

# board<sup>OF</sup>directors

## Board of Directors Considers a Change to the Discount System

There has been a trend in consumer co-ops to move from discounts given at the registers to Patronage Dividend systems. Co-ops such as REI, plus many other food co-ops use this system, which pays out a dividend based on the individual shareholder's purchases at the end of the fiscal year, if the year's activity yielded a surplus. This gives the Boards of Directors better fiscal control, and provides significant tax benefits to the co-op as well.

Our Co-op has been successful for many years, so why would we consider changing now? Unlike co-ops that have given discounts at the register that at times they actually couldn't afford, we have consistently been able to pass on a 2% discount at the register without creating any fiscal problems for our organization. But as we progress through our redevelopment planning, thinking about how to fund our project and strengthening our fiscal management have both taken on greater significance. What this means, basically, is that over the next several years, it will be more important than ever that we not pay out our surplus before we know we are profitable, because continuing to give our 2% discounts at the register could slow down our recovery after the redevelopment project is complete. The tax benefits, which are substantial, would also be very timely and helpful in this regard.

Going to a Patronage Dividend system would not affect the Member Labor system at our Co-op. If we eventually adopt this new system, member-workers will still receive the additional 8% discount at the register. Patronage Dividends would only affect the 2% that shareholders have been receiving at point of purchase.

Switching to a Patronage Dividend system would require bylaw changes, which is a shareholder responsibility. Because we will not have adequate time to engage in a full dialogue about this with BFC shareholders before our November 2 Annual Meeting, we are planning to conduct an engagement process in the New Year, culminating in a special ballot by May or June 2009. In the meantime, though, we will continue to provide information to our shareholders in *Food For Thought*. In the October newsletter, we will describe the mechanics of a patronage dividend system.

## Electric Vehicle Cooperative Forming

*Come join our steering committee*

We're seeking 3-4 individuals, to round out a steering committee, who have a deep desire to see an electric vehicle producers' cooperative in Brattleboro. Meetings will be Wednesday nights, possibly bi-monthly, starting mid-September. This committee wants to become the cornerstone of reinventing the transportation wheel for this area. We will be discussing how Brattleboro could benefit from an electric vehicle manufacturing and/or retrofit operation. We are not limited to car-type vehicles. Our committee will be responsible for writing the vision statement that precedes the proposal for a development grant. We will be coordinating with the community to gauge the level of interest to responsibly invest in our future. Please call Tom at 257-1829.

SAVE THE DATE!

5th Annual

Empty Bowls Dinner  
To Benefit the  
Brattleboro Area Drop In Center

Saturday, October 11th  
Landmark College  
Putney, Vermont

Two Seatings:  
5:30 and 7:00 p.m.

For reservations,  
call 257-2005, ext. 106

RIVER  
GALLERY  
SCHOOL  
OF ART

Fall Semester  
starts the  
week of  
Sept 15th

Studio Classes

Assemblage, Printmaking  
Life Drawing and Painting  
Independent Study,  
Visual Composition,  
Collage, Dialogue,  
Art & Meditation,

Daytime and evening classes  
Weekend workshops  
and more.....



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