

# FIRST VIRTUAL GENERAL MEETING FOCUSES ON STRUGGLING COOP FINANCES

June 8, 2020

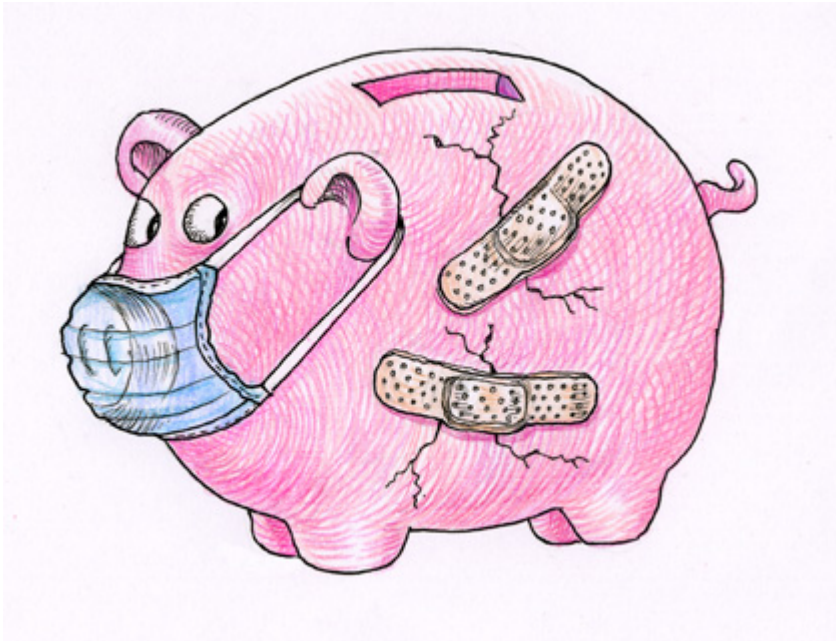


Illustration by Tommy Kane

*By Leila Darabi*

The Coop made history on the evening of May 26, convening the first virtual General Meeting of its membership. No voting took place during the meeting, which focused heavily on the financial blow the Coop has weathered over the past two months due to citywide Covid-19 safety restrictions. More than 750 participants joined the meeting, including the staff and board slated to speak.

Using the virtual conferencing system Zoom, the Chair Committee, Board Members and the General Coordinators moved briskly through reports on the availability of products at the Coop, safety updates to the facility, and a pre-recorded financial update from General Coordinator and Treasurer Joe Holtz, who was on the call to take live questions.



750 Coop members and staff logged into the Zoom virtual GM

Despite the challenges of the new format, the meeting ran smoothly with only a few of the muting and unmuting challenges now familiar to any member who has pivoted to working from home or helped a child log into a virtual classroom. One member typing in the Zoom question and answer feature declared it “the best-run multiple speaker call” of the pandemic.

Throughout the evening, members typed in questions and comments, many offering praise for the General Coordinators for their work steering the Coop through this transition.

### **A Message From the Board**



Board member and opening speaker, Imani Qryn, highlighted the extraordinary hard times and the superb response mounted by the General Coordinators and staff. The meeting opened with a statement from the board presented by Board Member Imani Q'ryn, who cited these "extraordinarily hard times" and shared that the Board had conferred with the Coop's counsel to confirm that they could legally host a Board Meeting and General Meeting virtually. It was determined that they could.

The Board also discussed potentially raising the markup of goods sold at the Coop by 3%, but determined that to pursue this course they should take this question to the GM for a vote in the future, she said. (Later in the evening when member Paul Hogan asked if the Coop's finances would look different today if the board had raised markup by 3%, Q'ryn responded: "not much.")

In an emotional update, Q'ryn shared that she was "moved being here" and moved

by the General Coordinators' work. The tactics deployed to make the Coop safe for shopping and to keep it open were taken with "our health and our Coop in mind," she said, asking for "compassion in questions and comments." It was the only hint over the course of the evening that the board and staff might be braced for member criticism. That criticism never came, with live and typed comments remaining nearly universally positive.

Q'ryn closed stating "we love this Coop, and we want it to be here, and I personally want it to be here like it was."

Following this statement, Board Member Bill Penner, who is up for reelection, briefly introduced himself to those on the call, as is the tradition ahead of board elections. Given the somber times, he opted not to cite his resume but instead echoed the sentiments of gratitude expressed by Q'ryn.

### **Sales Down, Costs Up**

Ahead of the GM, members received an email linking to the Treasurer's preliminary financial update reporting on the 12 weeks ending April 26. Referencing this update, Holtz shared during the meeting that sales are down by about \$410,000, while expenses are up around \$240,000, resulting in a negative swing of around \$650,000. According to the report, average weekly sales through April 26 were \$994,554, down \$145,727 from the same 12-week period last year.

These numbers do not yet reflect the full toll of the Coop's current reduced capacity, Holtz warned, as this financial report spans a time period that began in February before the store was impacted. All of the reported losses took place in the last five weeks of the financial period, when the Coop reduced hours and capacity.

### **Federal Loan**

As previously shared on the Coop website, Holtz noted that on April 22, the Coop received a Federal Paycheck Protection Program loan of \$1,454,763 from the Small Busi-

ness Administration. These funds offer some relief, he said, but will not make up for continued sales losses. “It is possible [the loan] will be partially or entirely forgiven,” Holtz said, “but we don’t know that.”

He also noted that the Coop had raised \$300,000 in member contributions between April 12 and May 24 following the announcement of a campaign calling on members to increase their buy-in.

“The biggest question is when can we bring back the member labor system, built with love for decades and decades,” Holtz said later during the question and answer period, in response to whether these increases would bring the Coop back to normal sales and profit levels. He also referred members to General Coordinator Ann Herpel’s response in the *Gazette* to questions about whether the Coop has considered alternative models such as curbside pickup and delivery.

### **Member-Owner Equity Campaign**

Later in the program, General Coordinator Lisa Moore went into more depth on the equity program, announced the day before on the Coop website and in an email to members. Any member can increase the initial buy in amount they contributed when joining the Coop. These increased investments from members yield four benefits, Moore outlined:

1. Building the Coop’s cash reserves
2. Creating a stronger financial position overall
3. Helping pay back any portion of the PPP loan that is not forgiven
4. Strengthening the Coop community

She also noted that while the Coop office has been closed, there is some capacity to reinstate members previously on leave and to review the status of those on alert or

on leave.

**Keeping Food On the Shelves**



PLU 2725  
ORGANIC  
**RICE**  
Arborio

PLU 2743  
ORGANIC  
**BARLEY**  
Pearled

PLU 2792  
ORGANIC  
**BEAN**  
Lentil  
Green

GC-8  
**deli paper**

delora

PLU 2734  
ORGANIC  
**BEAN**  
Split Pea  
Green

PLU 2701  
ORGANIC  
**BEAN**  
Kidney  
Red • NY STATE

PLU 2724  
ORGANIC  
**BEAN**  
Pinto • NY STATE

PLU 2793  
ORGANIC  
**BEAN**  
Cannellini

PLU 2738  
ORGANIC  
**BEAN**  
Split Pea  
Yellow

PLU 2737  
ORGANIC  
**BEAN**  
Lentil  
Red

PLU 2797  
ORGANIC  
**BEAN**  
Chickpeas  
(Garbanzos)

PLU 2739  
ORGANIC  
**BEAN**  
Black • NY STATE

PLU 2740  
ORGANIC  
**BEAN**  
lima

PLU 2744  
ORGANIC  
**BEAN**  
Lentil  
French

PLU 2744  
ORGANIC  
**BEAN**  
Lentil  
Black Beluga

PLU 2794  
ORGANIC  
**BEAN**  
Mung

The Coop bought a machine to repackage items that were previously only available from the bulk bins.

General Coordinator Joe Szladek shared a report on the Coop's efforts to keep food in stock.

"We've gotten creative," he said, noting the Coop's buyers have switched to restaurant suppliers in some cases and begun purchasing more from frozen food suppliers to meet increased demand. The Coop has also purchased a large packaging machine in order to pre-package bulk items of rice, beans and flour.

Shoppers may also notice larger sized items available on the shelves to reflect the fact that members are stocking up on items like peanut butter and yogurt.

"People are shopping less often and buying more frozen fruit and vegetables," he said, adding that supermarkets everywhere have had trouble keeping these items in stock.

He noted the Coop is also "buying pallets of flour at a time to always have some on hand" and has paid extra attention to ensuring that toilet paper and paper towels are always in stock.

The Coop's longstanding relationship with suppliers and focus on locally and regionally sourced food has helped. "We buy in volume and we buy consistently," he said, explaining that farms and food companies prioritize the Coop as a client.

Szladek also said the Coop has been "largely insulated" from the meat shortage caused by meat packing plants shutting down across the country because Coop buyers generally avoid nationwide suppliers.

### **Revamping the Physical Store**

General Coordinator Elinoar Astrinsky shared a facilities update on how the Coop has transformed to comply with social distancing and other Covid-19 safety measures.

“We revamped the entire front end, eliminated middle checkouts completely and put barriers [between checkout workers and shoppers],” she said.

“The best way to support the Coop is to come back and shop with us,” Astrinsky said.  
“Please come back, please shop with us.” ■