sensitive question which surfaces frequently relates to the labor costs at the Co-op. It is a challenging topic, because we live in a small community and when we talk about labor costs, we are talking about people's livelihoods, not to mention their valuable contributions to the Co-op; our current staff are the reason the Co-op is operating at all. These people are a part of our community and we care about them.

Nevertheless, no business plan can survive without a budget that balances, and so there needs to be clarity about what the proposed business model can sustain in terms of a staffing model for the Co-op. What percentage of the budget will be directed towards staffing, and what is the optimal staffing model for this business?

We hope the Board can arrive at an optimal staffing plan, which clearly outlines positions and roles & responsibilities, and which allows our budget to sustain through good times and bad times. When they do, we

hope they will let us know about it, so that community members will not feel compelled to discuss it on "the grapevine".

There were questions about various plans people had heard about:

- The Holding Company Plan – some wondered if this might result in a dissolution of the Coop.
- The Bank Loan Plan – There are a handful of community members who are guaranteeing the loan. This plan was well-received at the Annual Meeting, but there were questions about the relationship of the guarantors to member co-op owners in terms of the dissolution of the business. There was also subsequent confusion because it wasn't clear that the plan was confirmed.
- There were suggestions about how to use the space.
- Member/owners continue to seek ways to participate in the decision-making process.

Co-op Board Makes Documents Available to Members

We are very grateful to the Co-op Board enhancing member access to information related to the Co-op's operations. As announced by the Board, the document tab on their website, which contains some sensitive financial information, will be accessible to members. The link has been distributed to members via email. We will not post it here, so as to protect the confidentiality of the data.

Election Results

The following are the new members to our Board. We thank these new members for their generous donation of time to our Co-op, and we thank outgoing members for their service.

These new Board members will join Susan Lynton, Pat Fiero and Jono Neiger to make up the new Board for the Leverett Co-op (portraits below were retrieved from the Leverett Co-op website).

- ✓ Jean Bergstrom
- ✓ Sam Black (re-elected)

- ✓ Lise Coppinger
- ✓ Lori Lynn Hoffer
- ✓ Jeff Lacey
- ✓ Julio Mendez
- ✓ Julie Shively (re-elected)
- ✓ Karen Traub



MaryJo's Two Cents

By MaryJo Johnson

"MaryJo Johnson is a new resident of Shutesbury. She recently was a Board member and Board president of the High Falls Food Coop in High Falls NY. She introduced the Carver Model of Policy Governance and consensus-based decision making to the Board. During the five year period when she was on the Board, the Co-op developed job descriptions for staff, wrote an employee handbook, Board manual and operations manual, used a discernment process for membership as the basis for creating mission and vision statements and a strategic plan and business plan, formalized member and vendor representation on the Board, and revised their bylaws. The Board and management together developed a working budget. The store purchased and implemented a point of sale system and went from running a deficit to making a profit. They paid off their mortgage and threw a big anniversary party in gratitude to their community with lots of delicious free food, music, and dancing."

As you can see from the blurb above, MaryJo has a strong history with Co-operatives and offered to share some thoughts about the Board and how it might best move through this next phase. The following were critical aspects of a functioning Co-op, from her perspective:

Thanks to Co-op Supporters!

As concerned as we are about the financial state of the Co-op, the amount of support the Co-op receives from the community is very gratifying and we wanted to take a moment to acknowledge all that our community members have done to help:

- ♥ Sam Lovejoy paid for our utilities bill,
- ♥ Tim McNerny donated bags of coffee
- ♥ Joyce Urwin the bookkeeper, donated her time.
- ♥ Greg Caulton has offered his professional time to bring the website up to date.
- ♥ Jeff Lacey has been plowing for the Co-op
- ♥ Ellen Edge, Kari Ridge and Ann Ferguson are working on the newsletter.
- ♥ Everyone who donated on Go Fund Me (quite a list!)
- ♥ Everyone who donated at the November 5th Meeting.
- ♥ Our Board Members, who are putting in countless hours.

- An appropriate amount of time for a Board member to give to the Co-op: 10 hours per month.
- The Board and membership could agree to use **Carver's Method of Policy Governance**. It is a method whereby Boards can function more effectively and is used by a lot of food Co-ops, not-for-profit, and even for-profit companies. Implementing this solved many disagreements at the Co-op where I served.
- Co-operatives should have a General Manager (GM) who is equal to or more knowledgeable than the Board when it comes to preparing a business plan and budget, as these are normally part of a GM job description.
- The GM should contribute meaningfully to the development of a strategic plan, which is the Board's job to develop after consulting the membership.
- The GM should know that it is their job to manage the store and not allow interference from the Board. And the Board by its very human nature will absolutely try to interfere—unless and even if they



are taught differently, they will act at times as if it's their primary responsibility and neglect what should be their key functions: Communicating with members; fiscal oversight; ensuring that the Co-op stays true to their mission, vision and values and on track with their strategic plan; and planning for the future.

- If the Board is divided it's really important to have a strong and competent GM that can help them work through the issues and make a decision that's best for the store.
- People act like it's a natural or innate skill to be a good manager or a productive Board member or even a Co-operative decision maker. It's not. It needs to be trained, practiced and taught. The newly forming Board will need that training and practice. Because of that it's important in these precarious times that the new GM be able to hit the ground running in order to save the Co-op. In cooperation with the Board, they should meet with lenders and they should know how and when to apply for grants or develop a Co-op capital campaign so bank financing is not needed.
- Member co-operatives are strong and resilient when they exist to serve the membership and the community. When demand goes down, the Co-op scales back. It grows in response to a demonstrated community need, with the agreement and financial support of the membership and the community.

Some Background About me:

I participated with my local food Co-op in upstate NY, and I used to be an HR Director at a traditionally structured nonprofit. I left that career because of the politics and power dynamics. Being involved with the Co-op was a kind of healing for me as staff went from being stressed out and unhappy to feeling like the Co-op was a great place to work (despite the low pay) and a healing space for them.

None of this would have been possible without the foundation of:

- knowledgeable and experienced store managers who were committed to member and community service and the concept of Co-operative businesses and staff empowerment

- mutually shared mission, vision and values
- mutual trust
- clearly defining the role of the Board through policy governance
- consensus-based decision making.

Our Co-op had a long history of infighting by Board members and accusations of financial mismanagement. Things could not move forward until we stopped fighting and began to cooperate!



Rescue Plan Task Force Proposal

Leverett Village Coop January 2020 V3

By Jono Neiger

The current approach is not working. The operational plan and management decisions have left the store deeply in debt to vendors and service providers. Income projections have been overly optimistic, and sticking to budgets has not been happening.

The current store trajectory is dire. We need to quickly assess the situation and develop options. Many people have weighed in on what could or should happen, but the information has been diffuse and not available for the whole board nor the community to weigh out.

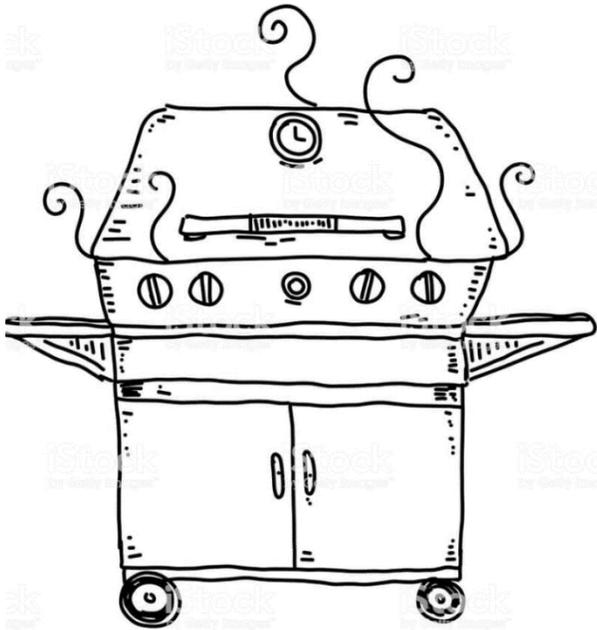
Proposal for a Task Force to get back on track:

A small working group of outside experts, board members, and community members will quickly assess past activity and the current situation of the store. Then they will develop viable turnaround options for the store in areas of cost efficiencies, grocery, kitchen, management, staffing, outreach, and community connections.

This Task Force would operate independently of the

board and is charged with making recommendations to the board as well as reporting to the membership directly. Decision-making for recommendations to the board by the task force will be by consensus minus one, when possible, and as a backup, by majority vote. If there is no consensus amongst the task force regarding any particular recommendations(s), they will be encouraged to present detailed alternate ways of addressing the disagreement

The people on the task force (maximum of 10



members) are:

Outside Experts - Initial members who are volunteering their time:

- ❖ MaryJo Johnson, served on the board of the High Falls Food Coop for five years. As President she introduced the Carver Method for Policy Governance and a consensus-based model for decision making that incorporated board, management and staff.
- ❖ Cory Greenberg, Consultant, Co-operative Fund of NE Advisory Board, formerly Loan Committee
- ❖ Erbin Crowell, Director, Neighboring Food Coop Association
- ❖ Pete Sylvan, owner, Cushman Store

Board and Staff - TBD, 2 members of each, chosen by the board

Community members - TBD, 2 members, chosen by the outside experts

Suggested Timeline for the LVC Board and appointed Task Force:

- Members of Task Force receive digital copies of current proposed Board plan, and access to financial records. Immediately after the next Board meeting Weds. Feb. 5.
- Task Force confer and send responses to Board by email by one week following receipt of proposed Board plan.
- Task Force meets with Board or next publicly scheduled Board meeting to discuss their recommendations and revisions, ideally by February 21.
- Management posts Task Force Recommendations on Co-op website as soon as possible after this meeting.
- Board makes decisions and posts and communicates plan moving forward by end of February.

Letters from Members

Comment on recent Co-op Politics

By Ann Ferguson

Recently I have received some very disturbing information about smear campaigns being waged against me and some of the candidates for the recent Co-op Board elections. Now that we have elected a new Board with lots of new energy, and in hopes of finding unity, I want to set the record straight on a few important pieces of information regarding past Co-op history while I was President of the Co-op Board and a member of the Board. I came on to the Board on May 2, 2018 through a Special Member meeting to fill a vacancy on the Board. I was elected President of the Board after that meeting. I held that office until I resigned about 6 months later, at a Board meeting on November 12, 2018, not 8 months later as rumored I resigned because of a personnel conflict in favor of Susan Lynton, who assumed the Presidency by a vote of the Board at that meeting. At the time that I resigned

the Co-op had a cash flow problem of maybe \$50,000 which included about \$27,000 in negative cash flow when Paul Rosenberg retired as GM in June. Ken Brownell, our previous Treasurer, had produced a 10 year graph which showed Co-op business declining in that period. However the Co-op was still in the black in its annual profits.

In the fall of 2018 some of our cash flow deficits were balanced by \$25,000 savings in a Coop CD and \$8,000 in an equipment fund, as well as the possibility of using an equity line of credit for \$20,000, all assets that Paul Rosenberg had left. The \$27,000 cash flow deficit from his management was relatively small, and in an ordinary summer would have been eliminated by our usual summer profits. But in fact we had a disastrous summer when we had just hired new GM Ann Walsh. She faced with the Board a stove accident shutting off gas for 3 months, a delayed stove replacement and an accident involving a chef and the new stove that put most of the kitchen services out of commission until the end of October. In October there was a transition between the old bookkeeper and a new bookkeeper hired as Assistant Manager by Ann Walsh. In the process the payroll taxes were not regularly paid until this error was discovered after Susan Lynton took over as President. There were also back meals taxes owed under previous management that were only discovered in September.

Mistakes were made in this process and I take responsibility for some of them. However, it is false that I ever had the position that has been attributed to me by rumors and posts, that I was opposed to changing the Co-op's past mode of operation. All of us on the Board agreed that we needed to find ways to bring in new revenue, upgrade restaurant offerings and have more events. We also all agreed to work on some version of the various business plans Susan Lynton (in consultation with Ann Walsh and Joyce Urwin) developed to try to increase the restaurant offerings and to bring new products and events into the store. I did disagree with some of the projections for revenue and projected expenses. However, the Board during my tenure on the Board as President and until I resigned from the Board this November 19, 2019 never had a vote on whether to accept any business plan as an operational plan for the store. The Board agreed only that plans, including the one Susan Lynton posted at this link:

<https://leverettcoop.com/wp-content/uploads/2019/12/Leverett-Business-Plan-Dec.-2019-version-for-Website.pdf> were provisional exercises to be used to apply for bank and lender funding. I hope that after this election of new Board members we can try to bury our past animosities and come together so as not to perpetuate the hearsay and blame game that has been engaged in by both sides. All of us in leadership made some mistakes in the last year and a half. Hopefully the Board can develop a better process of working together, communicating to and gathering feedback from members, and can respect internal differences as it reaches toward consensus.. If so, we have a chance of saving our Co-op.. Now is the time to come together to do so!!



Growing up with Pizza

By Karen Traub M.Ed

“Pizza! Pizza!” my seven-year-old yelled, zooming around the house while his baby brother giggled and bounced in his jumper seat. Co-op pizza and video night was something we all looked forward to when we lived in Wendell. The aroma of BF’s soft and crispy fresh-baked crust, melty cheese and garlicky sauce was so enticing that it was hard, maybe impossible, to make it the twelve minutes home without digging in. We learned that food tastes better when cooked by someone who cares.

We moved to Shutesbury and as the kids grew, it was a quick slice after school on the way to karate in Greenfield, a driver's permit excursion, or a Saturday morning bike ride for a croissant and coffee. Thank goodness for the vegan offerings when my son's band visited last year before setting out on tour. On days I am lucky enough to lunch at the coop, I might get a bear hug from Tim, run into Mike or Jake, catch up with old neighbors from Wendell. My taste buds are happy biting into the buttery crunch of toasted rye, my microbiome thanks me for the zesty sauerkraut contrasting the creamy dressing and my spirit soars with gratitude for Kathleen's heavenly Tempeh Rueben.

Sadly, for multiple reasons, the co-op is in such a dire financial situation that even staples like bread, milk and coffee are sometimes lacking. Recently pizza slices were eliminated from the menu for financial reasons and then resurrected at member request.

I am grateful to everyone, staff, volunteers and members keeping the doors open. I was heartened by the attendance and enthusiasm of the annual meeting. I am impressed by the generosity of member donations so far and I know many people are standing by ready to help.

As a new board member, I know I have a lot to learn. I am committed to keeping the co-op from going further into debt and I believe in the 7 coop principles which are 1. voluntary and open membership, 2. democratic member control, 3. member's economic participation, 4. autonomy and independence, 5. education, training and information, 6. cooperation among cooperative and 7. concern for community.

It will not be easy but I believe if anybody can figure it out, it will be members of a food co-op!

Three cheers for the staff, members and volunteers of the Co-op!

Feedback about the Election Process

By Carole DeSanti

I'm a longtime Leverett resident, shopper and supporter of the co-op — and have also donated money several times during this recent crisis. I feel deeply invested in its survival — however, as I travel a great deal for work, and was away over the holiday period, I've not been able

to attend the meetings about its reorganization. At this point it would be very helpful to have concise, easily-located and well-organized statements from the potential board members about their plan for saving the coop — not their autobiographies, beyond a line or two. Not a lot of prose, however heartfelt, about the meaning of the enterprise — not a lot of additional info — but pragmatic alternatives for saving the place, in which so many of us — some silent and over many years — have invested. I'd like to know who stands for what. It's hard to pick up the thread piecemeal and try to sort out viable alternatives from the contentiousness and extraneous detail.

Maybe you could post such information widely, and use the town calling mechanism to tell us where it can be found — online.

I can't imagine that I am alone in this predicament.

Thanks,

