

Oryana Board of Director's Meeting Minutes - DRAFT
Thursday, November 17, 2022, 5:15pm

Attendees: Cy Agle, Kathy Baylis Monteith, Marty Heller, Colleen Valko, Kaitlyn Burns, Chris Miller, Tricia Phelps, Chuck Mueller, Holly Jo Sparks, Steve Nance (General Manager), Blythe Webster (Human Development Generalist), Victor Fontaine (West Store Operations Manager)

Absent: NA

Guests: Jules Shelby, Kennard Weaver, Nancy Hammond

Welcome and Introductions: Colleen Valko, Board President, called the meeting to order at 5:17pm.

A review of the Consent Agenda which included:

- Approval of October 20, 2022 Board of Directors meeting minutes.
- Review Board Perpetual Calendar for the next three months.
- Approval of GM Search Committee Charter
- Approval of November 17, 2022, Board of Directors Meeting Agenda.

MOTION:

Kaitlin motioned to approve the Consent Agenda; Kathy supported; the Board approved the Consent Agenda. The Consent Agenda included final October 2022 Minutes approval, acceptance of this meeting's agenda, and acceptance of the GM Search Committee Charter.

Public Input

Jules shared an anecdote about French Thanksgiving.

Committee Reports

Bylaws Committee

Marty reported that the Bylaw Committee had discussion around staff as board members. The committee has found some related Columinate articles and suggests further consideration of the pros and cons of staff members in the role of board members. Marty will share more information with the board after meeting to inform future discussion.

Board Development Committee

Kathy reported that the Board Perpetual Calendar now includes self-monitoring policies for the upcoming 3 months. There was a conversation about how the self-monitoring process has been working for board members. Colleen clarified that the role of each board member when responsible for facilitation of discussions is to educate themselves on the policy, present the results of the survey, and recommend whether the board is in compliance with the policy. Discussions should be focused on whether anything should be added to or changed with the policy, and whether the board is doing what they said they were going to do. The goal is for each board member be able to send out the survey and lead discussion in turn.

Recruitment & Nominations Committee

Chuck reported that the first Q&A session for prospective board members preceded the board meeting today with two owners joining to learn more. Another Q&A is scheduled for January and can be again in February if needed. Committee has been discussing best ways for the board to utilize owners.

Executive Committee

Colleen reported that the retreat has been scheduled for January 28-29th weekend, all members reported they would be available for those dates. Neahtawanta Inn does not have space for an overnight retreat, so Steve is working to find a location in Traverse City for one full day and one · day off site, but without the accommodations for an overnight retreat.

Colleen also reported that access to Microsoft Teams is now an option for all board members to use for virtual meetings with their existing Oryana credentials.

GM Search Committee update: EC is starting to plan for the process, which will be a topic at the upcoming board retreat.

Monitoring Report Review

The policy up for review through the monitoring survey this month was 4.7 Board Members' Code of Conduct. Chuck lead a discussion on the results of the survey.

- The Training and Performance section had a notably lower score of 3.7 that led to a discussion of whether further training was needed or should be expected of board members, or if the expectation about participation in board meeting should be updated.
- Several survey respondents had noted the inconsistency between the bylaws and board policy on staff board member participation on EC. It was agreed that bylaws take precedence over policies and that the inconsistency should be addressed. Marty suggested having a discussion of staff members on the board generally before making changes.
- It was also suggested that the board adopt more specific language from the Columinate template "Directors will not exhibit violent, oppressive or racist behaviors or speech."
- The policy language related to removal of a board member was discussed and is being reviewed by the Bylaws Committee.
- Colleen suggested reviewing other board code of conducts to see if there is other content that should be included or changed.

The committee agreed to bring suggestions for updates back to the board.

MOTION:

Kathy motioned to approve the Monitoring Report for 4.7 Board Members' Code of Conduct; Marty supported; the Board approved the Monitoring Report for 4.7 Board Members' Code of Conduct.

Monitoring: 2.4 Financial Condition and Activities - Q3

Steve reported that the accountant has had to make some changes around lease accounting, so the Q3 numbers are not yet finalized. The monitoring report will be on the next meeting agenda separate from the consent agenda and the board will wait to vote on it until that meeting.

Steve reviewed draft numbers from Q3. Trends are improving from Q1 and the indicators show that the Co-op is still in a strong financial position.

- Sales Growth is under target but has improved from earlier in the year.
- Margin has decreased as of the end of Q3, but October's margin was better. There are many contributing factors, one that will help the improving trend is Culinary margin being adjusted and they have new software that allows more exact pricing and costing.
- Labor numbers are good and came in under goal.
- Operating Expenses are higher than goal with prices for everything going up. This has included several OCIPS projects (improvements and consultants) which are not ongoing costs.
- Net Income is still slightly negative for the year at -13%, but a significant improvement from Q1 which was -4.16%. With Q4 we expect robust sales but with potential bonuses for staff and many donations, it is possible net income for the year will be negative for first time since 2006.
- Ownerships are up to 10,469, which is important for loyalty to the Co-op.
- Margin contribution shows that while Grocery is the biggest contributor to margin, Culinary is starting to contribute more to margin and income with changes and new products.
- Balance sheet is strong and even with several large projects this year assets have stayed steady from last year.
- Future focuses include monitoring inflation and how it will affect labor and prices.
 - Upcoming wage survey
 - Co-ops are slower to raise prices compared to larger businesses like Walmart
 - No changes to discounts right now
 - No more big expense projects

The Monitoring Report: 2.4 Financial Condition and Activities - Q3 will be reviewed again with final numbers at the next meeting, with a vote on compliance at that time.

GM Big Picture Report

Steve gave an overview of current key areas of interest. Holidays mean big sales weeks coming up at the Co-op. Building projects continue in TC, including potential affordable housing downtown, although vote on tall buildings could be influential. Inflation for groceries continues to be high.

OCIPS (Oryana Constant Improvement Projects)

South entrance at 10th Street enclosure project is done, with the East entrance also getting new concrete to address flooding issues.

Trends

Still watching potential Krogers-Albertson’s merger, would make for one of the largest in the industry. Locally, the trial of street directional changes downtown are in place. Unified river plan was announced by the DDA but not set in stone yet and currently only partially funded.

Marketing & ORYANA FOR GOOD - Good in the community!

It’s Turkey time, lots of promos for Thanksgiving. There are more and more cooking classes and demos, all of which have been well received and are great for the Co-op to be getting back to. As well as plenty donations and Oryana getting back out in the community in person!

Public Input and Announcements:

None

Adjourn:

The meeting was adjourned at 6:33pm.

Next Meeting:

The next Board meeting is scheduled for Thursday, December 15, 5:15pm, 10th Street Boardman Room in a hybrid format.

Board tour of Oryana West followed meeting.

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Holly Jo Sparks, Secretary		Date