



GREENSTAR NEWS

2020 SPRING ELECTION ISSUE

A publication for member-owners of GreenStar Cooperative Market, Inc.

For Video Presentations from GreenStar's President and General Manager, visit www.greenstar.coop/2020SpringMeeting

2020 State of the Co-op

by Brandon Kane, General Manager



Hello GreenStar member-owners,

The COVID-19 pandemic has required us to find creative solutions to how we operate our organization, share information, and conduct our annual Council election and bylaws amendment vote. While this is not our traditional way of conducting GreenStar's Annual Meeting for

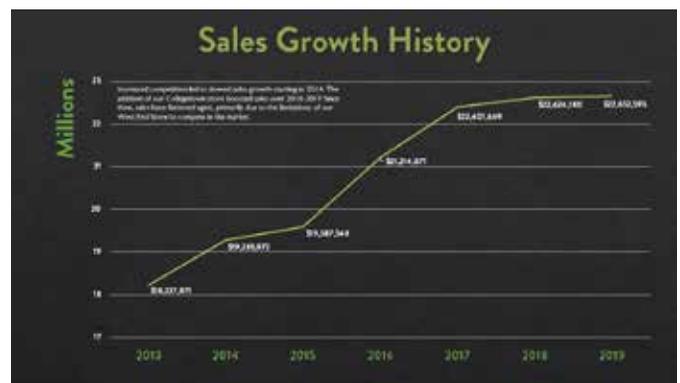
member-owners, I'm hopeful that this platform will allow more of our membership to receive important information about GreenStar's operations, finances, and vision. In the midst of COVID-19 and with the opening of our new main store at 770 Cascadilla, this is a more critical time than ever for our member-owners to be informed and involved. I'm optimistic that we will gather in person again, as we have so many times before, to reflect on the past year and celebrate the success ahead.

GreenStar tends to be a very dynamic cooperative, and while I never lack for interesting information to report to you, nothing compares to the events of the last twelve months. Let's start by briefly reviewing how we got to where we are now. Our cooperative is rooted in resilience and determination. We began in the early 1970's with the need to access fresh, local foods. If the supermarkets of that era were not going to supply this for us, we were going to make sure we got it somehow.

This same drive pulled us through the internal political struggles during the 1980's and had us literally rise from the ashes in 1992 when we lost our storefront to arson and relocated to our present West End store at 701 West Buffalo Street. This relocation was made possible thanks to the direct support of our membership. We subsequently enjoyed a 20 plus-year run during which we

added our DeWitt Mall store, a large production kitchen and event space, and eventually our Collegetown store in 2016.

In 2011, we endured a perfect storm of sorts when a major stock market crash coincided with the rapid expansion of natural foods in national conventional supermarkets. In a matter of a year or so, cooperatives across the country went from enjoying consistent and sustainable growth in a comfortable niche market to having to compete with multi-billion dollar corporations aggressively funded by private equity. Natural and organic foods could suddenly be found everywhere. I remember how strange it was to one day find a cooler dedicated to kombucha at a rest stop on the Pennsylvania Turnpike. This heightened state of competition has obviously remained the status quo ever since.



But we endured this existential threat as we have others before — by demonstrating that we are living and breathing our mission in a way that competitors can only hope to imitate. GreenStar, along with our sister cooperatives throughout the world, is about sustaining our community and the land on which

continued on p. 13

PRESIDENT'S REPORT

Marilyn Chase, Board President



Community and Cooperation

*By Marilyn Chase,
Council President*

Hello fellow GreenStar member-owners,

I'm joining you for our most unusual spring meeting yet, necessitated by the pandemic.

This is the first time in GreenStar's history that we have been unable to gather for our Annual Spring Member-Owner Meeting. I'm disappointed that we are unable to hold a meeting and I'm missing the opportunity for interactions and conversations with you.

The events of the past month have caused me to reflect upon communities, all the elements of community, and what brought me to GreenStar. When I arrived in Ithaca 22 years ago and entered the West End store, it felt like an oasis. I was amazed at the wide array of locally grown foods, much of it organic. The selection of toxin- and chemical-free cleaners and beauty and healthcare products was surprising, as well as the number of products produced by local and small businesses. As I learned about GreenStar's values, the vision they had for the future, and that the market was created and operated by a democratically run cooperative, I joined immediately.

I have been involved in GreenStar governance for two years and have witnessed principles and values captured in our Ends Statements expressed throughout our organization. Every GreenStar Co-op member-owner has joined because we offer something special. We are a diverse group of individuals who value people, animals, nature, and our world. We seek sustainability of our community through cooperative relationships, education, environmental protection, and valuing each and every member of our community. Our membership is 12,600 strong and continues to grow.

The strength of our community is evidenced by the many member-owners who invested a total of 2.2 million dollars in our Capital Campaign. We have come so close to reaching our ultimate goal of \$2.5 million dollars! Our Owner Investment Program will remain open through early summer. Please consider becoming one of our member-owner investors. You

may contact our Capital Campaign team at capital@greenstar.coop for more information or to make an appointment.

Our employees are also member-owners. As a Council member, I regularly interact with staff and think highly of them. But these last few weeks have heightened my appreciation for the entire GreenStar team. Management was proactive from the moment the pandemic was identified and the implications were known. Everyone has been amazing, doing all they could to make the frequent necessary transitions as fluid as possible. They adapted day-to-day and week-to-week, instituting measures to protect staff and shoppers. Store hours were adjusted to provide extra time for cleaning and senior-only designated shopping hours were established. Shoppers are cooperating, being respectful, patient, and honoring the distancing markings. A BIG thank you to our staff on the frontline for keeping our store open and protecting our community and to our shoppers who are honoring the guidelines.

GreenStar employs cooperative principles in the development of local, regional, and national cooperative relationships, which bring benefit to all involved. Our participation in these relationships served us when these uncertain times caused disruptions in the food chain. United Natural Foods helped us resolve issues in two ways: rotating our buying schedules to match their limitations and fast tracking us to another supplier. They also put financial tools into place to support cooperatives. Our local and regional relationships with farmers and producers assures that we will have a supply of local products and that our producers will have a market to sell their goods. Over the years, our cooperative relationships have supported the development of small businesses and farms, brought excellent goods to our store, and strengthened our community.

Being part of the GreenStar Cooperative community is rewarding and stimulating. We are working together for a healthy community and a sustainable future. These unprecedented times have forced us to forego some treasured behaviors and events. One day, when the crisis passes, we will once again enjoy all the social aspects of being part of our cooperative community. I welcome that day.

2020 Board of Directors Candidate Statements

Steven Henderson

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Describe your experience with this cooperative, and cooperatives generally. What makes you passionate about the Co-op and/or its mission?

My experience with cooperatives started when I lived in Fayetteville, Arkansas, where I was a member of Ozark Natural Foods. I played a back seat observer role even as my wife's career took us to Southeast Kansas to begin a rural grocery cooperative. While in Kansas I started researching the history of cooperatives and more broadly cooperation. What makes me most passionate about the cooperative business model is that it provides a firm transitional step

between the current top-down capitalistic society we currently live under and a bottom-up socialist society.

Please explain how your skills and experience will help you to be an effective Council Member and contribute to the work of Council.

In Kansas, I had established myself as a part of the community by joining (and subsequently being elected president) Kiwanis and CITF. As the president of Kiwanis I was able facilitate an increase in our fundraising totals and establish a new program which provided a free book each month of the school year to children in pre-k through 5th grade. I was also voted to sit on the board of the Housing Authority by the city council in 2018. In that role I was successful in pushing for our staff to receive a 3.8% raise as well as establishing a permanent full-time position with benefits in place of two part-time positions without benefits.

What's your vision for the future of our cooperative?

My vision for GreenStar is that it becomes a local (and regional) advocate for cooperative businesses. I envision this taking form in the way of providing resources to new cooperatives along our current value chains.

What is your motivation for running for Council?

My motivation for running for Council is simple: I want to do as much good as I can, in all the ways that I can, in as many places I can.

Keeping in mind the delineation between Council's work and operational/staff/management work, do you have any specific goals for your tenure on Council?

It is my belief that for GreenStar to more effectively serve the mission of the historical cooperative movement and to advance the principles set forth by the movement before us, we are obligated to expand the market share of cooperative enterprises. This is not a task that can be carried out solely by a member of Council, the Council in its entirety, nor the General Manager, but will require input and support from the majority of the evergrowing ownership. My goals and responsibilities are simple — provide support and guidance to the General

NOTE: Council members are expected to attend monthly Council meetings regularly, and to serve on at least one standing committee, which also meets monthly. They can volunteer for a second committee or for a non-standing (or "ad hoc") committee (for which attendance records are not available). Standing committee chairs are part of the Executive Planning Committee, whose monthly meetings they are expected to attend. For candidates who have not been on Council but have served on a GreenStar committee in the past 3 years, attendance records for that committee are included.

NOTE: Because the Annual Member Forum was cancelled, GreenStar's Membership Engagement Committee selected four additional questions for each Council candidate to answer.

All candidates have affirmed that they can meet all requirements for GreenStar's operational licenses.

Manager inasmuch as their actions are in ordinance with the Bylaws, and create connections within our community and throughout the region that serve the aforementioned beliefs.

Democracy gives a voice to all, but the majority decides. How will you handle a situation where you strongly disagree with a decision made by Council?

My interest in cooperative businesses is, in large part, because of the alternative it provides to top-down capitalist enterprise. I come into this knowing and expecting that I will not agree with everything the majority supports, and that's fine. The role of Counselor is not one of absolute power, but rather a role of stewardship of the store we are collectively responsible for. Our alternative to the corporate norm we currently live under has nothing to gain from petty destructive criticism from within, but has everything to lose. Personal experience has taught me to separate personal emotions from decisions made on how to progress towards goals set by the collective and as such I have learned to look forward to the next objective instead of dwelling on disagreements of the past.

One of Council's goals is to increase its diversity to better match that of its community. Please describe specific steps you would take to help accomplish this, in board recruitment or otherwise.

A truly democratic organization must ensure that each of its members is given an equal voice. I find two layers to this question. The first is in the plain text, but underneath that lies the question of how GreenStar represents the community it occupies. I believe it impossible to achieve an elected body which provides perfect representation of all ideas and habits which exist among the electorate. That being said, GreenStar currently has multiple public image issues which need to be addressed before anything resembling perfect representation can be achieved. Firstly, there is an ongoing union organization effort, and while I will support whatever decision the workers eventually reach, it would be dishonest of me not to mention the negative image this paints of GreenStar in the eyes of community members. Secondly, I have had conversations with several people, representing different demographic groups, who believe GreenStar to be elitist and unwelcoming to individuals who 'don't fit the vibe'. The former will not reach a resolution until such a time that a union vote is held. The latter can be investigated and overcome through community engagement.

In recent years Council has begun to use technology (e.g. email, productivity tools, Google's GSuite, videoconferencing) to accomplish its work. In the wake of the COVID-19 pandemic, this has become an increasingly important element of Council's work. Describe your level of familiarity with online productivity tools. Do you use similar technologies in your everyday life?

I use the aforementioned technologies almost daily.

Diane Hillman

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incumbent



Describe your experience with this cooperative, and cooperatives generally. What makes you passionate about the Co-op and/or its mission?

I was a member of the Syracuse Real Food Co-op in the mid-70's at the time they leased the neighborhood food market they still use today. When I moved to Ithaca in 1977, I joined the Ithaca Food Co-op. I'm interested in the unique combination of the idealism inherent in Co-ops, combined with the reality of running a business and providing services to members.

Please explain how your skills and experience will help you to be an effective Council Member and contribute to the work of Council.

I was trained as a librarian and worked in the Cornell Libraries for several decades. During that time I helped develop the Dublin Ore, a metadata standard still used extensively on the Internet. I've lived in Jacksonville for over 40 years, and was involved in bringing water to Jacksonville after a gas spill in the late 70's. I also led the Jacksonville Community Association for a decade.

What's your vision for the future of our cooperative?

I think there are exciting and challenging times ahead! The new store is both of those, but I think Co-op members and staff are more than up to it. Future challenges since with managing growth, and engaging the membership fully as change happens. Keeping the balance between the ideals and the services will be much of the task as the Co-op moves forward.

What do you believe has been your most important contribution to Council during your tenure?

The learning curve has been steep, but I believe my experience with libraries and community organizations gives me an important perspective on the Co-op and its leadership priorities. I'm definitely starting to hit my stride and hope to continue to contribute to the Co-op moving forward.

Keeping in mind the delineation between Council's work and operational/staff/management work, do you have any specific goals for your tenure on Council?

Since I was appointed to Council last November, my primary goal was to learn enough about the work of the Co-op and Council to figure out where I might be most effective. I've learned a lot, particularly in the past few months, about the strengths of both, as well as places where I can contribute. I've had a professional career as an organizational technology agent of sorts, and I find that perspective to be as rare in most organizations as it was in my professional life. It's been wonderful to see how Council has adapted to life under social distancing, but it remains to be seen how that adaptation will evolve post-pandemic. I look forward to the change coming in GreenStar's change in its main venue, and participating in Council's work in managing that change effectively.

Democracy gives a voice to all, but the majority decides. How will you handle a situation where you strongly disagree with a decision made by Council?

I've spent a lot of time in my life as a minority voice, with a personal need to use that voice combined with a view of life as a marathon, not a sprint. Under that view, I've managed to maintain a positive perspective by seeing many of the issues I care about evolve more towards my point of view. My respect for the experiences and perspectives of people I work with also reminds me that I am capable of evolving as well. Although opinionated, I tend not to be confrontational, so I don't see disagreement — including strong disagreement — as a reason for drastic action over particular issues. Democracy in the Co-op, as well as in the nation, is a value I support wholeheartedly.

One of Council's goals is to increase its diversity to better match that of its community. Please describe specific steps you would take to help

accomplish this, in board recruitment or otherwise.

One of the things that I've already learned from my short stint on Council is that diversity is a much broader idea than I'd originally thought. Certainly there is a need for diversity in regards to race, gender, age, national origin, and other aspects that we traditionally consider. We also need to account for age and generational diversity, because with those can come a host of preferences and predilections that are too often not well acknowledged. As an adoptive parent in this community, I know many multiracial and multicultural families (including mine) where the heads of families are white, but their close family members are not. Similarly, age and generational affiliation does not reflect either knowledge or comfort with technology. Such recognition reminds us that creating a working diverse organization is much more complex than simple counts of obvious membership in particular communities.

In recent years Council has begun to use technology (e.g. email, productivity tools, Google's GSuite, videoconferencing) to accomplish its work. In the wake of the COVID-19 pandemic, this has become an increasingly important element of Council's work. Describe your level of familiarity with online productivity tools. Do you use similar technologies in your everyday life?

I have been involved with technology tools since 1973, when I began using computers in my work. This was the mainframe era, but I was also an early user of personal computers (mid 1980's) and the Internet (early 1990's). I was using and managing email discussion lists (sometimes known as 'listservs' based on the name of early software) from early years of that flavor of social media. From the last years of the twentieth and early years of the present century, I worked as part of several international standards efforts, for which meetings were often held using audio/video conference methods as well as meeting scheduling software that assisted in working across time zones. My use and comfort with technology has grown over 40+ years, and shows no signs of retiring (though I'm mostly retired from my professional work).

Diane Hillman Council Service: Nov. 2019 - present

Attendance Record:

Council meetings	2020: 3 of 3 2019: 2 of 2
Finance Committee	2020: 1 of 1
Membership Engagement	2019: 1 of 1 2020: 2 of 3
Personnel Committee	2020: 1 of 1

Yvonne LaMontagne

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incumbent



Describe your experience with this cooperative, and cooperatives generally. What makes you passionate about the Co-op and/or its mission?

In 1977 I joined GreenStar, a year after moving to Ithaca. For my first twenty years as a member-owner I was a working member, and during that time, in the mid 80's, I was elected to serve on GreenStar Council. Throughout my years as a member I have made it a point to make as many of my grocery purchases as possible at GreenStar because I wanted to support my cooperative and its mission. I am also a long time member of AFCU and live in a co-housing cooperative on West Hill. So cooperatives are a large part of my life and I am deeply committed to the principle of member owned organizations formed for the benefit of members and the pursuit and manifestation of the organization's mission. GreenStar's mission places strong emphasis on healthy, natural, local, and ecologically responsible products. This resonates deeply with me, as does the commitment to provide a fair and supportive workplace and an inclusive and accessible store environment.

Please explain how your skills and experience will help you to be an effective Council Member and contribute to the work of Council.

During my years in Ithaca I have served on four boards, half of these being boards of cooperatives. On two of these I served as Treasurer and kept the financial records, prepared reports, and maintained accounts. My work background includes a position as bookkeeper and accounts manager for the construction of a co-housing project and I currently manage the bookkeeping and accounts for EcoVillage at Ithaca Village Association. I have participated in many, many meetings using various types of decision making, and have attended workshops on decision making, facilitation, and healthy meeting process. I believe my past experiences serving on boards, working collaboratively and extensively within my co-housing community to move through many decisions, and my financial background will all

help me to be an effective and contributing Council member.

What's your vision for the future of our cooperative?

My vision for GreenStar's future is for GreenStar to provide a financially viable model of an alternative way to conduct a business, a model that puts people and all of life, and the environments that sustain life, first. I envision a model where member-owners, staff and Council work cooperatively, locally, and constructively to provide goods and services that sustain and improve the health and welfare of people and the planet.

What do you believe has been your most important contribution to Council during your tenure?

This past December I was appointed to GreenStar's Council at Council's monthly meeting. During the two and a half months since appointment, I have attended as many of the different committee meetings as I could, and I have gained a well-rounded understanding of Council's current activity. I have also read much of GreenStar's policy book and studied the whys and wherefores of Policy Governance. I have been showing up prepared to listen and engage, and have expressed my thoughts on several issues, particularly on the importance of member engagement and transparency. My hope is to have the opportunity to contribute in a much larger way if elected, particularly in the areas of member engagement and addressing the current environmental challenges.

Keeping in mind the delineation between Council's work and operational/staff/management work, do you have any specific goals for your tenure on Council?

As a Council member I hope to help put in place ways to create more transparency for the membership around the functioning and decision making of Council and Council's relationship to management and operations. There is much information already available, but improvement in ease of accessibility and availability, as well as opportunities for membership to ask questions and be heard, are all areas I feel could be improved. I would also like to help facilitate the development of opportunities for membership education and information sharing around the significance of cooperative ownership, the important role our store can play in building local resilience, how we can reduce the human impact that is bringing about climate change, and ways in which we, as a Co-op and as individuals, can support

the health and regeneration of life on the planet. In light of the current pandemic, the above would also help in building our local resilience. This topic, how to help facilitate local resilience, and the resilience of our Co-op, in the face of disruption, is one I would also like to discuss and address with the rest of Council.

Democracy gives a voice to all, but the majority decides. How will you handle a situation where you strongly disagree with a decision made by Council?

GreenStar's Council makes decisions by majority rule. In my experience so far, Council deliberates and listens to everything brought to the table. Decisions are not made lightly, and though there is often consensus, there sometimes is not. If a decision were made with which I strongly disagreed, I would support it as a council member and would not undercut or publicly discredit it. However, I might explore the possibility of reopening the discussion, prepare a counter proposal, and have conversations with other council members about the decision in question. And in the extreme case of a decision being made that I felt would be very detrimental to the co-op, and I felt I had no means within the Council framework to address this, I could find myself in a position of needing to hand in my resignation in order to be able to voice my concern as a member-owner who cares deeply for the future of our cooperative.

One of Council's goals is to increase its diversity to better match that of its community. Please describe specific steps you would take to help accomplish this, in board recruitment or otherwise.

Diversity and inclusion is a stated commitment of GreenStar, and each GreenLeaf states "We (GreenStar) seek out and welcome people from diverse communities to participate in a community owned cooperative business structure." To foster this at the level of Council would, in my opinion, take an ongoing effort on the part of Council and its members to cultivate relationships with members of underrepresented groups, to seek to understand the ways in which individuals of these groups may feel unheard, dismissed, misunderstood, unwelcome, or simply uncomfortable, and address these both personally and in the overall culture of Council. Council is currently considering trainings in diversity and inclusion, and my hope is that they would involve local leaders with knowledge in this field to really focus on the issues here in Ithaca and the

surrounding area. Finally, an advisor or advisory group that Council could periodically check in with that could give an impartial evaluation of progress in fostering understanding and diverse representation could give welcome and needed feedback.

In recent years Council has begun to use technology (e.g. email, productivity tools, Google's GSuite, videoconferencing) to accomplish its work. In the wake of the COVID-19 pandemic, this has become an increasingly important element of Council's work. Describe your level of familiarity with online productivity tools. Do you use similar technologies in your everyday life?

My everyday life involves a considerable amount of email, so I am very familiar with the ins and outs of attachments, embedded links, etc., that go along with it. I own a laptop and printer/scanner, as well as a smartphone, so I have the technology to facilitate the use of most software and productivity tools. In my work on various committees at EcoVillage I was introduced to Google's GSuite and had used Google drive and Google docs a bit before my appointment to Council. In the past month I have become very familiar with Zoom meetings in my community, though this is not the format chosen by Council for its meetings. Since my Council appointment I have become quite familiar with using Google Drive, Docs, Calendar, and most recently Google Meet, Council's preferred meeting platform.

Yvonne LaMontagne Council Service: Dec. 2019 - present	
Attendance Record:	
Board meetings	2020: 3 of 3
	2019: 1 of 1
Governance Committee	2020: 1 of 1
Membership Engagement Committee	2020: 2 of 2

Patrick Sewell

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***Please Note:** Council Candidate Statements were due on March 1st, and therefore written and submitted prior to the COVID-19 outbreak. Pat opted to take a voluntary lay off, and is no longer a GreenStar staff member.*

Describe your experience with this cooperative, and cooperatives generally. What makes you passionate about the Co-op and/or its mission?

I have been employed at GreenStar since 2004, working in multiple departments including grocery, bulk, and produce. After the Dewitt location opened, I worked there as floor staff and MOD (Manager on Duty). In the last few years I have become a staff sub and work mostly at the satellite locations: Dewitt and Collegetown. Last Spring I was hired to be a Staff Liaison to the Governance Committee and have helped with elections and Council monitoring.

My passion for Co-ops is their vision of an alternative model for enterprise, community engagement, and staff participation. GreenStar has been a leader in these areas, and I look forward to helping it continue this role into the future.

Please explain how your skills and experience will help you to be an effective Council Member and contribute to the work of Council.

An essential job of Council is to create a meaningful and transparent relationship with the Membership, the community, and the cooperative movement at large. My time as a staff member and my involvement with other local organizations allows me to interact regularly with both Members and the broader community to develop and strengthen these relationships.

Additionally, I have experience with labor Unions and regularly negotiate contracts on behalf of a Union at my other employer, Tompkins Cortland Community College. I firmly believe it is possible to find outcomes that satisfy the needs of multiple parties, and I would use that principle to facilitate Council's work

and its engagement with staff and the broader Membership.

What's your vision for the future of our cooperative?

Although organic has become incorporated into the mainstream, many of the values that comprised the original organic philosophy have fallen to the wayside. I see GreenStar as a leader in restoring the foundational values inherent in the organic movement, and I believe we can play an increasingly important role in setting a benchmark for fair wages, a sustainable food system, and successful cooperative enterprises.

What is your motivation for running for Council?

My work as Governance Committee staff liaison has shown me how important good governance is for the health of the Co-op. Additionally, I would like to strengthen the ties between staff, Members, and Council. I am interested in playing a productive role in helping GreenStar achieve its mission of good food for everyone.

Keeping in mind the delineation between Council's work and operational/staff/management work, do you have any specific goals for your tenure on Council?

A primary goal is to increase communication between members, staff and Council. I have repeatedly heard from Members and staff that they are unsure of the role of Council, especially as the transition to Policy Governance moves forward. Another goal is to reduce bureaucratic burden for Council members. One of the concerns raised regarding Council is a lack of representative diversity, and I believe this is exacerbated by the level of unnecessary work put on Council Members.

Democracy gives a voice to all, but the majority decides. How will you handle a situation where you strongly disagree with a decision made by Council?

I feel like it is very unlikely that this sort of situation would arise because:

- 1) Council already has in place generally agreed upon goals and guidelines, so Council should be operating in a framework of common goals and values.
- 2) Before a Council decision is reached, there is the opportunity to discuss different ideas and perspectives, and work towards common understanding across the group.

In the event that I did disagree with a decision made by Council, I would defer to the concept of Board Holism wherein the Council speaks with one voice when delegating its directions to the General Manager. This is of fundamental importance to good governance so that the General Manager can clearly understand the expectations and outcomes being placed upon them, and I strongly support it.

Saying that, if I strongly, strongly disagree with a decision, I may also wish to express my opinions to the broader public. In doing so, I would recognize the importance of honoring Council's decision, and actively avoid disrupting the fulfillment of Council's expectations in any public communications.

One of Council's goals is to increase its diversity to better match that of its community. Please describe specific steps you would take to help accomplish this, in board recruitment or otherwise.

As mentioned in the answer to a previous question, I believe one of the barriers to increasing a diversity of participation is the level of unnecessary work related to Council's job. But the largest barrier is the de-facto segregation in terms of where we live, work, and shop. This is extraordinarily difficult to overcome because our best means of Board recruitment, in-person invitations and communication through social media, are limited by this segregation.

Over the last few years, operations has done an excellent job of increasing the diversity of the workforce employed at GreenStar, and I believe Council should work closely with operations to see if the same outcome can be achieved at the Board level.

In recent years Council has begun to use technology (e.g. email, productivity tools, Google's GSuite, videoconferencing) to accomplish its work. In the wake of the COVID-19 pandemic, this has become an increasingly

important element of Council's work. Describe your level of familiarity with online productivity tools. Do you use similar technologies in your everyday life?

Yes, a little too much these days. One of the unintended consequences of "sheltering-in-place" is learning a great deal about online productivity tools and getting a chance to try them out. Though I still strongly prefer in-person meetings and work, I am realizing the great advantage of working real-time on projects when live meetings are difficult/impossible to schedule. It also seems like online tools are underused as a method for reaching out to Members and the general community about GreenStar, and specifically, Council work, so we may want to look into doing more of it.

Voting period runs April 20 - May 20

2020 Proposed Bylaws Amendments

QUESTION #1: Certificate of Incorporation/Bylaws Discrepancy

GreenStar Cooperative Market is out of compliance with New York State law, which requires an organization's bylaws to conform to its Certificate of Incorporation. While GreenStar's Certificate of Incorporation, filed in 1983, states that "the number of directors shall be twelve," GreenStar's bylaws state that "the Council shall consist of not fewer than 12 and not more than 24 members," and that "until changed by amendment, the Council shall consist of 15 members."

In order to bring GreenStar's bylaws into compliance with its Certificate of Incorporation, Council must only have twelve seats. Legal counsel retained in 2020 by GreenStar recommended that the issue be addressed as soon as possible, as this discrepancy represents a violation of New York State law. This vote is considered a "housekeeping" item because even though GreenStar's member-owners must approve any amendments to its bylaws, we must adjust Council's seats to twelve regardless of the outcome of this vote. In order to avoid any confusion in our Co-op's organizational documents, Council is asking GreenStar's member-owners to approve this amendment.

Shall GreenStar's bylaws be amended, as specified below, to conform to the Cooperative's Certificate of Incorporation and New York State Law?

VIII. C. Number and Qualifications of Council Members

1. ~~The Council shall consist of not fewer than 12 and not more than 24 members.~~
2. ~~Until changed by amendment, t~~The Council shall consist of ~~12~~15 members.

VIII. H. Elections:

14. Subject to the provisions of G.4, above, and subsection 15, below, the ~~five~~ qualified candidates receiving the highest number of votes shall be elected to ~~the available~~ three-year terms; if additional vacancies existed as of the first day of March prior to the election, they shall be filled by other qualified candidates in order of the number of votes they received. The longer terms shall be filled by the candidates receiving the greatest number of votes. Ties shall be resolved by the flip of a coin.

QUESTION #2: Removal of Council Member

GreenStar's bylaws allow for removal of a Council member by only one method: public vote.

After considering the matter for a number of years, Council has decided to move forward a bylaws amendment that would allow removal of a Council member by Council vote. This method would be less cumbersome, potentially less publicly humiliating, and less costly to the cooperative.

Shall GreenStar's bylaws be amended as specified below, to grant Council the power to remove one of its members by a three-quarters majority at a regular Council meeting?

VIII. COUNCIL (BOARD OF DIRECTORS)

I. Removal of Council Members

1. GreenStar's Council may remove a Council member by a **three-quarters** majority vote, **for any violation of Council Members' Code of Conduct.**
A proposal for such removal, including the cause, must be submitted in writing, to the entire Council at least fourteen days prior to the Council meeting, and must appear in the written agenda where such removal is proposed
 - a) ~~If the Council member misses one-third or more of the regular Council meetings over any six-month period, without an approved leave of absence (see subsection K, below), or~~
 - b) ~~If the Council member is found to have failed to accurately disclose or to be unable to satisfy any of the requirements for a license or permit, as described in subsections C.4 and C.5 above.~~
2. ~~The Membership Meeting may remove a Council member for any reason. Removal~~ **by the Membership Meeting (for any reason)** ~~for any reason other than absenteeism. Must be initiated by a petition conforming to applicable Bylaws provisions and policies~~
 - a) ~~Must be signed by at least 100~~ **200** ~~members in good standing and~~
 - b) ~~Requires approval by a two-thirds majority of those present at a Membership Meeting or voting by absentee ballot. The period for absentee voting shall be at least three weeks. The Council shall ensure that a reasonable opportunity is offered for statements (from members) to be submitted and published for voters (prior to the start of voting), both in favor of and in opposition to the proposed removal. Ballots shall provide for a Yes or No vote only, and not for abstention.~~
3. ~~The Council may initiate a Membership vote on removal of a Council member, and Council may recommend such removal.~~

Bylaws Amendment Pro Statements

Pro Statement 1

Certificate of Incorporation/ Bylaws Discrepancy

Sponsored by Jan Rhodes Norman, Council Member

Shall GreenStar's bylaws be amended, as specified below, to conform to the Cooperative's Certificate of Incorporation and New York State Law?

It recently came to Council's attention that our Certificate of Incorporation (COI) and bylaws were in conflict. Our COI states that the number of directors shall be 12 but our bylaws state a range, 12-24. Further, our bylaws specify the number 15, "until changed by amendment."

In order to be legally compliant, we need to amend our bylaws to conform to our Certificate of Incorporation (COI). Cooperative law is clear that any condition set forth by our COI supersedes any related condition of our bylaws. Given that GreenStar's COI states that "the number of Directors shall be twelve", Council must have twelve seats regardless of the number of seats stated in our bylaws. To avoid any confusion in our foundational documents, our bylaws should be amended to be in alignment with our COI on this matter. Section 14 of New York's Cooperative Corporation Law states that a Cooperative has the power "to adopt and amend by-laws, consistent with law and the certificate of incorporation, ..."

This should not be a controversial vote. I view it as basic housekeeping, to be sure all wording is accurate and conforms to our legal documents. Additionally, Council has historically had difficulty keeping the number of members above 12. This will make it easier to ensure we are able to operate with a full Council.

Note: GreenStar solicited member-owners for con statements, and none were received, thus only pro statements are presented here.

Pro Statement 2

Removal of Council Member

Sponsored by Kara Cusolito, Council Member

Shall GreenStar's bylaws be amended as specified below, to grant Council the power to remove one of its members by a three-quarters majority at a regular Council meeting?

We should amend our bylaws to allow for Council to remove one of its members at a regular meeting. Currently, removal from a Council seat (except for cases of absenteeism) is allowed only by a member petition and member vote approval by $\frac{2}{3}$ majority, which is a very public and potentially humiliating method.

Since the removal of a Council member by membership vote was adopted in the mid-1980s, our membership has grown from a few hundred to tens of thousands. A vote which requires that the details of a proposed for misconduct removal be shared publicly among thousands of members is an unkind and unnecessary level of public humiliation. In addition, a member meeting, vote and associated mailing comes at a cost of up to thousands of dollars for the cooperative. This method is not tenable, either socially or fiscally.

It is also likely that if this measure were ever needed, it would be due to fiscal or legal irresponsibility or dishonesty on the part of a Council member, which would necessitate swift action in order to protect the cooperative. The requirement of a member meeting and vote would delay that process in a potentially dangerous manner.

Council has the tremendous responsibility of the oversight of our Co-op on behalf of our member-owners. If the super-majority three quarters of those seated on Council feel that another Council member should be removed, it will be exceedingly rare and almost certainly with just cause.

With this amendment in place, GreenStar members will retain the ability to remove a Council member by a majority vote. The amendment merely allows those elected to govern GreenStar to act quickly in the event that it needs to in the process of fulfilling its duty to our membership and our cooperative.

General Manager Report continued from p. 1

we reside. We support the local growers and the makers of the foods which nourish us. We ensure that those who work for us are cared for and compensated on a level unheard of in an industry that is notorious for providing as little to its employees as it can get away with. GreenStar is authentic in a manner that cannot be faked. Cooperatives do not strive to make as much profit as possible in order to enrich a select few owners or board members. Our wages are fixed and we only need to operate at a level of profit to perpetuate ourselves and invest in our future.

In a world that clearly needs to re-examine business as usual, cooperatives are a beacon showing us an alternative way of doing business. We are enriching our communities rather than extracting from them, and this understanding is what has inspired our membership to feed our growth year after year as we adapt to our ever changing landscape.

Here are some exciting metrics from GreenStar's 2019 operating year:



In 2019, over \$8 million in sales was attributable to local and regional businesses. This is over one-third of our total sales. Compare this to conventional markets. They talk a good game about local foods, but in reality only an average 2% of conventional chains' sales are attributable to local businesses.

The grocery industry operates on incredibly slim profit margins. The average annual net profit after taxes is only 1.2% of sales. As a result, supermarket corporations do all they can to lower their operating expenses, focusing on keeping employee compensation as low as possible. On average, conventional grocers spend only 14% of their sales on employee compensation, keeping wages as low as possible, most often falling to the required minimum wage, currently \$11.80/hour in NYS. By comparison,

GreenStar's lowest starting wage is \$14.28/hour, the Living Wage amount set by Alternatives Federal Credit Union. GreenStar's compensation was 22% of sales in 2019. Add to this paid sick leave, paid vacation time, and health insurance, and you can clearly see that your dollar goes a whole lot further at GreenStar towards quality of life for employees.



Cooperatives are steeped in idealism, so we strive to not only care for the people in our community, but also for the environment that sustains us. 100% of the electricity that runs our stores is provided by local solar farms. In 2019 alone, we eliminated about 600 tons of greenhouse gas emissions as a result. Our new store at 770 Cascadilla is heated by a gas-free electric (solar powered) heat pump system.

Let's consider a little bit about the grocery industry in the US and how GreenStar fits into it. Supermarkets in the US total over \$650 billion dollars in annual sales. The largest player, Walmart, accounts for over 30% of these sales, more than \$250 billion dollars. Natural foods annually accounts for about \$47 billion of grocery sales. In 2019, natural foods players Whole Foods reported about \$17 billion in sales; Aldi reported \$30 billion dollars, and Wegmans reported \$9.7 billion dollars. In the same year, GreenStar achieved sales a bit above \$22.6 million dollars.



Although we are part of a national federation of cooperatives, which supports the negotiation of distribution contracts, we are essentially an autonomous and independent entity. With our next largest competitor over one thousand times larger and funded by private equity, the tale of GreenStar is truly akin to that of David and Goliath. The present West End store produces about 80% of our annual revenue, but is severely constrained by size and infrastructure. Our present retail floor is less than 15% of our total square footage and these constraints severely limit our ability to serve our market.

As you'll see when we review our 2019 financial report, the overwhelming majority of our annual sales goes to the products we sell and the wages and benefits we provide to employees. After accounting for our overhead expenses, we make very little profit. Historically this profit has been just half a penny on every dollar. More recently, our annual increases in expenses have outpaced the ability of our stores to generate enough income to cover them, thus we have reported a loss. Our relocation to 770 Cascadilla Street is the long-term solution to this problem. The premise behind our relocation is to grow our business to meet our market's needs without proportionally growing our expenses, setting us up for long-term financial solvency.

I'll talk about our exciting relocation shortly, but first let's review our 2019 performance. Bear in mind that these statements have not yet been audited by our accountants. An adjusted 2019 financial report will be shared with our membership as soon as it is available. Sales growth was flat in 2019, just two tenths of a percent over 2018. This is testimony to the limitations of our current retail structure's inability to meet our shoppers' needs for product line breadth and competitive pricing.

Total sales for 2019 were \$22.6 million dollars. About \$500,000 was given away as discounts at our register. About 60% of our sales goes to purchasing the products that we sell in our stores. Another 28% of sales goes to wages and benefits. You can see how quickly \$22.6 million dollars drops to a profit margin of \$2.1 million dollars after subtracting just discounts, cost of goods, wages, and benefits.

With this remaining profit margin we still need to cover all our operating costs — everything from utility bills to copy paper. Operating expenses accounted for another \$1.9 million dollars, leaving us with an income of about \$171 thousand before accounting for additional non-operating expenses, such as taxes and amortization or depreciation. The lion's share portion of non-operating expenses is attributable to depreciation of our assets, half of which will be written

off as a result of our move to 770 Cascadilla Street.

As a result of all of the above, we posted a net loss of \$272 thousand dollars for 2019. This loss was anticipated in our projections for the period prior to our relocation. There are three major dynamics that resulted in this loss: Flat sales, increased personnel costs, and discounts.

Category	Amount	Percentage
Gross Sales	\$22,652,593	100%
Discounts	(\$492,193)	-2.17%
Cost of Goods Sold	(\$13,665,440)	-60.40%
Compensation	(\$5,047,330)	-22.28%
Benefits	(\$1,298,271)	-5.73%
Operating Expenses	\$2,149,359	
Income Prior to Other Expenses	(\$1,977,874)	-8.73%
Income Prior to Other Expenses	\$171,485	0.76%
Non-Operating Expenses	(\$423,897)	-1.87%
2019 Net Income	(\$272,413)	-1.20%

Two of these are remedied by our relocation: Flat sales growth and the increased personnel expenses prior to our relocation. 770 Cascadilla will bring these two expenses into homeostasis. For example, a relatively small growth in sales of 2 percent in 2019 would have resulted in an additional \$1 million in sales, or \$400 thousand dollars in profit. That would have brought our net income above \$100 thousand dollars, rather than in the negative as we are reporting for 2019. Our ideal compensation as a percentage of sales is about 20%, rather than our present 22%, leaving us in the future with an additional 2% of sales to cover operating expenses and result in a profit, which would be distributed as a patronage refund to our members in future years. The third contributor to this loss is right at the top of our income statement. As you can see, GreenStar gave \$500,000 away in register discounts before we knew whether or not we were able to afford to do so. At present this practice will continue, but we are looking at ways to reduce this number.

I hope this explanation clarifies that the resizing of our operations is necessary to ensure the long-term success of our cooperative. The income statement tells the story of our performance last year. Through our relocation we are actively engaged in a plan to improve performance in 2020. Our balance sheet tells us a different story. The value of our assets and depth of liability increased significantly as we took on the ownership of equipment at 770 Cascadilla and the associated loans. As a result, the value of our assets jumped almost \$1 million dollars, from \$6.8 to \$7.8 million.

But the compelling story here is how by the end of 2019, in just a year's time, our member equity had jumped from \$1.1 million to \$2.7 million through our Member Investments! At this point in time, GreenStar members have contributed over \$2 million dollar to our capital campaign for the new store at 770 Cascadilla Street. Your commitment to and faith in your cooperative is overwhelming, and I promise we are equally dedicated to GreenStar's success and a return on your investment.

That covers my review of 2019. Let's move on to the two major remaining topics of review: our new store and the impact that the COVID-19 pandemic has had on our Co-op, in both the short and long term.

Construction at 770 Cascadilla Street began in early 2019 and in just a little over one year's time, we are in the final stages of moving into our new home there.

Our updated flagship store is resized to finally be able meet the needs of our community. Our new parking lot has 150 spots compared to our present count of 58 and features enhanced ADA parking, electric vehicle charging stations (solar powered of course), and a beautifully spacious sidewalk and pedestrian promenade at our entryway, shielded safely from vehicular traffic.

Our major equipment and shelving is installed and operational. Your new GreenStar is beautifully appointed throughout the interior. The retail floor is approximately sixteen thousand five hundred square feet. This is triple our current West End location, but less than half of a standard grocery store in the US. I like to think of this as the Goldilocks size – just right – large enough to provide the full service of a one-stop shop, but small enough to keep that intimate hometown co-op feel.

We are currently hard at work on our expanded product line. Of course, there will be more of what you have come to know and love from GreenStar. High quality fresh natural foods, with an emphasis on local and sustainable choices, will be found in every aisle. Additionally, our resized scale of operations allows us to deliver a level of service and competitiveness that just isn't possible in our smaller formats.

We know that our prices have kept a significant portion of our community from shopping the Co-op over the years. The simple truth is that it costs more to pay our employees well and invest in our sustainability efforts. Naturally, this cost has to be reflected in the prices you see on our shelves. However, the increased volume of sales at 770 will allow us to have more elasticity in our pricing. I am committed to

ensuring that every category within our new store has a low-priced option that is equal to or better than our competitors.

We are also sourcing an expanded international line as well as carrying affordable everyday household items such as batteries, kitchenware, and over the counter medicines, all in an effort to ensure that GreenStar is your new favorite grocery store. I am deeply committed to making our cooperative economically accessible to our entire community. I'm betting on the idea that this marriage of values and affordability will bring about a revolution in our local economy. Please join me in this dream, and support GreenStar moving forward in any way you can, anytime that you can.

We are well on our way to opening for business in May, but the world is rife with uncertainties and delays, and we cannot commit to a set opening date just yet. I can tell you that there is a dedicated team of GreenStar staff literally working around the clock to get this store open for business as fast as humanly possible.

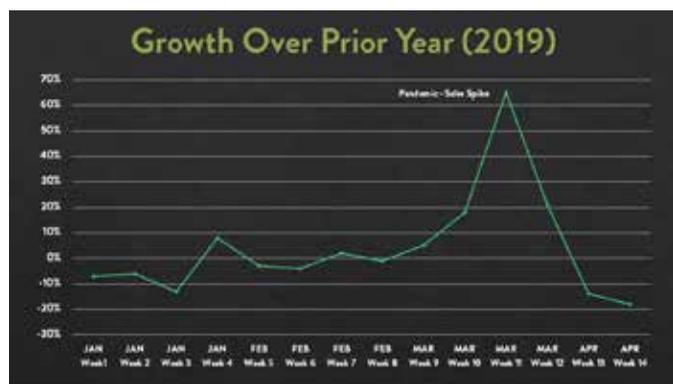
Now, I want to address GreenStar's pandemic response and its impact on our future. In just a matter of weeks, our collective reality was overturned by the onset of the global COVID-19 pandemic. Suddenly, grocery stores found themselves in the position of being one of the few essential services staying open to serve the public in the midst of this crisis.

We acted quickly to keep our staff and customers safe, while ensuring that we were able to get nourishing food into the homes of our community. It wasn't easily achieved. Recommendations and mandates from the CDC, state, and federal governments rapidly changed, and we implemented them within our operations as quickly as possible. From the start, GreenStar led the way in providing funding in order to protect our employees' income. We added several weeks of additional paid time off and bonus pay for increased risk in the equivalent of at least two additional dollars per hour worked. We instituted additional cleaning protocols and employed social distancing measures in our stores quickly. These have been well-received by the public and staff. We continue to monitor and deploy public health recommendations as fast as possible, and we are encouraging people to follow the guidelines provided, recognizing that our "new normal" of social distancing and infection control practices are new and strange to most. We haven't executed everything perfectly, but I'm certain in hindsight that we will be able to say that we put the time, money, and effort into making sure that we were able to provide these protections to our community as safely and fairly as possible.

The prolonged conditions of this public health crisis have most certainly had a significant and long-lasting impact on our operations. As I stated earlier in this report, our sales prior to the onset of the pandemic were flat over the prior year. As concern over the announcement of the pandemic spread, GreenStar experienced a massive spike in sales over the course of two weeks, resulting in an additional \$400,000 in sales over current trends. Keep in mind that 60% of these sales is the cost of product, so we only achieved an additional \$160,000 in profit over this two-week period. We immediately committed this surplus profit to the additional paid time off and bonus pay, previously mentioned, to support our staff through the crisis.

Then, as quickly as our sales initially soared, they dropped equally below budget. There is no sign of substantially improving in the near term. As I deliver this update, our last two weeks of sales combined are \$340,000 below budget.

Even with the opening of our new store just several weeks away, GreenStar can only sustain a few weeks of significant cash loss before it would approach fiscal jeopardy. We are currently losing more than \$300,000 in cash each week. At this current rate of loss, we have approximately four weeks of cash reserves. And so our leadership team made quick and difficult decisions to reduce some aspects of our operation to stop the loss of cash.



One of these decisions was to temporarily close our DeWitt location. Another was to offer a voluntary layoff package to all of our staff members, organization-wide. This will get our operating expenses where they need to be during this period prior to building back the business through the opening of 770 Cascadilla and the return of an adequate level of revenue. We will continue to cut costs where reasonable.

We are also building additional equity. We have applied for more than a million dollars in Federal Relief Funding and we

are seeking further assistance from the government. We are ensuring that we receive the appropriate tax credits, and are exploring how to access tax credit funds as quickly as possible. A GreenStar team is also working on rolling out an online order and curbside pickup program. We will offer curbside pickup at 770 Cascadilla in conjunction with our opening in May. I know many of our member-owners would like to see this program offered sooner, but I ask that you be patient and understand that the logistics of creating such a program require resources that are stretched thin with the sheer scope of our current operations and relocation. I also believe that we will be able to expand the operating hours of the West End store soon to allow for additional public shopping hours.

I absolutely expect our sales to pick up as we open for business at 770 Cascadilla, but we will not reach our full capacity for quite some time. Even at the new store, we will need to continually adapt to any ongoing safety measures related to COVID-19. For instance, we will not be able to offer cafe seating, the children’s play area, self-serve bulk foods, in-person educational classes, or hot and salad bar programs in our stores for the foreseeable future. Safety protocols regarding store shopping patterns and customer limits will be the norm for shopping in our stores for an undetermined period of time. Even though we will not be able to open at full capacity, I can assure you that we will be delivering a cooperative shopping experience far beyond what you have come to expect from GreenStar.

I can’t thank you enough for the perseverance of your support of your hometown cooperative. Your commitment inspires us to keep pushing forward. A new era for our cooperative is right around the corner and I can’t wait to share it with you.