

**First Alternative Cooperative**  
**Global Ends Report**  
**April 2017**  
**Reflecting on 2016**  
**Respectfully Submitted by Cindee Lolik, General Manager**

Ends Reporting is a way that our organization measures its progress toward making a difference in our community through the fulfillment of the goals that the Ownership and Board establish for Management. It is a way to tie together all the previous year's reports to the Board on Management's compliance with the Limitation Statements set forth in policy by the Board and to try to capture the overall impact that First Alternative Cooperative has in Corvallis and our greater community.

2016 saw us still working toward profitability, while this focus was primary, we continued to work toward our mission and retain our position in the greater Corvallis community

First Alternative exists to provide cooperative commerce for the greater good of our community, which includes:

1. Owners and Shoppers
2. Staff
3. Local farmers and producers
4. Community members
5. Community organizations
6. Other co-ops

Because of First Alternative:

- 1. The community will have a retail source of food that is affordable, healthy, and grown and/or processed locally to the fullest extent possible.**

Interpretation

One of the primary reasons that First Alternative exists is to provide our owners and shoppers with a grocery store where they can have access to food within their family's budget that is wholesome and healthy. In addition, the Co-op provides as many locally sourced foods as we can, encouraging our vendors to expand their offerings and assisting them to do so when we can.

Measures

1. Progress and success will be partially measured each year in the L7 Quality Food Limitations Statement report from the General Manager.
2. Our retail managers and buyers will actively source more local purveyors.
3. First Alternative will promote local on a year round basis.

Data Collection

1. See the most current version of the L7 report submitted by the GM in July of 2016.
  2. Our retail managers are always on the look out for more local purveyors. If we compare ourselves to the “average” cooperative in the NCG (National Cooperative Grocers) according to the study relating to food co-ops we find ourselves exceeding average in every area. We will have another opportunity to look at this information refreshed due to a new Impact study being conducted in 2017 by NCG.
  3. We have continued to actively use the Local 6 brand at the Co-op and in 2016 we expanded the local designation program to encompass not only Local 6, but Local Direct and Oregon. We also worked closely with the Community Food Land Trust group in 2016 to get word out about their program and to raise money for their cause.
- 2. There will be economic value returned to the community via charitable contributions, outreach projects, owner benefits, and other investments in the local economy.**

Interpretation

First Alternative will be a model in the Corvallis business community of a business that contributes to the betterment of the community at all levels. We will be known as much more than just another grocery store. The Co-op will be well represented in all facets of the community and will partner with other community organizations that seek to make Corvallis a leader in sustainability and economic vitality.

Measures

1. Donations, both cash and in kind – both food/product and staff time, will be available for the community.
2. The Co-op will make contributions and pass through contributions to our local schools and other organizations.
3. Co-op staff will participate in a variety of community events.
4. Annual surveys will be done to assess the value of the outreach programs the Co-op provides

Data Collection

1. A set budget for donations is included in the annual budget. Reports of past performance are reported on in L3, Community Information, Education and Outreach.
2. School programs: Reports of past performance are reported on in L3, Community Information, Education and Outreach.
  - First Alternative works in cooperation with local high schools, colleges and the university as opportunities arise. Our Brand Manager has worked hard this past year to establish relationships with local schools and the university – we should begin seeing results of this in 2017 – including First Alternative being the sponsor of DAM Hunger on the OSU campus for the next three years.

### 3. Community Events:

The Co-op attends events around town to get the word out about healthy eating and a healthy planet on a regular basis of 35-40 events per year. In 2016, our Outreach Specialist participated in a number of community events, utilizing support workers from our ownership. This included the film night in Avery Park and Fall Fest. Additionally, a few of our managers also participated in community events, including the Brand Manager, Finance Manager and General Manager.

### **3. Our community will be better educated about food, environment, and sustainability issues and as a result make healthier life choices.**

#### Interpretation

First Alternative will be known as the primary place to find out more about food, the environment and sustainability issues in Corvallis. In conjunction with our community partners, we will educate and model sustainability and true environmental stewardship through classes, outreach events and projects at the co-op and in the community.

#### Measures

1. Our efforts will be measured by the visibility of the First Alternative in the community.
2. The Co-op will be a model of sustainability and environmental protection in the community.
3. First Alternative Cooperative will participate in community events and committees that promote community sustainability and environmental protection.
4. We will produce a newsletter that reaches out to the greater Corvallis community.

#### Data Collection

1. FA staff will track the various methods of community outreach programs. The Co-op participated in at least two community events each month in 2016.
2. FA participates on Sustainability Coalition Action Teams and has been represented at local workshops, meetings and presentations and provided free food demonstrations and information. Last year members of the Staff served on the Food, Economic Vitality, and Water Action Teams. Co-op staff provided the refreshments at quarterly meetings of the Sustainability Coalition as well and attended the Sustainability Town Hall event. We continue to provide recycling services at the South store location in collaboration with Republic Services we are currently updating the signage at the Recycling Center and Republic Services in contributing to that update. We are listed in Republic Services communications to their customers as an alternative recycling site.
3. The Co-op General Manager and staff participate extensively in the Sustainability Coalition. The GM is now on the Sustainability Coalition Steering Committee and is also a member of the

Executive Committee of the Coalition. We are also broadening our participation to include the Corvallis Environmental Center and will be the food purveyor at the first concert in Starker Arts Park this year.

4. The Thymes is used as an education piece and is distributed to owners and the community monthly by email, on the web site and in the stores. Copies of the Thymes are also handed out at community events where the Co-op is participating. Copies of the Thymes are also available at locations around town.

**4. There will be a vibrant cooperative sector in the economy, both nationally and regionally, and a local community educated in the value of cooperative principles and enterprises.**

Interpretation:

First Alternative will work to the best of our collective abilities to provide leadership and stewardship of new and existing businesses in our community particularly when we can assist in the creation of more cooperatively owned businesses. The co-op will provide start up businesses and cooperatives with the cumulative knowledge of a strong, successful enterprise. We will continue to work with the National Cooperative Grocers to promote the cooperative model on a national basis and will encourage their continued involvement with strengthening existing co-ops and mentoring start-up co-ops.

Measures

1. Maintain our membership in the NCG (National Cooperative Grocers) and continue active participation.
2. Participate in efforts to promote cooperatives.
3. Offer a packet of information to potential entrepreneurs asking for assistance.
4. First Alternative Cooperative staff will share their knowledge with other cooperatives.
5. FA will support other local, regional and national cooperatives with our business.

Data Collection

1. Our membership and close relationship has continued with the NCG and we have continued to attend and participate in a variety of meeting and training opportunities with the organization. These include the annual General Assembly meeting; the annual All Corridor meeting; Corridor meetings; the Annual Convergence meeting; Focus on Fresh Conference; Human Resources Conference; and others.
2. While we do not have a formal way of promoting other cooperatives, the General Manager, as part of the Sustainability Coalition Economic Vitality Action Team, tries to promote co-ops being a part of the Team's focus.

3. Cooperatives and other businesses that request our help will be given an information packet to get them started.
4. Co-op staff actively participated in a variety of cooperative meetings and conferences in 2016. These included the NCG Conference for Finance and IT Managers; the regularly scheduled meetings as listed above; and the Convergence Conference for Grocery and Wellness staff.
5. We purchase products and services from other cooperatives, such as Frontier Co-op, Equal Exchange, Pachamama Coffee Cooperative, Unified Grocers and others.

**5. There will be a more vibrant local agricultural community and that community will in turn have a more reliable retail market for its products.**

Interpretation

First Alternative Cooperative will provide local farms and farmers with a year-round venue to sell their goods. Because of the Co-op's successful marketing and merchandising of local farm products, sales of these products will grow which will provide the farmers with the capital they need to be sustainable and to grow and will help to sustain start up farms in the community as well.

Measures

- I. Support local farmers who grow (or might grow) something we can sell
  - Actively work with local growers to provide a market for their goods
  - Maintain good working relationships with growers

Data Collection

- I. Develop systems to monitor the source of food and report data in L 7 report
  - Collect data on how many local growers we use and actively look for local growers to add to our vendors.
  - Continued support of our local growers that we have long term exclusive relationships with.

Past year's performance will be reported on in L3, Community Information, Education and Outreach and in L7, Quality Products.

**6. There will be an important source of employment in the community that provides personal satisfaction to employees, livable wages and financial security for employees.**

Interpretation

First Alternative will offer a workplace atmosphere to its employees where they can learn and grow with the organization and where their ideas and needs are considered when making decisions that affect them and the business. First Alternative will provide staff with a livable wage and a comprehensive benefit package to the best of its abilities.

Measures

1. First Alternative Cooperative will be an employer of choice in the community by offering a work place where many people choose to work based on job satisfaction and a desire to further the Co-op's mission and values.
2. Wages and benefits offered will be comparable to, if not better than (depending on financial circumstances of the business) to other similar businesses in the Willamette Valley and other cooperatives in the region.
3. Staff will have the opportunity to have input into management decisions.
4. Job opportunities and training for advancement within the organization will be available.

#### Data Collection

1. In our staff survey conducted in 2016 85% of our staff said they would recommend the Co-op as a good place to work and 93% agreed that taking everything into consideration, this is a good place to work.
2. Wage and benefit offerings will be reviewed annually in order to provide attractive packages for employee recruitment and retention. Human Resources continues to have our wage scale updated annually and we adjust wages as the business can afford to do so.
3. The Staff Log book is used to communicate to staff and for staff to communicate about the postings on an almost daily basis. The General Manager and all managers maintain an "open-door" policy. We are in the process of instituting a new process for input into and the communication of change.
4. Many internal job postings were available throughout the year. We strive to hire from within whenever possible. We have also ramped up cross-training opportunities in the past year. As we have pared back hours in departments, staff have been given the opportunity to train outside of their home departments in order to maintain their desired number of hours which also is beneficial in not having to add any additional staff to our payroll.

#### **7. There will be a thriving business that is a model for sustainable, ethical business practices and environmental stewardship.**

##### Interpretation

First Alternative will remain a successful proactive business so we can maintain our position in the community as a business that supports a triple bottom line dedicated to profit, people and the planet in equal measure. Our ability to thrive and turn a profit enables us to devote both co-op finances and hours of staff time to the mission of the Co-op.

##### Measures

- I. There will be labor allocated to improving and enhancing the Co-op's sustainability.

2. Each year a minimum of 20% of the capital budget will be spent on projects, equipment and other environmentally sustainable purchases.
3. FA will be a community resource for recycling. We will provide all of our staff with training in what can and cannot be recycled by the co-op so they know what to do with recycling/compost and landfill waste while working and so they can direct customers/owners in using the co-op's various recycling facilities.
4. The managers and staff will be creative and innovative in increasing and improving the Co-op's environmental sustainability. First Alternative Cooperative will educate organizations proactively.
5. The Co-op will operate its business with integrity throughout the organization.
6. Sustainability will be a focus in new construction and upkeep of existing buildings.
7. First Alternative Cooperative will have a positive bottom line with 'extra' capital at the end of each year
  - Net Income will be 1.5% of total sales minimum each year before dividends
  - Graphs will be produced showing critical assumptions over time

#### **Data Collection:**

1. The management has continued to ensure there are committees and programs developed to do the research and implementation for environmentally friendly business practices.
2. The amount of money spent on renewable energy, carbon offsets, and education has been tracked and reported on. We have continued to invest capital dollars in sustainable projects and in maintaining our systems so they run as efficiently as possible. Our recycling staff works hard to maintain the recycling center and to ensure that the Co-op, as a business, recycles as much as we can.
3. The Co-op has continued to offer a community-recycling center at the South Store, in fact this resource for the community is more popular than ever and continues to grow. All new staff continue to have a segment of their training devoted to recycling at the Co-op and are given a tour of the recycling center as well.
4. Team meetings when possible include discussions on sustainability and ways to implement systems. The Co-op is a demonstration site for solar power, rainwater harvesting, and bioswale education. Tours are offered to interested groups from schools, special interest groups (high school and college entrepreneurs, eco-tourism biking adventures, etc). Electric vehicle plug-ins have been installed and are utilized at the North store, due to flood plain issues the South store has been unable to install the plug-ins. The Bike Collective installed a free bike repair station at the South store for cyclists.
5. The Co-op has complied with all OSHA, BOLI and state regulations. We have continued to maintain a good relationship with our banking partners and our owners who have been lenders to us in the past (In fact most of the owners we renegotiated old loans with wanted to loan us

more money). We are known to be fair and treat everyone we do business with equitably and reasonably.

6. Sustainable lumber, paint, flooring, windows and recycled products, when feasible, are used in projects at the stores.
7. The L4 and L5 reports show past performance on this end. Graphs are provided to the Finance Committee to show trends and future possibilities.

**8. Owners will have a sense of connectedness via our programs, facilities, and opportunities to participate.**

Interpretation

First Alternative will offer owners opportunities for participation in the many aspects of the store.

Measures

1. Owner involvement will include a variety of operational owner worker and support positions.
2. Owners have various public avenues to present information and express differing opinions.
3. The community and owners will have access to facilities offered by the Co-op.
4. Financial benefits will be offered to the owners.

Data Collection

1. Owner opportunities were reported on in L3 and L8. They include, committee work, in store work and various community outreach jobs. We continue to talk about new ways to open up support opportunities for owners.
2. Usage data was collected on the in store input boards, Thymes letters to the editor, owner and board meeting attendance and were reported on in L3 and L8.
3. The Co-op continues to offer a full service grocery store, public meeting room, eating area, park area and recycling center for the community's use.
4. Patronage Dividends are returned to the owners when the Co-op makes a profit and the money is not earmarked for a capital purchase, this did not happen in 2016.