



## President's Report to Member-Owners - 2019

April 28<sup>th</sup> 2019

- We have a tight agenda. We are asking that you reserve your questions for the Q&A at the end of the meeting.
- Introduce Board Members and Management.
- Board Member Voting: o The ballot box for voting for proposed board candidates is in the entryway.

This is a contested election with 6 people running for 4 spots and one ratification of a mid-term appointment. So feel free to wait until the end of the meeting to vote as you see fit.

- But before I get into this, we have to approve the Minutes from the 2018 Annual Meeting
- o Motion to approve the previously-circulated Minutes of the 2018 Annual Meeting
  - o Discussion
  - o Vote.

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As I expect you will hear in our activity today, the Creamery means different things to different people. At the core of it, there are over 800 owners of the store, but with approximately 60% of our sales from non-member patrons. But there are also a significant number of people who are members of our community who will not shop at the store - for various reasons.

Much of what the store is to people is rooted in perceptions of "community and culture".

- Whether it is the person who has shopped at the store for a decade concerned over the chipping away of the store's culture.
- Or someone in the community who has never stepped foot in the Creamery because of the culture.

I can speak to my experiences as President of the Board, managing the community and culture component is challenging and at times exhausting - which is why I need to step away. The challenge is that some of current community and culture is resistant to change - when change is the only way for the store to survive. This is not to minimize the real stress and anxiety related to change or difference. But there is equal stress and anxiety related to ensuring the store has the funds it needs to make payroll every other week.

In all honesty, for everyone one person that states we need plastic bags to ensure the produce is fresh, there is another who states the use of plastic bags for produce is an affront to the culture. Or someone wanting Creamery made bread, while another is grateful for local sour dough. The dilemma here is that the any solution to this problem is one that risks alienating of a valuable and needed customer. The fact is that original Creamery co-op and its business model has never been financially viable. So change is necessary.

I have grappled with the question of whose community and whose culture is represented at the Creamery or should be represented at the Creamery. My take away is that we need to find a balance that allows the store to thrive. This requires us to balance varying cultures that are part of our community. This requires us to not be quick to judge and not be quick to look for "evidence" that everything is different. It requires communication about when and why change is happening. It requires all of us to ask questions before jumping to conclusions. It requires all of us to be patient and respectful as we move through this difficult time.

I was in the store the other day and overheard two young women who were in the store for the first time using the bathroom. One said to the other "What a cute little store".

I stopped and looked around - reflecting on what I had overheard and thought "Yea, it is a cute little store. I am so grateful it is in my community and hires local people. And even though I can't find organic half and half, I am grateful that I have a place to go to grab local, non-organic half and half. And if I can't find my favorite mint chocolate chip ice cream, I can try something new and maybe find a new favorite."

The simple fact is that we are a cute little store that tries to be all things to all people and this is not financially viable. It shouldn't come as a surprise to anyone that the Creamery is and has been in a challenging financial situation since its opening - with this year as the do or die year. The only reason we have been able to weather the financial condition to this point is through generous donors.

At the end of the day, the Creamery has to embrace a business model that will allow it to be self-sustaining. The question is how to get there. How do we allow a broader conversation about culture and community that is inclusive and not alienating?

Maybe it starts with facts.

Since the last annual meeting:

- The store has shown promise with improvements in the bottom line.
- Revenues were strong through October 2018, then we had internal challenges that had and still have a serious impact on our financials.
- As you will see in the audited financial statements, the store operated at a deficit, with a net loss of close to \$55K in 2018, despite donations of close to \$50K.
- This meant we started 2019 with nothing in savings and we immediately drew from our line of credit.
- The only reason the doors are still open at the end of our very slow winter season is due to reductions in expenses, through cost-saving measures and best practice policies. And also due to employees voluntarily reducing their salaries and short-term private loans.

This is not to dismiss feelings, which I suspect are at the root of some of our revenue issues. • Revenues are down and this is concerning. But there are certain areas of the store that have shown increases, as Karl will discuss. • At the same time, through mid-April the bottom line is better than the prior year.

Some things you can do:

1. Even when you are disappointed, do not abandon your patronage. Instead talk to Karl.
2. If you regularly shop, consider putting money on a declining balance account. Karl can get you your past quarterly spending.
3. Become involved in any number of Board subcommittees.
4. Reframe your thinking, instead of complaining about items you don't like and won't buy, focus on those you do like.
5. Spread the good news, not the bad. Talk to your friends our increasing purchases.
6. Try the hot bar just once when you don't want to cook at home.
7. Spread the word that Creamery survival is at stake and all members can help with just \$1 more in purchases a day.
8. Use your imagination for what to buy for yourself and family.

Kimberly Tobin