

pedal people



Valley Alliance of Worker Co-operatives Annual Report 2016-2017



Dear Member Co-ops and Supporters,

May 24, 2017

Our eleventh year brought brings us new members, new member applications, more educational activity and broader services to our membership. It also brings challenges and we will bid farewell to Deirdre Kelley, Randy Zucco and Anasuya Weil as board members. Thanks to all your support, commitment and spirit moving VAWC forward.

This past year saw the election of a board of directors, on-going educational and marketing activity, the successful execution of membership-passed budget and our annual meeting. We have expanded support for our member is advocating for, creating and preserving favorable legislation for worker co-operatives and co-operatives as a whole. In this annual report is a more detailed update but it is encouraging to know we're having real impact on the awareness and development of worker co-operatives in our region whether that's through having our own legislative platform, writing letters, informing co-operatives about issues and direct communication with legislators.

Relatedly, we are federation partners of the United States Federation of Worker Co-operatives, are members of the Valley Co-op Business Association and thus automatically members of the National Co-op Business Association as well. This means we have direct contact with other legislative advocates on a national scale to promote our platform. Partnering with other aggregated co-operative organizations enhances our impact and builds solidarity. We encourage all VAWC member co-ops to take advantage of localizing their dues in this region and to be members of both cross sector organizations. VAWC Member Co-ops receive 25% off their dues to VCBA/NCBA.

We have seen the continued board and staff support of our member co-ops and its interco-operative activities. One sign is that our member co-ops are sharing customers and creating new business opportunities within our system. Member co-ops are getting direct support from staff and board, too, like our executive director assisting Green Mountain Spinnery on formalizing their member-in-training process.

We have another year of over 200 students at UMass, Amherst, learning about co-ops thanks to our continued involvement in the Certificate of Co-operative Enterprise program through the UMass Co-operative Enterprise Collaborative. In 2017 we have seven internships bringing 1,700 hours of research and labor to the member co-ops of VAWC and the Neighboring Food Co-op Association, our fellow community partner at the UMass CEC.

Our Executive Director continued to present about VAWC at regional and national conferences, bringing the VAWC message across sectors and regions. Conferences included the Vermont Employee Ownership Conference, the U.S. Federation of Worker Co-operatives Conference and the Consumer Co-operative Management Association Conference.

Onward to another year.

Respectfully,

VAWC 2016-2017 Board of Directors

Randy Zucco - Collective Copies - Board President

Anasuya Weil - Co-op 108 - Treasurer

Philippe Rigollaud - PV Squared - Secretary

Deirdre Kelley - Brattleboro Holistic Health Co-op

Suzette Snow-Cobb, Stakeholder Director, Franklin Community Co-op

VAWC is itself an expression of co-operative principles and we will go through each principle to assess our work as guided by the seven co-op principles as stewarded by the International Co-operative Alliance.

Open and Voluntary Membership

Our core goal is to provide ourselves with the resources and support we need to advance our co-operatives, empower our members, and benefit more people in our communities.

VAWC membership is open to all worker co-operatives in our service area and is rooted in the ideals of co-operation, mutuality and solidarity.

Eight worker co-operatives in our region freely associate and become member co-ops. Members interco-operate to build strategy, new opportunities and guide this common enterprise of advancing their goals and needs. Directing their own support co-operative, members create a regional identification with the viability and advantage of worker co-operatives. As a cross industrial co-op members also show the length and breadth of co-operation.

2017 Member Statistics

8 Member Co-ops
\$41,000 in charitable contributions
56 worker/members
87 employees
4 conversions

Industry Breakdown

(some co-ops are more than one)

3 in the trades
3 in light manufacturing
5 in service
2 in construction
1 in agriculture
1 in transportation
1 in renewable energy



Impact Highlights in 2017

2 worker co-op legislative efforts with emails, letters and in-person meetings with legislators

Became member of Shared Capital Co-op

Currently supporting 2 co-op conversions and 1 start-up

Engaged Northampton city councilmen on purchasing from co-ops

Part of effort to have MA Governor sign Resolution

Brought the co-op led message and model to four conferences in seven different workshops

Democratic Member Control

A key component of our success is how we operate. VAWC's character and direction is determined and held accountable by its members. The VAWC Interco-operative Development Fund is owned and controlled by membership, too, bringing these principles to financing in a unique manner for member participation.

Our structure and process are among our top performance indicators. Through aggregated action and information we bring co-operatives to the table on issues like development, marketing the co-operative advantage, legislation, regional economic planning.

Massachusetts state legislators heard from us in order to protect the worker co-op identity. 157A Employee Co-operative Corporations, under which a number of VAWC members are incorporated, has a proposed amendment that would provide previous ownership of a conversion with "specialized shares" that threaten one-member, one-vote democracy as well as equitable approach to patronage dividends. We told legislators that the co-operative principles of Democratic Member Ownership and Member Economic Control (International Co-operative Alliance, www.ica.coop) should not be sacrificed under any circumstances, even if they are on a timeline and that similar financing could happen through subordinated debt or Class 'B' shares.

We also asked legislators to add VAWC to the list of organizations that are told about potential conversions through *H1026, An Act relative to job creation through employee ownership*. H1026 requires owners of business going up for sale to alert their workers and give them first right of refusal. We want to have an experienced co-op led option for workers of any company in our commonwealth as an option to support them.



VAWC Members and Affiliates writing letters to legislators.

Member Economic Participation

Together, members own the resources and direct the activities carried out by the Board, Executive Director and our VAWC Interco-operative Development Fund. Our budget is member-approved and overseen by the Board and our VAWC IDFund is modeled after one of the most successful co-op complexes in the world in Italy.

An added layer of participation comes from our co-operative structure which focuses attention on serving members. We provide ourselves with the resources and support to members achieving their goals and these same co-ops guide how we build economic strength and community awareness. We build additional access to capital by working with co-operative lenders.

Over 1/3 of VAWC time and resources is direct member support through direct support and provision of technical assistance. When counting marketing, advertising and co-opreneurship (the activity that leads to members) it is 2/3 of total time and resources (For more detail on allocations of resources see the appendices).

We celebrate the provisional membership of two new conversions in our system since our last annual meeting in Mindel and Morse Builders' Co-operative and Oxbow Design Build, Inc.



2017 VAWC Economic Indicators

Total VAWC Interco-operative
Development Fund Asset: \$19,300

Member/Investor, Shared Capital
Co-operative

Investor, Co-operative Fund of
New England

Autonomy and Independence

Relying on members for our budget and direction provides independence to direct ourselves according to our own goals. We are free from reliance on other organizations, grant funders and the state, and we operate to serve our members. Accordingly VAWC is able to have long term strategic capabilities to see members supported through a variety of challenges over time free of restriction.

Leveraging our independence brings a timeline and consistent resource investment to co-found several organizations and groups that have VAWC's "fingerprints" of worker emancipation, democracy and cross sector collaboration all bound up in co-op led development.

The Valley Co-op Business Association (which is also a secondary co-operative) and the UMass, Amherst, Co-operative Enterprise Collaborative advance our goals and provide a venue to make long-term partnerships for mutual gain. At the time of its creation the Certificate in Co-operative Enterprise was the only undergraduate program focused on co-operatives in the United States, serving 100-200 students a year through classes every semester since 2010.

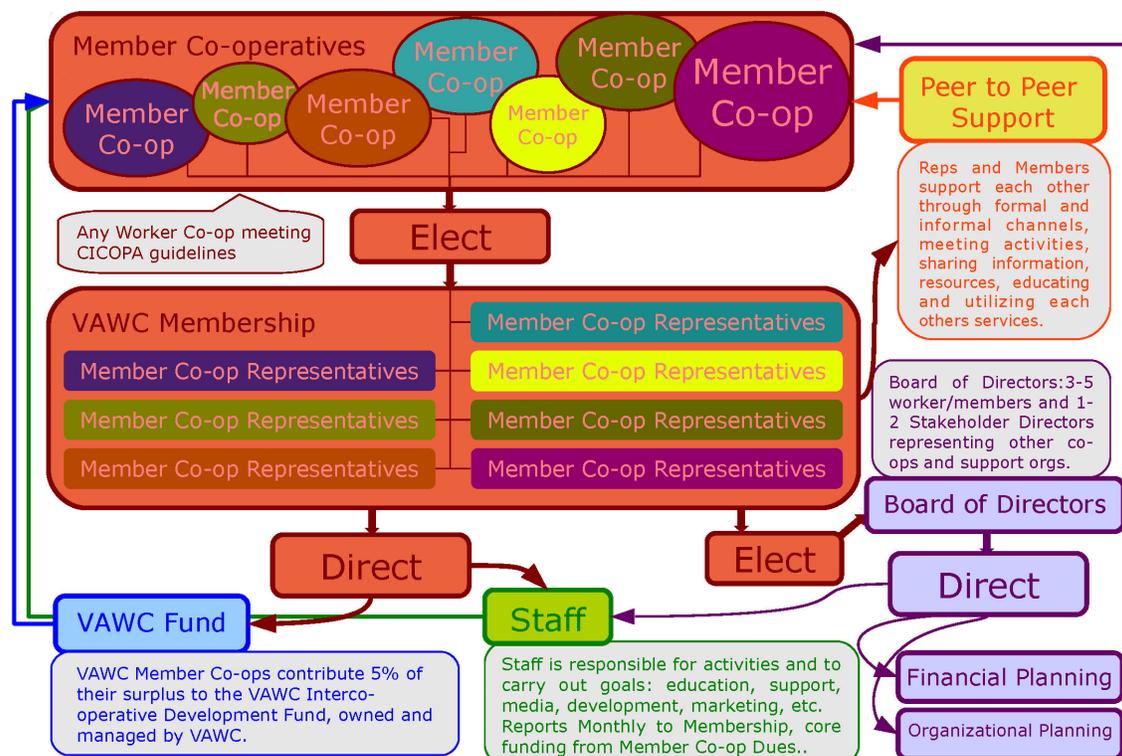
2017 VAWC Economic Indicators

Members review and approve a budget prepared by Staff and Board

Our budget is 83% member dues based

2017 budget came in under 4.4% of projection

Valley Alliance of Worker Co-operatives



Impact Highlights in 2016-2017

Three classes specifically on co-operatives offered

200 students enrolled

Eight interns placed in VAWC or NFCA co-ops

2,000 hours of research and “on-the-floor” labor performed for host co-ops

Over 50 academic credits allocated to interns

Education, Training and Information

VAWC member co-ops demonstrate commitment to Principle 5 through considerable internal and external education programming. VAWC co-founded the first Certificate in Co-operative Enterprise in the United States at the University of Massachusetts, Amherst, with the Neighboring Food Co-op Association (NFCA) and UMass faculty, staff and students. Class enrollment is between 100 and 200 students a year and has had active classes every semester since 2011. We co-designed both introductory and upper level courses focused on co-operatives with a primary focus on worker co-ops.

A keystone of the Certificate are VAWC and NFCA member co-ops hosting interns who each work “on-the-floor” and perform research to support their host co-op.



Students delivering their final reports for the Certificate in Co-operative Enterprise to host co-ops, co-op associations and UMass faculty.

For internal education VAWC distributes multiple copies “Owners’ Manuals” to all member co-ops in order to catalog all relevant structural, legal, governance and policy documents for VAWC and for their particular co-operative. The goal here is to have existing and new members of co-operatives know how to operate their own co-op and their built-in support co-operative with ease.

Our web presence is one of our outlets of information and we have 500+ twitter followers, 750+ facebook likes and a website that features our membership and our activities.

VAWC is an expression of the sixth co-operative Principle - Co-operation Among Co-operatives - as we are a “co-op of worker co-ops” that have come together as a means of strengthening the efforts of our individual co-ops to develop their businesses, serve their members, and contribute to the wider co-operative economy. We are a Federation Partner of the United States Federation of Worker Co-operatives, the U.S. umbrella organization for worker co-operatives.

VAWC co-founded the Valley Co-operative Business Association (VCBA), a local secondary co-operative. In doing so we built a shared-membership model with the National Co-operative Business Association (NCBA). This means all VCBA members are also NCBA members, elevating their participation to both a regional and national level. Through relationship building and communication VAWC has secured dues discounts to both VCBA (25%) and USFWC (50%) for its member co-operatives.

Interco-operative activity brought exciting results this year as we co-sponsored a screening of NCBA’s “Spirit of Co-operation” in Greenfield with VCBA, NFCA and Franklin Community Co-op.

It’s exciting to have a stakeholder director seat on our board, currently held by Suzette Snow-Cobb. The purpose of the seat is multi-faceted; with it we build collaboration across sectors as well as build our voice in them, to gain knowledge about the co-op model and to prevent any limitations of our model being a “single-class co-op”. We are fortunate to have Suzette who is a 20 year veteran of co-operatives who has experience in all levels of management in food co-operatives, holds a Master’s Degree in Co-operative and Credit Union Management and is President of VCBA.

Impact Highlights in 2016-2017

Shared advertising featuring worker co-ops with Valley Co-op Business Association

Held co-op “socials” across all sectors at co-op sites

Attended three annual meetings of surrounding co-operatives

Became a member of Shared Capital Co-operative

Thanks to our Organizational Affiliates:

Anti-Oppression Resource and Training Alliance

Boston Tech Collective

Suzette Snow-Cobb

Erbin Crowell

Franklin Community Co-op

Neighboring Food Co-op Association

Real Pickles

Our shared ad that ran in local newspapers

Impact Highlights in 2016-2017

Presented eight workshops about co-op leadership and its results in VAWC at four difference conferences

Article on co-ops featuring VAWC in the Valley Advocate “Surprise, its a Co-op!”

Podcast highlighting co-op led development featuring VAWC’s model

Co-sponsored movie screening of “Spirit of Co-operation” in Greenfield with 40+ attendees

Part of WHMP’s Co-op Month Radio panel episode on The Bill Newman Show.

VAWC takes pride in Principle 7 Concern for Community building awareness of not just the co-ops in its region but for the values and principles of co-operation in general. Informing a populace with the tools of economic democracy is one way having concern. The federation’s vision is for a vibrant co-op economy in which all citizens are active in their own economic destiny. That said, VAWC does not allocate many resources to support the community at large via typical channels like donations or sponsorships outside of co-operative events.

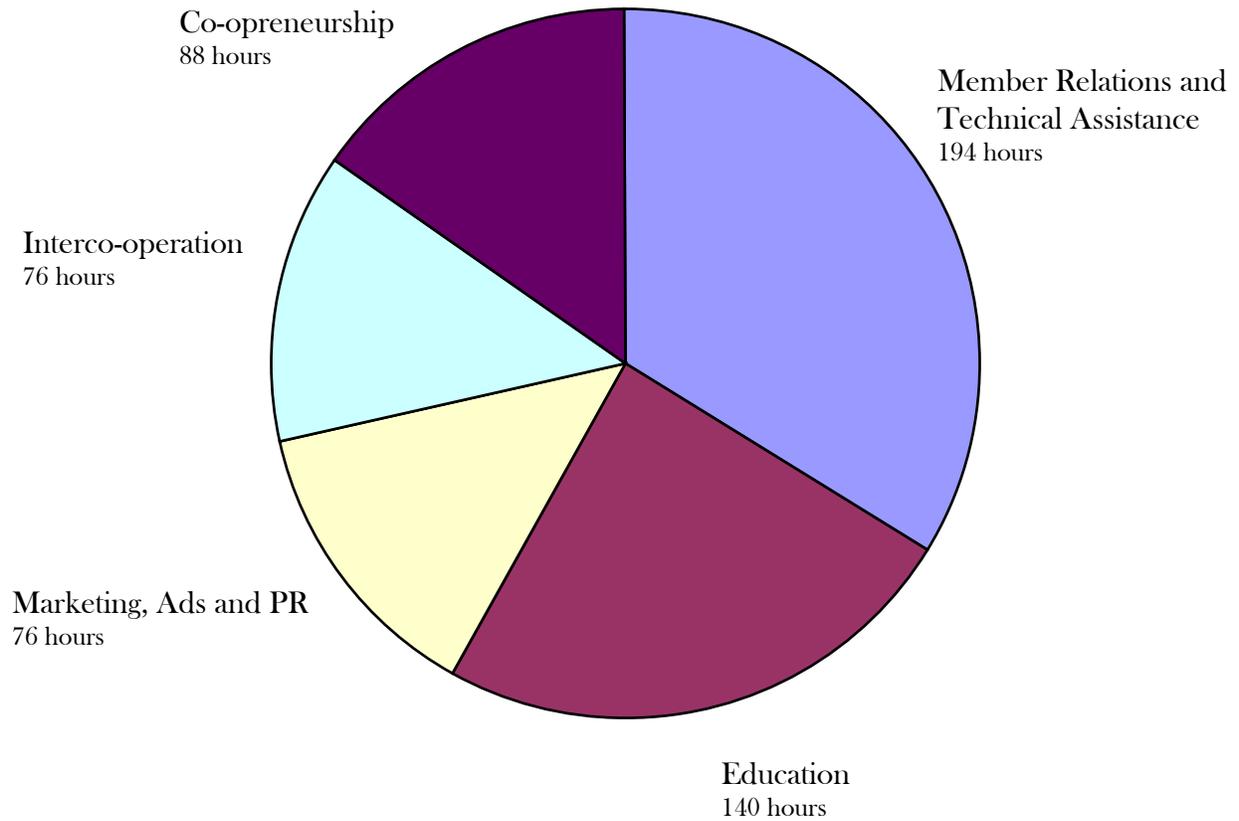
VAWC also makes a point to represent its members at local and movement conferences and media outlets throughout the year, reaching hundreds with its message of interco-operation and co-op led development and support.



The “Co-op Month Panel” on Bill Newman’s Radio Show featuring VAWC, PV Squared, River Valley Co-op, Our Family Farms and Peter Ives of First Churches in Northampton.

Appendix 1: Executive Director Hours Reporting
Hours, by category May 1, 2016 to April 30, 2017

Total Hours 574



For more on Executive Director activities ask for
past bi-monthly Executive Director Reports at
adam@valleyworker.coop.

VAWC
Balance Sheet
As of December 31, 2016

Appendix 2: Financial Report
Fiscal year is January 1 to December 31.

	Dec 31, 16
ASSETS	
Current Assets	
Checking/Savings	
1004 · Freedom Credit Union	12,064.84
1045 · CFNE	6,767.24
Total Checking/Savings	18,832.08
Total Current Assets	18,832.08
Other Assets	
1180 · Loans Receivable	
Loan Receivable - Simple	3,068.06
Loan Receivable Coll Copies	6,510.17
Total 1180 · Loans Receivable	9,578.23
Total Other Assets	9,578.23
TOTAL ASSETS	28,410.31
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2200 · Accrued payroll	2,232.45
Total Other Current Liabilities	2,232.45
Total Current Liabilities	2,232.45
Total Liabilities	2,232.45
Equity	
3100 · Net Assets	19,189.61
3200 · Member Share	100.00
Net Income	6,888.25
Total Equity	26,177.86
TOTAL LIABILITIES & EQUITY	28,410.31

Notes:

We came in 4.4% under our projected budget for 2016-2017.

Our VAWC Fund's total asset is \$19,300.

VAWC
Profit & Loss by Class
January through December 2016

	Development Fund	Operating	TOTAL
Income			
4000 · Member Dues	0.00	14,094.27	14,094.27
4500 · Other Income	572.35	22.15	594.50
4501 · Miscellaneous Revenue	0.00	5.00	5.00
4690 · Other Operating Income	0.00	806.73	806.73
4700 · Development Funding	5,770.00	0.00	5,770.00
4777 · Organizational Affl	0.00	650.00	650.00
4800 · Grant Revenue	0.00	826.00	826.00
4899 · Loan interest	256.30	0.00	256.30
4992 · Bank interest	0.00	21.23	21.23
Total Income	6,598.65	16,425.38	23,024.03
Expense			
5003 · Staff Contracted Services	0.00	13,122.43	13,122.43
5004 · Accounting Expense	0.00	776.14	776.14
5502 · Postage, Mailing Service	0.00	6.28	6.28
5504 · Supplies	0.00	31.82	31.82
5505 · Dues & Fees	0.00	109.00	109.00
5506 · Promotion	0.00	1,074.13	1,074.13
5600 · Other Expenses	0.00	740.55	740.55
5700 · Travel and Meetings	0.00	255.93	255.93
5705 · Travel	0.00	19.50	19.50
Total Expense	0.00	16,135.78	16,135.78
Net Income	6,598.65	289.60	6,888.25

Appendix 3: Massachusetts Governor Charlie Baker signs Co-op Month Resolution recognizing co-ops in our Commonwealth.

The Commonwealth of Massachusetts



A Proclamation

Whereas "Co-op Month" officially became a national event in 1964, being celebrated each October in the United States of America; and

Whereas Co-operatives are businesses that are locally owned by everyday people who join together to solve a problem, meet a need or achieve shared goals; and

Whereas Co-operatives are recognized in the laws and statutes of the Commonwealth of Massachusetts as member-owned enterprises, operating on a not-for-profit basis for the benefit of their membership; and

Whereas Co-operatives are owned and democratically controlled by their member owners and give people who belong to co-operatives a real stake in their communities and their economic destiny; and

Whereas Co-operatives meet a wide range of essential needs including accessing healthy food, employment, marketing and purchasing farm products, providing financial services (credit unions), delivering electric, telephone and cable services, and providing health care, housing, and insurance; and

Whereas Today an estimated 2.5 million member-owners in our state depend on approximately 530, co-operatives to meet a wide variety of needs, goals and aspirations; and

Whereas Co-operatives play a major role in the economy of Massachusetts, annually recording an estimated \$3.3 billion in revenue; and

Whereas The co-operative philosophy of working together for the common good has promoted community well-being and improved the quality of life for the citizens of Massachusetts; and

Whereas The theme established by the National Co-operative Business Association for 2016 is "Co-operatives Build," emphasizing the manner in which co-operative enterprises build their communities, grow jobs, and root economic infrastructure in our region,

Now, Therefore, I, Charles D. Baker, Governor of the Commonwealth of Massachusetts, do hereby proclaim the month of October 2016, to be,

CO-OPERATIVE MONTH

And urge all the citizens of the Commonwealth to take cognizance of this event and participate fittingly in its observance.

Given at the Executive Chamber in Boston, this first day of October, in the year two thousand and sixteen, and of the Independence of the United States of America, the two hundred and fortieth.

BY HIS EXCELLENCY

Handwritten signature of Charles D. Baker in blue ink.

CHARLES D. BAKER
GOVERNOR OF THE COMMONWEALTH

Handwritten signature of Karyn E. Polito in blue ink.

KARYN E. POLITO
LT. GOVERNOR OF THE COMMONWEALTH

Handwritten signature of Matthew Fruey Baker in blue ink.



Donated in part by Collective Copies, a worker co-operative
 A member of the Valley Alliance of Worker Co-operatives
www.valleyworker.coop

