



Meeting of the Council  
 March 11, 2025  
 5:30pm

Members and Staff Welcome To Attend  
 Place: Community Room  
 Facilitator: Elly Wood  
 Note Taker: Alison Goyette

Hunger Mountain Cooperative exists to create and sustain  
 a vibrant community of healthy individuals,  
 sustainable local food systems,  
 and thriving cooperative commerce.

Zoom option:  
<https://zoom.us/j/97641441406?pwd=aDZGbHJtRnlETDY1VnZUOC9rWlVldz09>  
 1 646 558 8656 US  
 Meeting ID: 976 4144 1406  
 Passcode: 282095

**Agenda**

- 1 Welcome: Agenda Review
- 2 Cooperative Community Comments (2 minutes per person)
- 3 Consent Agenda: Minutes, Equity Refund Requests; Ratifying LOC letter
- 4 Financial Report: Q2 Statements
- 5 Monitoring Report: L5 Financial Condition & L7 Protection of Assets
- 6 Dinner and Discussion dates- May 15 or May 22?
- 7 Shopper Survey Results

Page	Presenter	Goal	Duration in Minutes	Approximate Start Time
	Elly Wood	Welcome	5	5:30 PM
	Elly Wood	Informational	10	5:35 PM
	Elly Wood	Vote	5	5:45 PM
	Tom Wright			
	Mary Mullally	Presentation	10	5:50 PM
	Mary Mullally	Vote	20	6:00 PM
	Rowan Sherwood	Vote	10	6:20 PM
	Rowan Sherwood	Presentation	20	6:30 PM
			10	6:50 PM
	Carl Etnier	Discussion	20	7:00 PM
	Carl Etnier	Discussion	25	7:20 PM
	Carl Etnier	Discussion	15	7:45 PM
	Carl Etnier	Vote	10	8:00 PM
	Carl Etnier	Informational	5	8:10 PM
	Carl Etnier			8:15 PM

**Break**

- 8 Council retreat debrief (executive session)
- 9 General manager evaluation process (executive session)
- 10 Council roles & responsibilities in contract negotiations (executive session)
- 11 Facilitator contract (executive session)
- 12 Wrap-Up: Action Items, Calendar, Future Agenda Items
- 13 Adjourn

## Welcome to the March 2025 Regular Hunger Mountain Council meeting!

To: Hunger Mountain Co-op Council  
From: Carl Etnier, Council President  
Date: March 5, 2025  
Re: Packet overview for our March 11, 2025 meeting

Hi folks,

I was heartened by the exercise of local democracy at town meetings around the state yesterday. In East Montpelier, where I serve on the selectboard, voters not only voted on its budget items for next year, but we also underlined the importance of the rule of law at the national level. Amongst other things, we [unanimously approved a non-binding resolution "Relating to the Overreach of Presidential Power"](#) and another one urging President Donald Trump to show care and compassion towards federal workers (thanks in part to the work of one of our council members).

The co-op is a \$30 million dollar business that is locally owned and locally controlled, and we'll exercise our co-op democracy next Tuesday, March 11 at 5:30 pm ET in the community room. I invite all council members and other co-op members to join me at 5 pm for a dinner from the hot bar (or a brown bag) in the community room.

Here's an overview of the agenda and packet for that meeting.

The first items of business, (agenda review, cooperative community comments) are routine, for all meetings.

### Consent agenda

As usual, the consent agenda includes approval of minutes and equity refund requests. There's an additional item this month, since none of us caught a parliamentary error at the February 11 meeting. We voted to amend the motion on the floor by replacing it with this motion:

*The council authorizes a continuation of the \$500,000 line of credit (LOC) for a year and authorizes the general manager and the president to revise the LOC authorization document with the intent that only the GM and finance manager are authorized to draw on the LOC, and the council authorizes all appropriate officers to sign the LOC document.*

However, we never voted on the final motion, as amended. (Alison caught this, and Steven and I verified it from the recording.)

Steven and I (as secretary and president) had already signed the LOC authorization document (in the packet) when we became aware of this parliamentary hiccup. We felt the intent of the council was clear. In consultation with Mary, we decided to rectify the error by including in this month's consent agenda the following motion:

*To ratify the president's and secretary's signature on the line of credit authorization dated February 24, 2025, as this aligns with the board's intent at the February 11, 2025 meeting.*

It was also noticed that the motion in February for the allocation of uncashed patronage refunds was for FY2025 rather than the correct fiscal year, FY2024. To correct this error, we would like to rectify this error by including in this month's consent agenda the following motion:

*Move to allocate uncashed FY2024 patronage refunds to the Hunger Mountain Cooperative Community Fund.*

### **Financial Report: First Quarter Statements & Monitoring Report: L5 Financial Condition, L7 Protection of Assets**

This month's monitoring report from the general manager (GM) on her compliance with the policies the council has set for management of the co-op is on the co-op's financial condition and protection of assets. We see this information four times a year, in conjunction with the unaudited quarterly financial statements.

Please read the financial statement and monitoring report with an eye to helpful questions you can ask and email those questions to Mary by Monday.

Finance manager Tom Wright will be on hand to co-present the financial information and/or answer questions.

### **Dinner and discussion dates**

The Community Relations (CR) team has moved forward to secure the Montpelier Senior Activity Center for us once again for the council's annual dinner and discussion with members. Since we'd like to maximize council attendance at the event we're hosting, CR manager Rowan Sherwood wants to find out which date works best for us, May 15 or May 22. Both are Thursdays; in the past, doors have opened at 4:30 pm and dinner was served starting at 5:00 pm. You might want to save both dates on your calendar now, pending the outcome of this discussion. (You can find info about last year's event here: [hungermountain.coop/dinner-and-discussion](http://hungermountain.coop/dinner-and-discussion).)

### **Shopper Survey Results**

The shopper survey closed on Monday, March 3. CR was originally slated to present the results at this meeting, but last year they presented the results in April. Upon further consideration, this agenda item will be moved to April again this year, which will give CR more time to process the data and give us a better overview.

### **Executive session items**

We'll enter executive session before the break, and when we reconvene, we'll conduct almost the entire rest of the meeting in executive session. If we have a vote to take as a result of the deliberations in executive session, we'll do that in open session.

### **Conclusion**

Daylight Savings Time is returning this weekend, and Central Vermont is slipping into mud season. Enjoy the extra hour of light at the end of the day, and watch out for potholes, frost heaves, and morning black ice!

I hope to see most of the Council members and member-owners in person on Tuesday; I plan to be in the Conference Room at 5, with food from the hot bar of the Co-op. I also look forward to seeing the rest of the Council and interested member-owners who choose to participate via the Zoom meeting.

Please let me know if you have any questions before the meeting.

Cheers,  
Carl  
CarlE@HungerMountain.Coop  
Hunger Mountain Co-op Council President



## Council Meeting Minutes

February 11, 2025

### Present:

Council: Carl Etnier, Jeff Roberts, Steven Farnham, Dvora Jonas, Lauren Antler, Giles Brule, Nona Estrin, T. Gram (≈6:00PM), Catherine Lowther


Staff: Mary Mullally, Sonia Carrasco, Alison Goyette, Jess Knapp, Leo Ormiston, Rowan Sherwood, Elly Wood, Tom Wright


Guests: Laurie Veatch

**Facilitator:** Elly Wood

**Note taker:** Alison Goyette

[Meeting Minutes and Meeting Audio Available Here.](#)

 Time stamps link directly to related section of the audio recording. Click to listen.

1. Welcome: Agenda Review (5:30PM/00:00:00) 

Carl requested the addition of a ten-minute executive session to discuss a contract. There were no objections.

2. Cooperative Community Comments (5:31PM/00:02:02) 

None. Rowan reminded council of an opportunity to engage members on an upcoming Member Appreciation Day, noting the need for help Saturday, February 15, at the table in the center of the store from 10:00AM – 4:00PM; only one council member has committed thus far.

3. Consent Agenda: Minutes, Equity Refund Requests (5:34PM/00:04:43) 

Mary thanked Dvora for finding information in the equity report that required an update, noting the version to be voted includes that revision.

**Jeff moved to approve the consent agenda. Steven seconded.**

**Ayes 7, Nays 0, Abstentions 0. The motion passed unanimously.**

4. Annual Renewal of Line of Credit (5:36PM/00:07:04) 

Mary stated the line of credit is renewed annually, and explained one change: “Finance Manager” replaced “Chief Financial Officer,” to align with the Co-op’s title for this position.

**Jeff moved to approve the document with the continuation of the line of credit and authorise the Council President and Council Secretary to sign it. Carl seconded.**

Steven raised concern over wording that does not make sense.

**Carl moved to amend the document to clarify the language. Steven seconded.**

**Ayes 7, Nays 0, Abstentions 0. The motion to amend the document passed unanimously.**

Dvora expressed concern that, as worded, there are six individuals (Mary, Tom, and the four

## UNAPPROVED

council officers) authorised to access the line of credit, and two signatures should be required instead of just one.

Mary and Tom clarified that the motion authorises the council officers to sign the necessary document related to the line of credit but, only the General Manager and the Finance Manager may draw on it.

Jeff inquired why the secretary is the second officer to sign the document instead of the treasurer. Carl agreed the document needed revision and suggested he and Mary revise it.

**Carl moved for the council to authorise a continuation of the \$500,000 line of credit (LOC) for a year and authorise the general manager and the president to revise the LOC authorisation document with the intent that only the GM and finance manager are authorised to draw on the LOC, and for the council to authorise all appropriate officers to sign the LOC document. Jeff seconded.**

**Ayes 7, Nays 0, Abstentions 0. The motion passed unanimously.**

**The original motion was not voted - this will be resolved at March meeting.**

### **5. Monitoring Report: L4 Employee Compensation (5:52PM/00:21:52)**

Mary reported Co-op employee compensation, compared with other co-ops, has been in the top quartile for eight years. Between \$0.26 and \$0.27 of every sales dollar is spent on employee compensation; other co-ops report \$0.22 - \$0.24.

Mary announced a noncompliance: L4.1 requires compensation and benefits to be externally equitable, i.e., all employees who have worked more than 6 months be paid a livable wage as defined by the Joint Fiscal Office. The 2024 Livable Wage was \$17.68 per hour; only 79% of employees who had worked for at least six months were earning a wage above \$17.68, and only 72% of employees storewide.

Mary explained that a wage-to-wage comparison to the VLW does not present an entirely accurate portrayal of the Co-op's total compensation package. The Co-op pays 100% of full-time employee medical insurance as opposed to 80% assumed in the VLW calculator. The cash value of this benefit amounts to about \$5.00 per hour. The Co-op provides a yearly Health Reimbursement Account that pays \$1,500.00 toward each insured employee's medical deductible. Plus there is the gain share, which last year amounted to an additional \$1.17 per hour.

The current employee union contract was negotiated in 2022 to cover the years 2022-2025. This contract was already in place when the JFO released new figures for the VLW for 2024, which increased \$2.00 per hour over the previous year, out of line with past trends. The next union contract will be negotiated this year. The Co-op has commissioned a job/wage study to compare with other Vermont businesses.

Mary added when insurance and gain share are considered, the co-op's hours wage is at least \$22.17, well above the VLW benchmark of \$17.68. (\$16.00/hr minimum Co-op starting wage + \$5.00/hr insurance differential + \$1.17/hr gain share = \$22.17/hr.)

**Jeff moved to accept the monitoring report. Nona seconded.**

Dvora indicated that the Washington County Living Wage for a single adult with no children is \$22.38 and she thinks the Co-op can match it. She asked if the Co-op is going to raise wages before contract negotiations in order to be in compliance. Mary said no. Dvora said she hopes the Co-op will incorporate inflation into the next contract negotiations because it is not OK to not be in compliance. Mary noted that \$22.38 is the *Washington County* Living Wage, different from the *Vermont* livable wage.

Carl asked if Mary would like the council to consider a different definition for this policy if the VLW is not ideal. Mary said it would be good to more accurately present the entirety of the employee compensation.

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Giles observed it seems odd to require wage minimums from the General Manager given there are two parties negotiating compensation. If the union decided to forgo a wage minimum in favor of other compensation, this policy precludes the GM from allowing it.

The JFO released the \$17.68 figure in January. Mary commented if this policy had been on the monitoring schedule one month earlier, she would have been able to report compliance.

Steven asked if contract terms could be linked to the JFO, and automatically adjust. He suggested a policy revision to consider all forms of compensation when monitoring compliance. He also requested fellow council members to circulate council meeting material with reasonable lead time to read before meeting.

T. said it is important to monitor the cost of living and would like to know how inflation values are calculated. He suggested investing in employee housing could help employees with their biggest expense, and reduce emissions.

Dvora stated fewer than half of employees are full-time, and asked if council members may monitor union contract negotiations. Mary did not remember council members being invited in the past but staff may attend. Steven stated council members have attended as observers only. As a representative of the membership, Dvora said she would like to attend, adding that to effectively recruit, employee wages must be competitive without considering benefits that less than half of employees receive.

**Ayes 8, Nays 0, Abstentions 0. The motion passed unanimously.**

### **6. Hunger Mountain Co-op Community Fund: Patronage refund, membership, chair (6:23PM/00:53:07)**

Rowan requested that the council authorize all uncashed patronage refunds to be donated to the Hunger Mountain Cooperative Community Fund.

**Jeff moved to allocate uncashed Fiscal Year 2025 patronage refunds to the**

**Hunger Mountain Cooperative Community Fund. Nona seconded.**

**The year should be 2024, not 2025 - this will be resolved at March meeting.**

Steven requested the definition of “uncashed refund.” Rowan said that the motion pertains only to patronage accrued from June 2023 to July 2024 – past uncashed refunds have already been allocated to the HMCCF. Rowan further clarified that members have 90 days from the date on the mailing (dated March 3<sup>rd</sup> and due to be mailed on that date or earlier) to use their patronage refund. Knowing that mail delivery is spotty in some areas, the Co-op will notify members that the patronage refund is active via eNews, in-store signage, and cashier prompts at the register.

T. asked if it’s possible to deliver patronage checks via UPS or FedEx..

Giles said it is important to approve this motion so the Co-op can meet the mailing deadline. He added that there isn’t time to change the means of delivery and meet the bylaw requirement.

Dvora said that she has served on the HMCCF Committee and she can attest that the funds are given to really good organizations.

**Ayes 8, Nays 0, Abstentions 0. The motion passed unanimously.**

Carl said the council is not ready to discuss membership and chair of the HMCCF committee.

### **7. Dinner and Discussion Planning (6:30PM/01:01:28)**

Carl said this may be a topic for the retreat, but wants to brainstorm on a theme for the Dinner and Discussion.

Catherine would like to focus on reducing the Co-op’s climate impact. Nona agreed, requesting emphasis on plastics reduction.

Giles suggested polling the community about their needs and tie that into the Co-op’s vision.

## UNAPPROVED

Steven suggested inviting an inspiring keynote on what the co-op can do about global warming. Catherine offered to invite Bill McKibben.

Nona suggested a focus on bulk exploring why packaged goods are often cheaper.

### 8. Council Retreat Planning (6:38PM/01:08:02)

**Steven moved to enter executive session top discuss a contract. Jeff seconded.**

**Ayes 8, Nays 0, Abstentions 0. The motion passed unanimously.**

**Break - 6:39PM - 6:49PM.**

Executive Session 6:49PM - 7:31PM.

**Carl moved to Hire Nathan Suter as retreat facilitator and authorise the Executive Committee, GM, and Nathan to plan the retreat. Jeff seconded.**

**Ayes 7, Nays 0, Abstentions 1. The motion passed.**

After discussing individual availability and preferences, the council scheduled its retreat February 24, 2025.

### 9. Council Calendar (7:41PM/01:20:34)

Given Annual Meeting is scheduled in September, Council discussed whether to skip July or August meeting for the Summer Break.

Given a shorter council calendar year, Giles suggested forgoing a break. Some expressed no preference; others preferred August.

Further discussion was postponed.

### 10. Council Voting procedures (7:46PM/01:25:32)

Dvora would like to stop roll call voting in meetings, opting instead for hand-raising.

**Dvora moved to vote by hand with the facilitator announcing the totals for ayes, nays, and abstentions. Nona seconded.**

**Ayes 7, Nays 0, Abstentions 1. The motion passed.**

### 11. Wrap-Up: Action Items, Calendar, Future Agenda Items (7:52PM/01:30:33)

Action	Who	Notes
Determine final LOC language	Carl	
Research process for changing internal definition in L4.1 monitoring report	Mary	
Launch council committees	Carl	
Inquire of CR about August Break	Mary	
Council retreat 2/24	Council	
Set date for next Co-op Connects	Carl/ Mary	Scheduled 3/10 10am
EC meeting 2/20	EC	Done

The Executive Committee will meet February 20 to plan the March agenda and may meet another time to plan the February 24 retreat.

**Jeff moved to adjourn. Dvora seconded.**

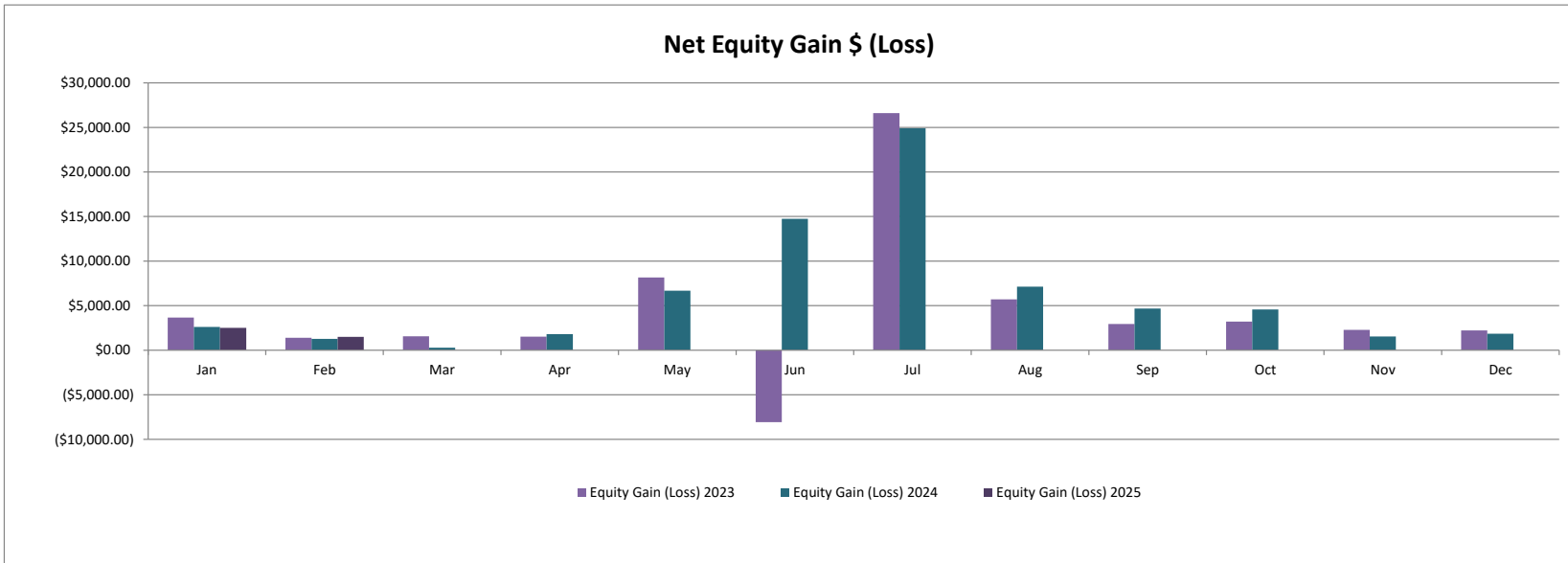
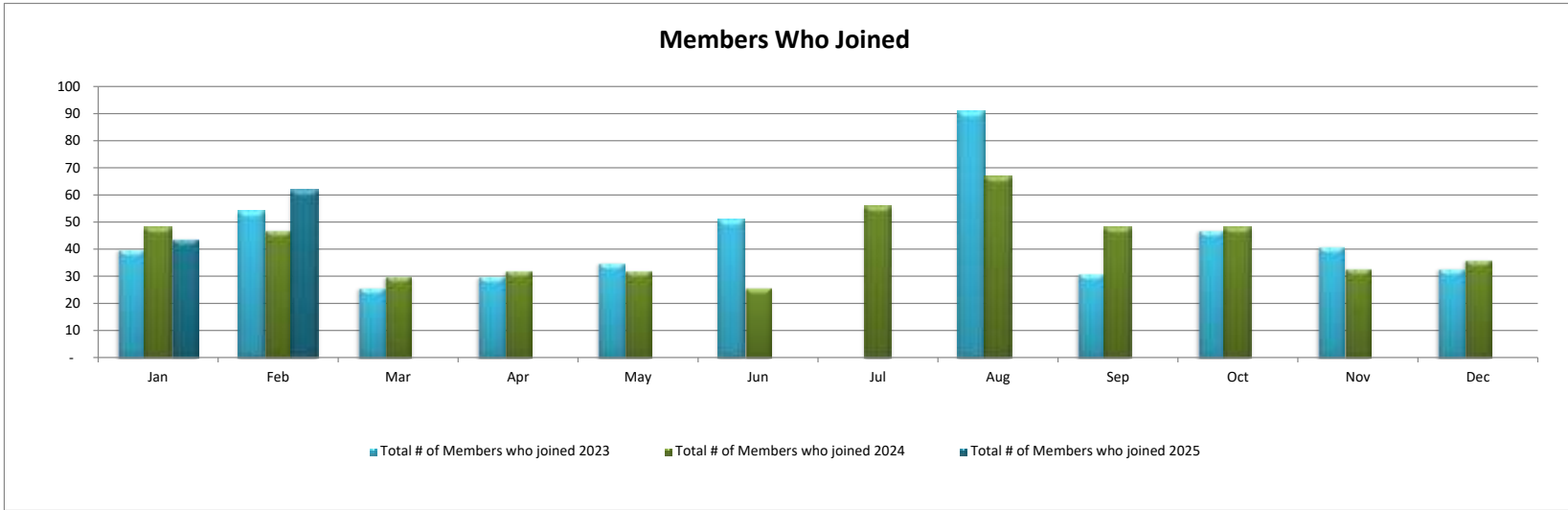
**Motion passed by voice vote.**

**Adjourned at 7:55PM.**



Membership and Equity Monthly Report CY2023 - CY2025

2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2023
Total # of Members who joined 2023	40	54	26	30	35	51	No Report	91	31	47	41	33	479
Members in good standing	9,786	9,876	9,920	9,973	10,019	7281*	Run	9,306	9,371	9,570	9,637	9,708	
As of Date	2/3/2023	3/10/2023	3/31/2023	5/7/2023	6/5/2023	7/3/2023		9/2/2023	10/2/2023	11/6/2023	12/4/2023	1/2/2024	
Submitted Refund Request	4	3	-	-	2	5		11		3		3	31
Total \$ Submitted Refund Requests	\$615.00	\$225.00	\$0.00	\$0.00	\$360.00	\$575.00		\$1,215.00		\$315.00		\$405.00	\$3,710.00
												Est.	-
Total \$ Paid Out/Donated	(\$380.00)	(\$650.00)	(\$225.00)	\$0.00	\$0.00	(\$360.00)	(\$395.00)	(\$1,215.00)	\$0.00	(\$315.00)	\$0.00	(\$405.00)	(\$3,945.00)
Total \$ Paid In	\$4,042.32	\$2,043.04	\$1,793.04	\$1,519.58	\$8,152.86	\$14,656.43	\$27,001.28	\$6,924.91	\$2,942.66	\$3,529.20	\$2,281.74	\$2,624.01	\$77,511.07
Equity Re-classed to Income per By-Law						(\$22,372.00)							
<b>Equity Gain (Loss) 2023</b>	<b>\$3,662.32</b>	<b>\$1,393.04</b>	<b>\$1,568.04</b>	<b>\$1,519.58</b>	<b>\$8,152.86</b>	<b>(\$8,075.57)</b>	<b>\$26,606.28</b>	<b>\$5,709.91</b>	<b>\$2,942.66</b>	<b>\$3,214.20</b>	<b>\$2,281.74</b>	<b>\$2,219.01</b>	<b>\$51,194.07</b>
2023 YTD Rolling Equity Gain (Loss)	\$3,662.32	\$5,055.36	\$6,623.40	\$8,142.98	\$16,295.84	\$8,220.27	\$34,826.55	\$40,536.46	\$43,479.12	\$46,693.32	\$48,975.06	\$51,194.07	
2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 204
Total # of Members who joined 2024	48	47	30	32	32	26	56	67	48	48	33	36	503
Members in good standing	9,809	9,873	9,913	9,970	10,020	7,746	9,056	9,399	9,560	9,698	9775	9,839	
As of Date	2/5/2024	3/27/2024	4/2/2024	5/7/2024	6/4/2024	7/2/2024	7/30/2024	9/3/2024	10/1/2024	11/3/2024	12/3/2024	12/31/2024	
Submitted Refund Request	5	2	5	-	-	3	11	6	1	4	1		38
Total \$ Submitted Refund Requests	\$765.00	\$180.00	\$885.00	\$0.00	\$0.00	\$420.00	\$993.39	\$435.00	\$45.00	\$390.00	\$150.00		\$4,263.39
													-
Total \$ Paid Out/Donated	(\$765.00)	(\$180.00)	(\$855.00)	\$0.00	\$0.00	(\$420.00)	(\$993.39)	\$0.00	(\$375.00)	(\$45.00)	(\$390.00)	(\$420.00)	(\$4,443.39)
Total \$ Paid In	\$3,380.15	\$1,450.74	\$1,136.85	\$1,804.01	\$6,670.86	\$16,191.79	\$25,895.66	\$7,131.09	\$5,042.17	\$4,611.28	\$1,922.79	\$2,266.52	\$77,503.91
Equity Re-classed to Income per By-Law						(\$1,025.02)							
<b>Equity Gain (Loss) 2024</b>	<b>\$2,615.15</b>	<b>\$1,270.74</b>	<b>\$281.85</b>	<b>\$1,804.01</b>	<b>\$6,670.86</b>	<b>\$14,746.77</b>	<b>\$24,902.27</b>	<b>\$7,131.09</b>	<b>\$4,667.17</b>	<b>\$4,566.28</b>	<b>\$1,532.79</b>	<b>\$1,846.52</b>	<b>\$72,035.50</b>
2024 YTD Rolling Equity Gain (Loss)	\$2,615.15	\$3,885.89	\$4,167.74	\$5,971.75	\$12,642.61	\$27,389.38	\$52,291.65	\$59,422.74	\$64,089.91	\$68,656.19	\$70,188.98	\$72,035.50	
2025	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2025
Total # of Members who joined 2025	44	62											106
Members in good standing	9,911	9,993											
As of Date	2/4/2025	3/4/2025											
Submitted Refund Request	1	1											2
Total \$ Submitted Refund Requests													\$0.00
													Est.
Total \$ Paid Out/Donated	(\$315.00)	\$0.00											-
Total \$ Paid In	\$2,821.31	\$1,490.95											
Equity Re-classed to Income per By-Law													
<b>Equity Gain (Loss) 2025</b>	<b>\$2,506.31</b>	<b>\$1,490.95</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,997.26</b>
2025 YTD Rolling Equity Gain (Loss)	\$2,506.31	\$3,997.26	\$3,997.26	\$3,997.26	\$3,997.26	\$3,997.26	\$3,997.26	\$3,997.26	\$3,997.26	\$3,997.26	\$3,997.26	\$3,997.26	



COUNCIL RESOLUTION  
APPROVING CONTINUATION OF LINE OF CREDIT

WHEREAS, the Council deems it desirable and in the best interests of Hunger Mountain Cooperative, Inc. ("the Co-op") to continue a line of credit (LOC) up to \$500,000 from Northfield Savings Bank, and

WHEREAS, the Council has reviewed the list of employees authorized to access the LOC,

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Co-op shall continue a LOC up to \$500,000 from Northfield Savings Bank.
2. The General Manager and the Finance Manager of the Co-op ("the Managers") are, and each acting alone is, hereby authorized, directed, and empowered to execute, for and on behalf of the Co-op and in its name, any and all documents required in connection with the LOC, including but not limited to the LOC Agreement and the Note; by signing and delivering these documents, the managers demonstrate their final approval.
3. The Managers are, and each acting alone is, hereby authorized to do and perform any and all such acts, including execution of any and all documents and certificates, as such Managers shall deem necessary or advisable, to carry out the purposes and intent of the foregoing resolutions; and all actions taken by either of them before the date of this Council Resolution are hereby ratified and approved.
4. This resolution shall be added to the Co-op's records as evidence of the Council's approval.

Carl Etzier                      Carl Etzier                      Feb 24, 2025  
Council President name              Signature                      Date

I, Steven Farnham, Secretary of Hunger Mountain Cooperative, Inc. (the "Co-op"), hereby certify that the resolutions contained in the foregoing Council Resolution Approving Continuation of Line of Credit (the "Resolutions") were duly authorized and adopted at a meeting of the Co-op Council on February 11, 2025, at which a quorum was present and acting throughout, and that the Resolutions have not been modified or revoked, and that the Resolutions are in full force and effect.

Dated this 24th day of FEBRUARY, 2025

[Signature], Secretary



To: Council  
From: Rowan Sherwood, Community Fund Committee member  
RE: HMCCF Request for Uncashed Patronage Refund Funds  
Date: 2/5/25

This memo serves as the Hunger Mountain Co-op Community Fund (HMCCF) Committee's annual request to the Council to approve the transfer of uncashed patronage refund checks to the Committee for use in our grant activities in the coming year.

Use of these funds in this way has been the norm since the Fund was established over 10 years ago. These funds make up a critical part of the total funds available to the Committee to make grant awards. The Fund also receives direct contributions from Co-op members, as well as funds generated by our participation with the Twin Pines Cooperative Foundation.

Requested motion: Move to allocate uncashed FY2024 patronage refunds to the Hunger Mountain Cooperative Community Fund.



## **March 2025 Monitoring Report**

Prepared by Mary Mullally, General Manager

**I am reporting compliance with all parts of the L5 and L7 policies.**

**I certify that the information contained in this report and attachments is true.**

Signed: Mary Mullally

Note: Changes to the operational definitions/ interpretations since last L5/L7 report presented to the Council are indicated by italics/underline typeface.

Attachments: Financial Statements for Quarter 2 Fiscal Year 2025 (unaudited)

Available In Council Shared Document Folder or Upon Request: HMC Employee Handbook, 2022-25 Labor Agreement, Co-op Safety Manual, FY2024 Audited Financial Statements

Policy Type: **Executive Limitations** Policy Title: **L5 Financial Condition**

*Actual financial conditions and performance shall not place the Cooperative in fiscal jeopardy or leave it financially unprepared for future opportunities.*

**Interpretation/Operational Definition, Short-Term:**

“Actual financial conditions and performance” mean as reported in internally prepared quarterly financial statements. “Fiscal jeopardy” means violation of loan or contract agreements or failure to meet specific benchmarks while “financially unprepared for future opportunities” means failure to meet other benchmarks. Specifically:

Fiscal Jeopardy Benchmarks:

- A CoScore of at least 40 for the previous four quarters from the most recent CoMetrics report of NCG food co-ops. The CoScore is a number used to indicate financial performance with particular emphasis on income statement metrics. The CoScore is calculated using a formula incorporating sales growth, earnings, expense control and Turns x Earnings.
- Current Ratio of at least 1.3 to indicate sufficient liquidity to meet short-term financial obligations.
- Liabilities to Equity ratio of less than 4.0 to indicate sufficient solvency to meet long-term obligations.

Preparedness for Future Opportunities Benchmarks:

- A CoScore of at least 50 from the most recent CoMetrics report.
- Current Ratio of at least 1.5 to indicate ability to withstand reduction in liquidity.
- Liabilities to Equity ratio of less than 2.0 to indicate ability to withstand reduction in solvency.

**Data:** Co-op performance better than all benchmarks and there have been no violations of loan or contract agreements. I am reporting compliance.

	Fiscal Jeopardy Avoidance Benchmark	Preparedness Benchmark	FY2025Q2	Compliant?
CoScore	>40	>50	77.6	Yes
Current Ratio	>1.30	>1.50	3.2	Yes
Liabilities to Equity	<4.00	<2.00	0.4	Yes

Accordingly, the General Manager shall:

**L5.1** Not cause or allow the organization to incur indebtedness other than trade payables incurred in the ordinary course of doing business and/or leases for equipment required in the ordinary course of doing business, except as authorized by the Council.

**Operational Definition/Interpretation:**

Management may not incur new indebtedness without Council approval except as trade payables, ordinary credit lines, and leases for equipment necessary in the ordinary course of business. Compliance will be achieved if no new indebtedness appears on the balance sheet other than those described above. The general manager will make a determination of compliance quarterly based on unaudited financial statements.

**Data:**

A “No” below indicates no new indebtedness as described above, and compliance.

Q2-FY25	Q1-FY25	Q4-FY24	Q3-FY24
NO	NO	NO	NO

Note: The Council approved the following liabilities, or potential liabilities, that are still active. Items 1 and 2 are listed on the co-op’s balance sheet. FYI: The table below also compares interest rate and a current rate, Federal Home Loan Board 10 year plus 1.35%.

**Summary of Co-op Indebtedness- December 2024**

Item		Date of Council/Member approval	Original Loan Amount	Total Loan Amount* 12/29/2024	Interest Rate %	FHLB 10yr Interest Rate +1.35%
1	Northfield Savings Bank	February 2022	\$500,000	\$ 311,370	3.28%	5.98%
2	NCG – contingent liability	November 2006	The Council approved the contingent liability that may arise from participation in the joint purchasing agreement. The current value is \$35,432 which we treat as an asset.			N/A

\*Note: includes current portion of the loan



*Accordingly, the General Manager shall:*

*L5.2 Not cause or allow circumstances that would result in the Cooperative being in violation of the terms of its loans, its tax liabilities, and/or its other contractual obligations.*

**Operational Definition/Interpretation:**

- A. Loans are anything listed as “Notes Payable” or “Long-Term Debt” on our Balance Sheet. They are considered settled in a timely manner if we make payments according to the note as evidenced our not receiving notice of a past due payment or letter of violation of loan covenant.
- B. Contractual obligations are agreements between the co-op and another party. Contracts will be honored by timely payment and if we do not receive notice that our payment is past due.
- C. Co-op will remain current with all federal, state and local tax obligations, including state unclaimed property rules. In consultation with our finance manager, the general manager will make a statement as to our various obligations.

**Data:**

- A. Loans: We received no past due notices or letters in recent history.
- B. Contracts: We paid all contract obligations according to terms this reporting period. We received no notices of late payment for any contracts.
- C. Taxes: According to the co-op’s finance and general managers, the co-op is current with all tax obligations:
  - All 941/940 (payroll tax withheld) deposits by Paylocity (payroll service) have been verified and tied to the payroll.
  - All City of Montpelier property and equipment taxes are paid and current.
  - All State Withholding deposits have been made and Returns filed by Paylocity.
  - All Vermont Sales and Use, and Rooms and Meals are current and paid.

*Accordingly, the General Manager shall:*

*L5.3 Not allow financial record keeping systems to be inadequate in detail, accuracy, or timeliness, or to be out of conformity with Generally Accepted Accounting Principles (GAAP).*

**Operational Definition/Interpretation:**

The Manager will provide financial information such that the Council is informed of the co-op's financial condition and able to fulfill its fiduciary duty. Specifically, this means:

1. Quarterly statements and financial condition monitoring reports are acceptable to the Council for prior year.
2. A qualified third party from outside the organization will audit the co-op's accounting systems at least once every two years to a level of depth necessary to provide an opinion regarding compliance with GAAP. Compliance will be achieved if the auditor provides a "clean" or unmodified opinion letter regarding conforming to GAAP.

**Data:**

1. The four prior financial statements were presented on time and received no significant criticisms internally or externally and the four prior L5 monitoring reports were accepted by the Council.
2. The Co-op alternates between an audit and a review of financial statements each year. The FY2024 financial audit found no material modifications that should be made for them to be in accordance with GAAP.

*Accordingly, the General Manager shall:*

*L5.4 Not fail to report to the Council at least quarterly on financial condition, net income, sales growth, and member equity in the context of industry benchmarks and/or operating plan targets.*

**Operational Definition/Interpretation:**

The manager must report quarterly on key metrics to allow the Council to monitor financial performance. Benchmarks have been established for both fiscal jeopardy and for preparedness for future opportunities.

**Data:**

See top level policy and L5.3

Policy Type: **Executive Limitations**      Policy Title: **L7 Asset Protection**

*Assets shall not be inadequately maintained, unnecessarily risked, or unprotected.*

**Operational Definition/Interpretation:** As trustees of our Cooperative's assets, our management team must have in place policies, procedures, insurance and other measures necessary to avoid unnecessary losses or undue risk to our enterprise. Criteria for adequate protection of Co-op assets has been fully specified by the Council in the following sub-policies. Compliance will be achieved when compliance is established for the sub-policies, L7.1-L7.11

**Data:** See below, L7.1 – 7.11

Accordingly the General Manager shall:

L7.1 Not allow equipment, facilities and inventory to be inadequately insured against replacement, including coverage for any losses incurred due to business interruption.

**Operational Definition/Interpretation:** The Co-op must maintain insurance adequate to protect against loss of assets and significant business interruption. Specifically:

1. The Co-op will have in place insurance that will cover at least 90% of the replacement value of Co-op's fixed assets and inventory. Compliance will be demonstrated by a comparison of coverage with:
  - current book value, based on purchase value and accumulated depreciation
  - an estimated replacement value based on a recent valuation performed by a credible source.
2. The Co-op must carry business interruption insurance sufficient to cover reasonable expenses for up to 6 months of closure.
3. Additionally insurance carriers must have a Financial Strength rating of "A" or better as determined by a third-party rating service.
4. A reliable professional must assess the insurance coverage and find it to be adequate.

**Data:**

1. Compliance detailed in following table.

**Summary of Insurance Coverage- December 2024**

Item	Book Value	Est. Replacement Value	Amount of coverage	Compliant?
Inventory	\$660,657	\$680,000	\$2.8 million*	Yes
Machinery and Equipment Net of Depreciation (Includes Solar)	\$ 937,230	\$1.25 million	\$2.8 million*	Yes
Building and Site Improvements net of Depreciation	\$1,921,015	\$5.6 million	\$5.6 million	Yes

\*Notes: Inventory and machinery and equipment covered by a business personal property policy with single maximum coverage limit for both. Patriot Insurance calculated replacement value last in early 2022 and an annual inflation factor will be applied annually until next valuation.

2. The Co-op carries business income insurance up to \$2.5 million through Selective Insurance Company, which management judged to be adequate based on an analysis supported by our broker.
3. The above insurance policies are covered by Selective Insurance Company which received an "A+" rating (excellent) from A.M. Best Rating, signifying compliance.
4. In Spring of 2024, our insurance broker Brian Aitchison of Acrisure assessed our insurance coverage and found it to be adequate and will review again in January 2025. This review is currently in progress.

Accordingly the General Manager shall:

*L7.2 Not allow unnecessary exposure of the organization, staff, or Council members to losses and claims of liability, and shall not fail to operate without reasonable and customary liability insurance against such losses and claims.*

**Operational Definition / Interpretation:** “Unnecessary exposure” is insurable risks that could have been prevented by knowledge of and adherence to labor laws and personnel regulations, safety procedures for staff and customers, and all employment policies and procedures of the co-op. Compliance will be achieved by demonstrating that the co-op has written policies regarding personnel and safety issues; and adequate liability insurance, including director’s and officer’s liability.

Specifically, compliance for this policy will be achieved by evidence that:

1. Policies: The co-op has written policies regarding harassment, equal opportunity, progressive discipline, and safety.
2. Insurance: Insurance coverage for general liability, directors and officers and fiduciary liability is deemed sufficient by co-op’s insurance brokers. Additionally, insurance carriers must have a financial strength rating of “A” or better as determined by A. M. Best Rating.
3. A system for protecting the co-op’s retirement benefits plan. Specifically, the system will include identification and education of fiduciaries, a qualified third-party administrator, an annual review of plan performance, and insurance to protect the fund.

**Data:**

1. Policies: The co-op’s employee handbook details policies for harassment, equal opportunity and progressive discipline and is scheduled for an update this fiscal year including a legal review. The Safety Manual details all of the aspects of the co-op’s safety program.
2. Insurance: The co-op carries the specified coverage and was deemed customary and reasonable by the co-op’s insurance broker in the spring of 2024.

**Summary of Liability Insurance Coverage December 2024**

Type	Individual Occurrence	Aggregate Limit	Carrier	Rating	Compliant?
General Liability	\$1,000,000	\$2,000,000	Selective	A+	<b>Yes</b>
Umbrella Liability	\$4,000,000	\$4,000,000	Selective	A+	<b>Yes</b>
Workers Compensation	\$500,000	\$500,000	Selective	A+	<b>Yes</b>
Employment Practices Liability	\$1,000,000	\$1,000,000	Cincinnati	A+	<b>Yes</b>
Director & Officer/ Fiduciary	\$1,000,000	\$1,000,000	Cincinnati	A+	<b>Yes</b>

3. Retirement plan- The Co-op's 401k plan meets each of the criteria:
  - a. The 401k Committee, HR-FM Manager and advisor (AIAS Retirement) serve as fiduciaries for the Co-op's retirement plan and have been informed of their duties. We meet twice annually, document our meetings and actions thoroughly and ongoing education is provided as part of our review.
  - b. The co-op contracts Vanguard (Ascensus) as its third-party administrator.
  - c. The 401k Committee reviews performance, expenses and diversification twice annually.
  - d. The co-op holds fiduciary insurance coverage of \$500,000 for the plan.

*Accordingly the General Manager shall:*

*L7.3 Not allow purchasing practices that present opportunities for any staff member to exploit the co-op's resources for personal gain, or to damage the co-op's integrity or finances.*

**Operational Definitions / Interpretation:**

Co-op assets are protected via a complete set of purchasing controls for all aspects of purchasing, including products for resale, supplies and capital items. Wholesale purchases are monitored such that inventory levels are consistent with sales growth and cash flow needs. Compliance will be achieved by evidence that:

1. The existence of purchasing policies that address conflicts of interest and limit the amount of non-inventory purchases.
2. No material violations have occurred. Material violations are those that, according to existing procedure, require an employee be placed on probation or terminated due to the violation, or are included in the annual audit.
3. Monitoring of retail inventory by product category on a quarterly basis and the value of retail inventory (for individual categories and in the aggregate) must not increase more than 15% for the most recent 12-month period, unless as a result of planned business activity.

**Data:**

1. The Co-op's employment policies address conflicts of interest and gifts for personal use and limit the purchase of supplies and capital items according to employee's position and level of responsibility.
2. No material violations with respect to purchasing to report.
3. A physical inventory count is taken quarterly and reported on a category basis. Managers and buyers review overall inventory levels and average annualized inventory turns regularly. The total inventory of retail products (listed on balance sheet) increased 5.4% over the same quarter in FY2024.

*Accordingly the General Manager shall:*

*L7.4 Not allow receipt, processing, or disbursement of funds under controls insufficient to meet the standards of an auditor appointed by the Council, regardless of the frequency of actual audits scheduled by the Council.*

**Operational Definitions / Interpretation:** Financial controls acceptable to independent auditor. Compliance will be achieved by lack of significant criticism regarding receipt, processing or disbursement of funds in auditor's notes or management letter.

The co-op will have procedures for security of cash handling and will have no significant losses due to inadequate security, regardless of the findings of an auditor. Specifically:

1. The co-op has written policies and procedures in place to protect against loss of cash due to employee theft or error.
2. No significant cash-handling losses will occur during the period since the last reporting of L7. In judging the degree of significance, the General Manager will consider the amount of losses and the intentions of the people involved.
3. The co-op will document all known losses, and respond appropriately to all significant losses, to include informing the Council President and/or the Council as a whole as appropriate.

**Data:**

There were no significant criticisms or material deficiencies in FY2024 financial audit.

(Procedures/Losses)

1. Front End Department has training materials and cash accountability policy that describes co-op's policies regarding cash handling, available upon request. Systems for tracking cashier overages/shortages and ensuring accountability exist.
2. There were no significant cash-handling losses of funds in the past quarter.
3. Co-op documents daily cash/sales through cashier declarations which are independently verified by depositor and resulting over/short reports. Losses due to theft and/or policy violation are documented through the co-op's personnel records.

*Accordingly the General Manager shall:*

*L7.5 Not operate the organization with inadequate security that unnecessarily risks theft, loss, or damage to property, building, and equipment.*

**Operational Definitions/Interpretation:** Co-op must have in place written policies, systems and procedures that reasonably minimize the risk to co-op property. Compliance will be achieved by demonstration that co-op has:

1. Written policies for prevention of shoplifting and backroom theft
2. A security alarm system
3. A security camera system
4. Basic fire prevention and emergency response policies and procedures
5. No material losses due to theft or damage from the past quarter.

**Data:**

1. (Theft policies) The co-op's employment policies contain sections that cover store security, shoplifting, robberies, and employee purchases. Receiving department policies address backroom theft liability, including potential vendor theft.
2. (Security alarm system) The co-op employs a security alarm system for protection against fire, refrigeration failure and break-ins.
3. (Security camera system) We also employ a digital security camera system (which was updated this year and currently has 43 cameras) which monitors the sales floor, front end and deli cash registers, the exit/entrances, our back room and the cash room.
4. (Fire prevention and response) The co-op's safety manual describes fire prevention, response and evacuation procedures; all employees regularly receive retraining in fire response and evacuation. Co-op fire detection and sprinkler systems up to code and tested annually.
5. (Losses) There were no material losses to report.



Accordingly the General Manager shall:

L7.6 Not fail to utilize current best practices to secure all deposits against any bank loss, and not fail to protect any invested cash by accepting only the lowest reasonable risk of loss.

**Operational Definitions/Interpretation:** The co-op’s funds should be fully insured with limited exceptions. Compliance will be achieved by evidence that all cash holdings and investments are less than \$250,000 (FDIC limit); or a) in a single primary checking account that contains less than three weeks of average sales in the previous two quarters; b) invested in or backed by Treasury securities; or c) are Council-approved investments in other cooperatives and mission related funds.

**Data:** All accounts are below thresholds, and I am reporting compliance.

**Summary of Co-op Deposits and Investments December, 2024**

Institution	Amount Deposited	Amount Insured	Notes	Compliant?
NSB	\$1,670,515	\$250,000	<\$1,758,590 (3 weeks of average sales)	Yes
TD BankNorth	\$248,707	\$250,000	FDIC- Insured	Yes
Community National	\$231,004	\$250,000	FDIC	Yes
EastRise (VSECU)	\$152,417	\$250,000	NCUA	Yes
Treasury Securities	\$4,719,112	\$0		Yes
Co-op Fund of Northeast	\$149,554	\$0	Council Approved Jan 04	Yes
Investments in various Co-ops	\$41,355	\$0	Council approved	Yes
Equity in various Co-ops	9,271	\$0	Per investment policy	Yes
VT Comm. Fund	\$108,449	\$0	Council Approval Oct 2018	Yes

Note: Cash balance on balance sheet includes cash in Store not listed in table and does not include CFNE and HELP(\$2,207) account. “Investments in co-ops” does not include investments in NCG (\$341,230), Fedco (\$61) and Frontier (\$19,418) which are required in order to do business with those co-ops.

*Accordingly, the General Manager shall:*

*L7.7 Not fail to secure data; intellectual property; files; and staff, member-owner, and customer personal information against loss, theft, or damage.*

**Operational Definitions/Interpretation:** Sensitive co-op information is provided adequate protection. Specifically:

1. Sensitive paper records will be kept in locked files.
2. Member-owner contact and purchasing information is secure.
3. Electronic records will be regularly backed-up.
4. Access to sensitive co-op information will be determined and restricted by job description.
5. Precautions will be in place to protect key intellectual property.
6. Credit/debit transaction will be PCI (Payment Card Industry) compliant.
7. A training program for internet security awareness is provided to all key employees.
8. There will be no reports of failure to protect data in the past year.

**Data:**

1. Personnel files and other sensitive documents are stored in locked file cabinets with keys provided to designated employees.
2. Individual Member data available to limited staff and never provided to outside parties. In addition to basic contact information, we are now collecting member birthdates but not social security numbers.
3. Electronic server data are backed up nightly to external hard drives and data cartridges which are stored offsite for up to two weeks. Some data is also backed up to the cloud.
4. Personnel information limited to general manager and human resources staff with some access provided to department managers, payroll staff and union officers upon request. Sensitive financial documents available to only senior finance department staff and the general manager.
5. We judge that the co-op has no intellectual property considered to be at risk.
6. The co-op is fully PCI-compliant.
7. The co-op uses Ninjio service to train employees in detection of email threats including regular information with required tests for all HMC email users.
8. We have had no reports of failure to protect data this past year.

*Accordingly, the General Manager shall:*

**L7.8** *Not fail to exercise due diligence in negotiating and executing contracts with third parties and employees.*

**Operational Definitions/Interpretation:** Due diligence will mitigate risk to the Co-op assets when entering into contracts, especially those valued at greater than \$5000 per annum. Our investigation and evaluation may include management team, legal counsel, industry experts, co-op peers and consultants and others as necessary. Compliance will be demonstrated by documentation of process and key factors involved in contract decision-making.

**Data:** The Co-op does perform due diligence in researching options prior to entering contracts typically including competitive bidding and legal review when appropriate. The following table provides basic information about the process and people involved for a sample of the Co-op’s more significant current contracts:

<b>Contract:</b>	<b>End Date:</b>	<b>Involved:</b>
Labor Agreement: UE 255	June 2025	Employee Union, Management Team, Legal Counsel, Council-ratified, considered budgets, industry data, more
Purchasing Contract: UNFI	June 2026	Negotiated on our behalf by NCG with extensive legal review, cost plus pricing, comparisons to other purchasing agreements, evaluation of other potential suppliers, wholesale costs auditable
Payroll Services: Paylocity	No End Date, 60 days’ notice	Negotiated based on previous rates, legal review
Inventory Services: RGIS (now WIS)	No End Date, 30 days’ notice	15+ year relationship with virtually only service provider in area
Linen Service: Foley Services	Feb. 2027	Renewal, considered alternative bids with review by NCG staff
Maintenance Agreement: New England Air Systems	Feb. 2026	Renewal, considered alternative providers, references from other co-ops, Co-op vendor for over 12 years
ECRS License and Maintenance Contract	June 2025	Competitive Bid, Includes Maintenance & Support on POS Catapult plus Gold Service Contract on Hardware, annual auto-renewal with opt-out
Parking: Stonecutters Way City of Montpelier	Renews every 6 months	Discount from typical city rates
Parking- Granite/Barre St. Lot: Downstreet Housing	Nov. 2025	Negotiated based on city rates, legal review

*Accordingly, the General Manager shall:*

**L7.9** *Not fail to protect the Co-op’s public image and brand identity.*

**Operational Definitions/Interpretation:** The co-op will in practice and in results maintain its position as a trusted agent for our member-owners and the public. Evidence of this trust will be maintenance of our membership and customer base. Specifically:

1. The co-op will have in place systems for maintaining brand and public image including an emergency communications response plan.
2. Customer satisfaction will not decrease significantly as measured by average satisfaction rate in the annual shopper survey.
3. In the past three months, there will have been more positive stories than negative stories and letters about our co-op in local print media outlets.
4. At least 10 visible community partnerships and sponsorships tied to cooperative values.

**Data:**

1. The co-op maintains a manual detailing brand standards (color, design, etc.) that is used by marketing staff to maintain consistency and effectiveness in all our printed materials; this manual has been recently updated and is available for review [here](#). The co-op also maintains a crisis response communication plan.
2. In the 2025 shopper survey, 97% received an average rating of “good” or better (>3.5 on 5-point scale). Shoppers gave prices an average rating of 3.25, up from 2.9 last year.
3. From December-February there have been seven mentions of the Co-op in local media. Links to the stories can be found [here](#). All of the stories were either neutral or positive in nature.
4. For June 2024 – August 2024, the Co-op participated in seven significant sponsorships, including Farmers Market gleanings with Community Harvest of Central Vermont; CVMC’s Health Care Share program, helping to provide CSA shares to folks who might not otherwise access fresh produce; the 3<sup>rd</sup> annual Maple Roots music festival; Montpelier Alive/Monteverdi School of Music Brown Bag Concert Series; and Montpelier Parks Department Parkapalooza series. From September-November 2024 the Co-op sponsored the two art gallery receptions at the North Branch Nature Center, the Capital Soccer Bailey Memorial Jamboree, we were a presenting sponsor of Montpelier Alive’s Taste of Montpelier event, Green Mountain Community Fitness’ Vermonster CrossFit competition, Montpelier Roxbury Schools Fall Festival, Prevent Child Abuse Vermont’s Walk for Safe and Happy Childhoods and Horse Drawn Carriage Rides downtown through Montpelier Alive on Small Business Saturday. From December – February the Co-op participated in five significant sponsorships, including the Montpelier Recreation Department Youth Basketball program, Capstone Community Action’s Fuel Your Neighbor campaign, The Vermont Humanities Council Vermont Reads/Farmers Night event, North Branch Nature Center’s Naturalist Journeys Series, and Cabot Arts 12<sup>th</sup> Night celebration.

*Accordingly, the General Manager shall:*

**L7.10** *Not fail to operate with a clear policy for employees to report suspected fraud to the Council President or Treasurer.*

**Operational Definitions/Interpretation:** The co-op must have written employee policy that clearly communicates how an employee can notify suspected fraud to the President or Treasurer.

**Data:** Excerpt from Section 19 of co-op employment policies: “Employees may report suspected fraud to the Council President or the Council Treasurer. All information will be treated confidentially and there will be no retaliation against the reporter”. This policy was shared with staff in the staff update in March 2025, it was also shared on a staff communication screen in March and will be included in the spring 2025 all-staff training. In 2022, the Council adopted a procedure for responding to concerns about suspected fraud.

*Accordingly the General Manager shall:*

*L7.II Not allow the Co-op to operate without contingency plans for disruption to operations from force majeure.*

**Operational Definitions/Interpretation:** The co-op must have written policies and procedures for responding to pandemics, fire, flood, other disasters or situations requiring emergency response.

**Data:** The Co-op has a detailed pandemic plan last updated in 2022. The co-op’s safety manual details the co-op’s policies regarding fire, flood, earthquake and other unplanned emergencies. Every employee is supplied with a copy of the manual and receives training in key policies during new employee orientation and regularly store-wide safety trainings. The co-op also has written procedures for the handling of power and water outages and refrigeration failure.