

**Oryana Board of Directors' Meeting  
January 20, 2022**

**Present at the meeting were:**

**Attendees:**

Kathy Baylis-Monteith, Holly Jo Sparks, Cy Agley, Marty Heller, Chuck Mueller, Colleen Valko, Chris Miller, Laura Cavender, Steve Nance, CEO; Jenna Veiga, Marketing Manager; Wendy Walter, Human Development Manager

**Absent:**

Kaitlyn Burns

**Guests:**

Michelle Northrup, Andrew Moore, Pam Darling, Jodi Rademaker, John Storms-Rohm, Sarah Schonberg, Allison Arthur

**Welcome:** Holly Jo opened the meeting at 5:38pm.

**Agenda Review:**

Consent Agenda for approval:

- December 2021 meeting minutes approval,
- Agenda for the meeting,
- Board Calendar.

**Kathy motioned to approve the Consent Agenda; Cy seconded; the Board approved the Consent Agenda. The Consent Agenda included final December Minutes approval and acceptance of this meeting's agenda.**

**Board Calendar:** The calendar was reviewed by the Board.

**Public Input:**

Sarah Schonberg – I moved to town in August and coming to Oryana was a deciding factor in moving to the area. I wanted to express my gratitude for the hard work happening on the Board and in the co-op.

**CEO Report:** Steve presented his Big Picture Report. December resulted in great sales at the co-op and beat last year and the target by 7%. We finished the year at \$31,934,457 vs. the target of \$31,933,270, which was 23% growth from 2020. One area of growth was the percentage of sales to owners, especially at West, which finished at 52% (71% of sales at 10<sup>th</sup> Street were to owners). Wages is our largest variable expense and came in very close to budget. However, we did have staffing struggles for a large part of 2021. We ended the year with 10,034 owners vs. a goal of 10,000. Bottom line – in 2021 Oryana experienced good growth, increasing customer count, and basket size that was holding fairly level. As of December we are off “probation” with NCG (which we were placed on as a result of the acquisition of Lucky’s Market) and were refunded \$90,000 from the joint liability fund. We are continuing contingency planning for COVID disruptions, including contact tracing for COVID cases as that is no longer being conducted by the local health departments. Inflation is impacting us with increasing costs of groceries/ingredients and it is also affecting my forecasting for 2022 – we’re looking at a 10% increase in sales, part of which is the effect of inflation. We are currently the 6<sup>th</sup> largest co-op in the Central Corridor and the 20<sup>th</sup> largest co-op in NCG. We also said goodbye a few people who had been very

involved with the co-op – Lois Golightly and Tim Boursaw (longtime owners) and Thomas Shields (an owner and also someone who regularly repaired/maintained Oryana equipment).

**OCIPS (Oryana Constant Improvement Projects):** We just completed the signage project at West. Please stop by to see the new farmer posters, wayfinding signage, etc. The culinary teams at both stores are working with consultant Allen Seidner – moving West in a more 10<sup>th</sup> Street direction (product, ingredients, etc.) As staffing allows we'll see the return of more culinary programs; the Coffee Bar at West will re-open soon. We may see the salad bar back within a couple of months! And we've introduced gluten-free options in the sandwich selection at West. Construction on the West Community Room will start soon and the goal is to be completed by early spring. A new unisex bathroom will be attached to Community Room. Part of the same construction project will be the addition of a Wellness/Front End storage room. There is new LED lighting for West coming in the next two weeks, which will pay for itself in 4 – 5 years. At 10<sup>th</sup> Street the outside stairs (south side of building) will be replaced. We are planning for an enclosure for the south entrance at 10<sup>th</sup> Street. Now that we've done signage at West, 10<sup>th</sup> Street will follow with a signage refresh.

**OBPPB:** We're currently working on business planning. An updated market study was recently completed by Woody Smith (Avenue ISR) and results will be shared with the Board in February.

**Marketing Matters:** Jenna reported on several trends. News sources continue to talk about e-commerce, delivery, and curbside. Shopping for food to be consumed at home will continue to increase as COVID concerns keep people at home. Larger retailers will continue growth. The interest in prepared meals continues to grow. Larger retailers will continue to add other options beyond food – housewares, health, etc. The U.S. population growth hits record lows; people are spending more on themselves and pets. This is the slowest rate of population growth in US history; one reason is the increase in deaths over births. Retail jobs have been mostly flat in December. Jenna shared some articles on grocery price inflation and consumers' increasing interest in quality.

**Oryana For Good/Trends:** Recent donations include turkeys to Father Fred, a wellness sponsorship for Herbalists without Borders, and produce fixtures from West headed to a food pantry in Buckley!

### **Monitoring Reports Review:**

**Executive Limitations Monitoring Report 2.0 Global Executive Constraint:** Steve Nance, CEO Monitoring Report 2.0 is looking at everything on a very high level (master reporting); the GM will ensure the co-op is fulfilling all of the business obligations, wants and needs of the community, etc. The monitoring summary table has been submitted as proof of timely compliance. The Board approved all monitoring reports in 2021. Steve also shared a brief recap of Oryana's history and how we got to where we are now. Note: In the report Board Members received there was a typo indicating the report was for 2.1 instead of 2.0.

**Executive Limitations Monitoring Report 2.7 Emergency GM Succession:** Steve Nance, CEO Steve reported on the Emergency GM Succession plan. Wendy Walter, current Human Development Manager, would step in as Interim GM if the need arose. Wendy has been in this role for a number of years. She leads the S Team, which is the senior level leadership team. This is the team that would operationalize and run the store should Steve be unavailable.

To respond to some questions that were asked prior to the meeting – the Emergency Successor does not take over the CEO role; I can't delegate that accountability. This plan is in place to determine who would

run the store and take on the GM's responsibilities. Wendy is competent and capable of running the operation and she would have the support of the S Team.

Non-Emergency Succession Planning – Resources have previously been provided to the Board and we are currently refreshing the information.

**Chuck motioned to accept; Colleen seconded; the Board approved the 2.0 & 2.7 Monitoring Reports.**

**Critical Reflection on Ends or Executive Limitations:**

**Cy reflected on the Emergency GM Succession** – Cy reviewed the executive limitation and concluded that it is straightforward and that, at a high level, the Board is getting what is needed. There is a level of detail in the report that is impressive. The plan as laid out more than covers anything that may happen in Steve's absence. Wendy would step into his shoes and has the support of another group, the S Team. There's a very clear role responsibility list outlined in the report. Within the report there is also an in-depth plan for how Wendy could step away from her current role and into the GM role. Steve provides an in-depth plan, with well thought out, in-depth reasoning on why Wendy is highly qualified. Colleen agreed. Holly Jo also added that the Board gets a lot more than what is being asked for (with the S Team), so how can the Board make sure to incorporate it if it were a planned GM Succession? Should the Board be asking for more? Chuck agreed and gave his opinion of how important the S Team is.

**Holly Jo reflected on Global Executive Constraint** – Holly Jo stated that this gave her a chance to be very reflective and think on policy governance. She reviewed the executive limitation and read everything to think about how the rest of the Executive Limitations fit within the Global Constraint. Holly Jo has been attending a seminar on social innovation and moral clarity and there was discussion about Kant's metaphysics of morality and how it's a system that's very grounded in the ideal of moral pursuits. This led Holly to say that our Ends are as it ought to be and the Executive Limitations are the moral constraints. Chuck thanked Holly Jo for the reflection and suggested further reflection on moral authority and Executive Limitations. Kathy and Cy also thanked Holly Jo. Describing Ends Policies as how things ought to be was very eye opening and put things into perspective on what it means for us as the Board to be looking at these policies and what we should be looking for.

**Board Work Plan – Committees, Task Groups, or Individual Report:**

**Executive Committee:** The retreat is scheduled to take place on February 19, 9am – 12pm via Zoom. An agenda will be forthcoming. There are thoughts for a longer retreat in May – a poll recently went out for a date; if you haven't already, please respond! The Executive Committee also discussed the performance evaluation of our CEO and how the change of timing for 4.3.1 resulted in a conflict with the timing of 3.4.6. This conflict is not insurmountable.

**Recruitment and Nominations:** The committee did not meet this past month and is sprinting to get applicants to apply for Board positions. The committee will meet later in January to discuss the retreat and any proposed changes.

**Board Development:** The committee met earlier this week and made a request of the Executive Committee to have Board self-evaluations sent out to Board members. This will be coming from Rose Marie. The committee invites you to reflect; this helps to determine retreat content and how to plan for the future. The committee is also working on a more robust Board orientation and will be requesting

some staff support. Time was spent discussing how the Board self-evaluation and board development in general flow into the Board workplan so that what is being created is more functional for the Board as we're looking at our high level goals.

**GM succession plan discussion:** standing item; no discussion. (Separate from Emergency GM Succession.)

**Bylaw committee:** The first meeting was in late December, the Monday after the Board meeting. The committee reviewed the first couple of articles and started outlining questions – legal input, board discussion, etc. The question was brought up about the best time to address questions – all at once or during each meeting?

**GOM Committee:** Staff are starting to plan. Chuck, Laura, Cy are standing by and ready to help.

**Upcoming Events as reported by Staff and Board:**

CCMA is planning to happen in person, in Sioux Falls, SD, June 9 – 11. Please let Steve know if you're interested/might be interested in attending.

Columinate resources have been posted on the SharePoint site: Kathy is attending on January 31 and would love to have others join!

4.3.1 documentation was updated in the policy and change register.

Marty volunteered for Critical Reflection in February and Miller volunteered for Critical Reflection in March.

**Public Input and Announcements:**

Andrew – Thanks for providing the opportunity to come here and see what goes on!

John – Thanks for being open and available.

Pam – Thanks for letting us witness your meeting; it was very informational.

Jodi – I moved here recently; thank you for everything you do!

**Colleen motioned to adjourn; Chuck seconded; the meeting adjourned at 7:15pm.**

**Next meeting:** The next board meeting is scheduled for Thursday, February 17 at 5:30pm in a hybrid format.

*Chuck Mueller*

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Chuck Mueller, Secretary