

**Oryana Board of Directors' Meeting
March 17, 2022**

Attendees:

Cy Agley, Kathy Baylis Monteith, Laura Cavender, Marty Heller, Chris Miller, Chuck Mueller, Holly Jo Sparks, Colleen Valko, Kaitlyn Burns, Steve Nance, CEO; Jenna Veiga, Marketing Manager; Wendy Walter, Human Development Manager; Shirl Martin, HD/Board Admin. Asst.

Absent:

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Guests:

Allison Arthur, Tom Slater, Jules Shelby

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

Agenda Review:

Consent Agenda for approval:

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

Laura motioned to approve the Consent Agenda; Kathy supported; the Board approved the Consent Agenda. The Consent Agenda included final approval of February Minutes and acceptance of this meeting's agenda. Board Calendar: April 21, General Owners Meeting, May – no critical reflection due to educational event. Board volunteers for critical reflection in June: Cy Agley-2.9 Communication and Support to the Board; Chuck Mueller-2.6 Asset Protection.

Public Input:

Tom Slater, Owner – I look forward to Oryana partnering with an e-bike seller so I can use my owner discount and can purchase an e-bike.

CEO Report: Steve Nance provided an update on current year sales volumes for both Oryana locations. For the first time this year we are below last year's sales. First quarter is typically the slowest of the year. Other contributing factors include the current economic climate as rising inflation is negatively impacting fuel and energy costs; the Russia-Ukraine war; as well as the Federal Government increasing interest rates. Steve and the Leadership Teams will continue to monitor the trends.

Market basket size is down but still high comparatively. Ownership is up (10,108) and YTD sales are up by 2.22%.

Events, Marketing and Outreach Education (EMOE) transitions – Jenna Viega, Marketing Manager, is moving on to a new opportunity outside of Oryana, effective March 18. Matt Esckelson, Graphic Designer, is moving on to do freelance work, effective March 25. Former Board Member and business owner Sean Burns has been contracted to fill in as Interim Marketing Manager. Sean and team will be planning for OAM-palooza scheduled for May.

10th Street neighborhood excitement

Phase 1 – A community fitness court sponsored by Priority Health is being planned (<https://nationalfitnesscampaign.com/michigan>). Steve has communicated with Arts Commission, etc., to see if graphics can change from the Priority Health green.

Phase 2 – 3 – Additional opportunities for neighborhood improvements continue with the pending sale of Thirlby Automotive, which includes the Thirlby building between McGough's and Oryana. Other visionary opportunities such as affordable housing (or co-op housing) are also on the radar.

OCIPS (Oryana Constant Improvement Projects):

The following projects are in process or recently completed:

- 10th Street – Exterior staircase upgrade to stainless steel
- 10th Street – Signage refresh
- West – Community Room – expansion that includes a teaching kitchen
- West – New unisex bathroom currently being framed in
- West – LED lighting
- West – New signage

Marketing Matters: Jenna reported that March is Kids' month. Kids' tours during the week of spring break, led by Devin and supported by Libby, our new Social Media & Events Coordinator. Some recent examples of social media posts include citrus comparisons, St. Patrick's food, posts for Women's History month, etc., and may be viewed on Oryana's Facebook page.

Oryana For Good/Trends: Jenna reported that we had a 2% match day for Detroit People's Food Co-op earlier this week and customers can round up their purchases for the rest of the month. Recent donations include those to Evergrowth Consulting, TART, 20Fathoms, Cherryland Humane Society, Food Rescue, and Beans for Bags (Paddle Antrim, TCAPS, and Sophia's Safe Haven). We also contributed to NCG's (in cooperation the Cooperative Development Foundation) efforts to support the citizens of Ukraine.

Scale Up North Awards – We'll hear by the end of the day Friday, March 18 if we move on to the next round of competition. Libby, with the voice of Eldon, created and submitted an excellent video.

Monitoring Reports Review:

Monitoring Report 2.4 Financial Condition & Activities: Steve Nance, CEO

Oryana was ranked in the top 25% of all NCG co-ops in the 4th quarter. The co-op ended 2021 strong with annual sales up 22.7%, just \$1,000 off from the budgeted goal. Margin is lower but higher sales resulted higher margin dollars. Labor expenses were lower due to staffing shortage/challenges. The co-op has reinvested a lot in the facilities during 2021 and was prudent with expenses based on our cash flow. Additional investments in the co-op included a Produce reset and a new entrance enclosure at West, among others.

The owner discount is another large part of our expenses – Oryana is generous with our owner benefits/discounts. We increased local producers and sold more local food, close to \$6 million. Net income went from \$92,000 in 2019 to just over \$1 million in 2021. Part of that is the PPP loan forgiveness, meaning those dollars won't be repeated in 2022. Total assets on the balance sheet increased from \$9.1 million to \$10 million. Long-term liabilities decreased with the majority of the decrease being the forgiveness of the PPP loan (received in 2020, forgiven in 2021). Steve recommended to the Board that patronage be paid for

2021, with 80% being retained and 20% distributed to owners. Laura made the motion to approve a 20% patronage of \$87,793.67. Cy supported. The Board approved a 20% patronage for 2021.

Monitoring Report 2.5 Financial Planning & Budgeting: Steve Nance, CEO

Steve shared with Board the business planning process, which results in the OBPPB (Oryana Big Picture Play Book). Each department manager is currently working on their S.W.O.T. analysis and Steve is finalizing visions for the organization. OCIPS (Oryana Constant Improvement Projects) and OSI (Oryana Strategic Initiatives) are how the business plan is executed. Steve provided his assumptions that informed the business planning process in the full Board packet. In 2022 the sales growth goal is 8%; 10% at West and a lower at 10th. One area of focus is Culinary; which drives sales and has a higher margin which will help achieve these goals. Also, our new Produce Manager at West, Jake, will be working on Produce margins as well. Sales target for 2022 is approximately \$34 million. Historically business planning has taken place during fourth quarter, which is the busiest time of the year. Moving forward we have adjusted the business planning schedule to take place during first quarter, which will allow us to know how our prior year ended.

Budgeting for the Board is also required as part of Monitoring Report 2.5. Colleen presented the recommendation that the Board budget stays the same as 2021 - \$39,000.

A suggestion for a Board development activity was made to review Oryana Imagined 2030.

The schedule for Monitoring Reports may need to change as a result of the business planning schedule and change in governance calendar.

Kathy motioned to accept; Miller supported; the Board approved the 2.4 and 2.5 Monitoring Reports.

Critical Reflection on Ends or Executive Limitations:

Miller reflected on Monitoring Report 2.4 – Was the report given to us on time? Yes. Overall, I found a lot of impressive things in the report, such healthy results during a pandemic. There was great attention to detail and explanations and no softball answers. It was a pretty easy read and provided definitions of some industry terms. From my perspective this is also exemplified in manager meetings. Did we get everything we needed? Yes. There was nothing extra, everything was important. The interpretations are good. Nothing to warrant a full audit when we already have a CPA as a third party. Perhaps if Oryana was missing the KPIs.

Holly Jo reflected on Monitoring Report 2.5 – Are we getting out of it what we expect? I really enjoy seeing the Oryana process and learning about it, and also becoming and manifesting the vision. When I joined the Board we were growing but then had to course correct during past potential expansion.

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

Executive Committee: The decision was made to postpone the Board Retreat until new Board members begin their term(s). This will be added to the agenda for the May Board meeting.

Recruitment and Nominations: Candidate information is available in SharePoint, posted in the stores, on the website, and will be in the next Fresh Press. The committee has met twice over the past few weeks. We discussed the results of our retreat and our interest in being more intentional about the slate of candidates. The committee recommended that a documented vetting process be created. More feedback for the vetting process is requested from the Board.

Board Development: Kathy reported that the committee has been hard at work and is working on the new Board orientation with a goal of having it ready for the new Board member(s) that will join at the GOM. After orientation, the committee will continue to lay out a plan to have a strong board. Kathy asked the rest of the Board to think about what their interests are in preparation for the May meeting – Board chair, committee roles, etc. Holly Jo will assist with sending information out proactively.

Bylaws committee: Marty reported that the committee has spent the past two meetings discussing the membership article – comparing current bylaws to the sample and exploring why things are the way they are. They reached out to Steve to explore options for additional support. Steve reached out to Thane Joyal, who has previously worked with the Board through Columinate and she will be advising the Board on this. The proposal includes a cost of \$2,025 for a maximum of 15 hours of time; this is available in the Board budget.

GOM Committee: Online voting is set up and ready once we have the finalized list of membership, which we will get next week. An automated email will go out with voter ID. EMOE has communicated with FOGI (Flow of Goods & Information department) about handling the voting process as they have done in prior years. Sean Burns, in his Interim Marketing Manager role, has been updated on the status of the GOM. Candidate bios will be included in the next edition of the Fresh Press. A recent blog post included a save the date for the GOM. All candidates have been vetted to ensure active membership. Lastly, since Chuck is running for re-election, Kathy will be taking over Chuck's role for the GOM. No Board members are needed for counting of ballots.

Thank you to Board members ending their terms.

Upcoming Events as reported by Staff and Board:

- CCMA – June 9 – 11, will be offered in a hybrid format. Registration for virtual attendance before April 14 is \$99. (<https://ccma.coop/>) Board members should contact staff ASAP if they are interested in attending.
- General Owners Meeting (GOM) – April 21, 7 – 8pm, virtual

Public Input and Announcements:

Jules Shelby – Thank you for installing the unisex bathroom at West.

Holly Jo – if you're interested serving on the Executive Committee feel free to reach out to those currently on the EC if you have any questions.

Marty motioned to adjourn; all supported; the meeting adjourned at 7:33pm.

Next meeting: The next board meeting is the General Ownership Meeting and is scheduled for Thursday, April 21, 7 – 8pm in a virtual format.

Chuck Mueller

Chuck Mueller, Secretary