

Oryana Board of Directors' Meeting
February 17, 2022

Present at the meeting were:

Attendees:

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

Absent:

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Guests:

Tricia Phelps

Welcome: Holly Jo opened the meeting at 5:31pm.

Agenda Review:

Consent Agenda for approval:

- January 2022 meeting minutes approval,
- Agenda for the meeting,
- Board Calendar.

Chuck motioned to approve the Consent Agenda; Colleen supported; the Board approved the Consent Agenda. The Consent Agenda included final January Minutes approval and acceptance of this meeting's agenda.

Public Input:

There was no public input.

CEO Report: Steve shared that January sales are up a couple of percentage points but a lot of the increase is due to inflation. Last week sales improved 6% over the same week last year and we are seeing improvement as the weather improves. Basket size is also increasing, which means customers are purchasing more. Cash is currently at \$3.7 million, compared to \$2.9 million in the same week last year. Steve reported that he attended a GT County Brownfield meeting this morning about the upcoming installation of a fitness court, which will be located just off the TART trail by 10th Street. Steve provided feedback to those at the meeting and a request for input/involvement on this project, future projects on the radar (such as a playground and/or other facilities to the south of the fitness court), and the infill area (land abandoned by MDOT) between the warehouses on Lake Street and the Riverine apartments/condos. The Brownfield Authority has the ability to get funding and there have been many discussions over the years of what the area may look like long-term.

OCIPS (Oryana Constant Improvement Projects): We are in the midst of many OCIPS projects - current or capital - to maintain and enhance the co-op. We have a very robust culinary project going on at both locations, which may ultimately play out in 2023 as we look at new programs, equipment, etc. and how culinary may change coming out of COVID. A number of the other projects currently in the works are:

- An enclosure of the south entrance closure at 10th Street.
- Opening the Coffee bar at West.
- Construction on the Wellness/Front End storage room at West started this week.
- Following the Wellness/Front End storage room construction the Community Room and new unisex bathroom construction will begin.
- Installation of new exterior stairs on the south side of the building at 10th Street
- LED lighting project recently finished at West. This will provide a return on investment in 4 - 6 years.
- Phase 1 of signage project recently finished at West.

Marketing Matters: Jenna reported on some 2022 grocery trends. Grocery prices jumped again in January - 7.4% higher than last January, and that includes a 1.0% increase since December 2021. Meat & Seafood prices are still up but starting to flatten. The industry is starting to see online fatigue, shown in an 8% decrease in online orders, both curbside and delivery. As the pandemic hopefully starts to wane more people are returning to brick and mortar. Consumer confidence remains high. Retailers are changing and resetting as needed due to staffing changes. Jenna also shared an article on transparency from retailers and food brands - what's in their food, sustainability, facilities, worker wages, etc. - and how that is impacting shopper habits.

Oryana For Good/Trends: Jenna provided a recap of recent promos, including Spa Day - thanks to Wellness Managers Crystal and Rachel! We will be doing a round up for Detroit People's Food Co-op soon. In early 2022 we distributed approximately \$30,000 from the remainder of our 2021 donation budget. The Good Food Fund (funded from shoppers and curbside orders) distributed approximately \$26,000 recently.

Monitoring Reports Review:

ENDS Report Economy: Steve Nance, CEO

Full details were provided in the report to the Board. We have a successful cooperative in Oryana; West by itself had over \$16 million in sales, which represents almost an aggregate increase of \$16 million in 2 years. 2021 saw a net profit in 2021 (draft numbers) of 4.0% and 2.5% operating profit. That is an upward trend and allows us to do more good and support more cooperative activity. Ownership has also grown and currently stands at 10,074 owners. We are actively supporting other co-ops - GreenTree's expansion in Mt. Pleasant, Commongrounds on 8th Street, Detroit People's Food Coop, Great Lakes Co-ops, etc. We also support the Howard Bowers fund, which supports co-op start-ups, of which we have many in Michigan - Bay City, Grand Rapids, Flint.

ENDS Report Localism: Steve Nance, CEO

Full details were provided in the report to the Board. Oryana sold \$4.8 million + in local products 2021. What is local? Local at Oryana is a 100 mile radius of the stores. We actively support new vendors (learning the UPC system, etc.) and work to improve the local food system, even if they aren't selling at the co-op. Approximately 15% of our sales meet our definition of local. Another aspect of local is also providing great jobs and benefits. Our labor costs in 2021 were approximately \$6.76 million. We also support local through a number of other programs - the microloan program with GrainTrain and Crosshatch, the food hub, farmers' market, etc.

Miller motioned to accept; Cy supported; the Board approved the ENDS Economy and Localism Monitoring Reports.

Critical Reflection on Ends or Executive Limitations:

Marty reflected on Economy and Localism ENDS –

Economy – Marty said he doesn't think we get any closer to a slam dunk than our work on economy. Oryana is clearly a cooperative leader both locally and in the state, as well as emerging as a national leader. We are actively supporting other cooperative businesses and activities. Oryana is a real leader in cooperative business. Are we getting what we're looking for – yes, I think so. The end is clear and a slam dunk.

Localism – Oryana is a stand-out supporter of local vendors and suppliers and I can't imagine too many other grocers that can claim 15% of sales from local vendors. Oryana is the first place to check for local vendors and suppliers to build your market and sales. Oryana is always there to try and support new growers and build those relationships. The phrase "accessible and healthy marketplace" stood out to me as interesting wording. Where else are we talking about accessibility? Accessibility is a word that could go in many directions when unpacked; this may be worth discussing at some point. Is accessibility an END in itself? Does healthy marketplace mean economic health?

Steve added that information related to food access is reported in a few different areas and that food access is one of our strategic initiatives. Some initiatives related to food access are Double Up Food Bucks, Core Sets (through NCG to reduce costs), and Co+op Basics. Steve will include more food access information in this report going forward.

A question was raised if this reflection is on the ENDS policy or on the report provided to the Board; the reflection is on the policy.

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

Executive Committee: The retreat is scheduled to take place on Saturday, February 19, 9am – 12pm via Zoom. The packet was sent out yesterday. Reminder that CCMA is scheduled for June 9 – 11 in Sioux Falls (in person). If interested, please respond to Colleen's email. There is a proposed retreat in early May. Please let the Executive Committee know ASAP if there is a conflict with April 30/May 1; final dates will be confirmed. Be sure we're informing board candidates of the retreat date since close to elections!

Recruitment and Nominations: We have a small but mighty group of four applicants – two incumbents (Colleen and Chuck) and two external candidates. Two other applicants still talking with Cy but missed the January 31 deadline for the Fresh Press.

Board Development: Kathy reported that the committee met earlier this week. They shifted gears to Board orientation so to be ready to roll with a new Board member in April. They are in the process of adding content to SharePoint instead of using PowerPoint – they are creating a separate page for orientation with live links. More to follow!

Bylaws committee: Marty reported that the committee is meeting monthly on the Monday following the Board meeting. They are finding lots of interesting things to discuss and how they stack up against the template being used as a comparison. They are looking for one more Board member to join the committee.

GOM Committee: Board members are eagerly waiting for their assignment.

Shopper Survey Executive Overview: Sherwood Smith, Avenue ISR

Woody presented the Shopper Survey Executive Overview. The survey had 3,600+ respondents. A number of shopper surveys have been done through Avenue ISR but this is the first survey done since the West acquisition. Results show similar (and slowly changing) demographics but slight differences between West and 10th Street. There have been commonly asked questions that show both consistent and improving results. The slides will be shared with the Board via the SharePoint site; this information is intended to be kept confidential.

Upcoming Events as reported by Staff and Board:

Both the upcoming retreat and CCMA were previously mentioned.

Public Input and Announcements:

Cy - Thanks to Tricia for joining us tonight!

Tricia - Thanks for allowing me to join! If I am elected, I am running a half marathon on the weekend of the potential board retreat.

Colleen - Don't forget to read the article for the retreat on Saturday.

Kathy motioned to adjourn; all supported; the meeting adjourned at 7:42pm.

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

Chuck Mueller

Chuck Mueller, Secretary