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PSFC Annual and General Meeting Highlight Big Changes

By John B. Thomas

The Park Slope Coop's audited financial statements were reviewed and Board Members and Officers were elected at the June 2021 Annual and General meeting. As the second Annual Meeting under pandemic conditions for the Coop, the audited financial statements may have been of particular interest to the membership given what they say about how COVID-19 affected Coop operations. It was also the last general meeting before the member-labor work requirement would be reinstated.

Changes to Pandemic Staffing and Reinstatement of the Member Labor Requirement

For anyone who has been to the Coop in the past year, the first material update of the General Meeting was that the vast majority of the Coop's temporary support staff of 125 who kept the Coop alive and operating during the pandemic have been given their notice, and will no longer be employed at the Coop as of July 12th. These changes coincided with the transition back to the member labor requirement that also began on July 12th. Member labor will continue to look different for the foreseeable future, with all members working on a revamped FTOP system, with work shifts 5 weeks apart. Members can find more information on the return to work and how to sign up for shifts [here](#). In addition, new member orientation will resume but it will be virtual.

In response to a question about communicating these new requirements and changes, General Coordinator Ann Herpel said that the Coop is rolling out a comprehensive communications strategy. This strategy includes social media outreach, website information, announcements at the General Meetings, signage around the coop and reporting via the *Linewriter's Gazette*. All that in mind, Herpel reminded attendees that "the best tool for communication is members telling other members."

Presentation of the Audited Financial Statement

The Coop's auditors, Cornick Garber Sandler, presented in systematic, if dry, detail the financial health of the Coop (the Coop's audited financial statements can be found here: https://www.foodcoop.com/wp-content/uploads/2021/06/2021_06_29_financials.pdf

Starting with the balance sheet, there were several notable effects of the pandemic. The first is that cash on hand decreased by nearly \$1.5 M (from \$3.9 M in 2020, to \$2.4M in 2021), which was generally attributable to the decrease in revenues due to COVID and restrictions placed on how many people could come into the space. In large part due to the decline in revenues, the Coop also did not contribute as much as usual to its pension plan liabilities in 2021, which increased by nearly \$900,000 over that period (from \$1.6M in 2020, to \$2.5 M in 2021). At some point the Coop will need to address this outstanding liability.

Moving on, the Statement of Operations showed the true impacts of the pandemic on the Coop's financial health. Most notably, that net sales decreased by \$14.4 M over the previous year—a decrease of 20.7% over the prior year. This precipitous drop in sales resulted in a net loss of \$297,000—which would have been far worse without the PPP loan the Coop received from the Federal government (the actual loss was \$1.8M). In addition to the decline in sales, the Coop also had a significant increase in payroll costs to hire temporary workers—seeing total personnel costs increase by \$2.1M (or 18.2%) from 2020 to 2021.

While the auditors feel confident that the Coop is taking the appropriate steps to recover its financial health—such as increases to prices, increasing shopping hours and increasing to safe occupancy levels—they cautioned that supply chain disruptions that are ongoing may still get in the way of this recovery.

In the discussion, one Coop member asked if the audited financial statements account for the value of member labor. The auditors pointed out that for the first time, the Coop actually has some data on that question,

in the form of what was paid to the temporary staff to keep the Coop running—\$2.1M. Beyond that question, the discussion was relatively limited given the extraordinary nature of the year. One member remarked that she was concerned that there wasn't more involvement of the membership in this particular meeting, given the ongoing challenges associated with the pandemic and their significant effects on the Coop. She encouraged members interested in being more involved in the Coop to reach out to her at psfcgovernance@gmail.com.

The financial audit was accepted, and the services of the auditors renewed for another year.

Board of Directors Elections

The Coop's Board of Directors is a group responsible for deciding whether or not to accept the advice of the members as articulated at the General Meetings, according to the Coop bylaws. This year, there were two open slots and five candidates. The candidates included Shayna Moliver, Tim Hospodar, Viren Mehta, and Frank Bradshaw—with a fifth candidate who did not show up. All had been members for at least half a decade if not longer, and in their brief remarks to the membership expressed a deep love and appreciation for the Coop. Ultimately Shayna Moliver—a former farmer currently in a Master's program in conflict resolution and mediation skills, and Viren Mehta—whose entire family are Coop members—were elected to the Board.

Election of Officers

Once the full slate of Board members had been elected, the election of officers could now take place. The nominations were: Bill Penner, President; Imani Q'ryn, Vice President; Elizabeth Tobier, Secretary. The only competitive position was for the Treasurer, with Tim Hospodar self-nominating, and Joe Holtz as the other nominee. Joe Holtz was ultimately elected Treasurer, and all the other uncontested slots were also approved. With the addition of Viren Mehta and Shayna Moliver, the new Board also includes Allen Zimmerman, Bill Penner, Imani Q'ryn, and Joe Holtz. ■