



SEVANANDA NATURAL FOODS MARKET

REGULAR BOARD MEETING

Tuesday May 28th, 2024

Board Members Present: Board President Jessica McMorris, Board Vice President Edith Love, Board Secretary Beverly Perkins, Board Treasurer Nadia Giordani, Board Member L'Angela Lee, Board Member Dr June Chennault and Board Member Gregory Daniels.

Board Members Absent: None

Non-Board: Chris Roland (General Manager) Cheranna Dottin (Board Admin)

Timekeeper: Dr June Chennault

Cue taker: Jessica McMorris.

Call to Order/Welcome/Roll Call

Board President Jessica McMorris called meeting to order at **6:38 PM EST**. She greets everyone in attendance.

Co-op Principles and ENDS Statement

Both the Co-op Principles and ENDS Statement are read into the record.

Approval of the Agenda

The Board uses the allotted time reviewing the May 2024 agenda.

Nadia Giordani motions to approve the May 2024 regular Board meeting agenda as submitted with edits.

2nd: L'Angela Lee

Votes Taken:

Edith Love- Yes.

Jessica McMorris-Yes.

L'Angela Lee-Yes.

Nadia Giordani-Yes.

Beverly Perkins-Yes.

Gregory Daniels-Yes.

Dr June Chennault

Motion carried.

Approval of April 2024 Minutes.

Beverly Perkins motions to approve the April 2024 meeting minutes with edits submitted by email.

2nd: Gregory Daniels

Votes Taken:

Edith Love- Yes.

Jessica McMorris-Yes.

L'Angela Lee-Yes.

Nadia Giordani-Yes.
Beverly Perkins-Yes.
Gregory Daniels-Yes.
Dr June Chennault

Motion carried.

Purchase/ Repurchase of Shares

General Manager Chris Roland reports 39 new Owners for the month of February/ March 2024. As per repurchase of shares there were (0) members.

Decisions Made by the Board Outside of the Regular Meeting

4/23/2024-5/28/2024

Jessica read into the record all board decisions made outside of the regular board meeting for the Executive Session and through email."

"See Report for Full Details"

FYI Reporting

Chris Roland, General Manager

Sales & Updates

April Sales started out nicely, with over 5% growth through the first half of the month, but the loss of our EBT tanked the second half. Unsurprisingly, traffic took a hit too, with the numbers falling from 19,440 customers in April of 2023 to 18,856 in 2024. The first quarter finances are almost done and are showing positive profit.

Every year we are required to update the Federal Government SNAP Department of the USDA with our new board members to retain our EBT status. This hadn't been done in a couple of years so when we completed it at the beginning of the year it showed a lot of new names. Anytime the board changes over 50% of its members they require a new application. We turned that application around very quickly, but they still said they had to turn off our current EBT access. They have asked for a second round of information, and we have put that in the mail (electronic not allowed) and will await their decision. When it does come back on, we will do a social media post to alert our shoppers.

See Report for full details.

GM Policy Monitoring Updates

Policy III- 5 Financial Planning & Budgeting

SBA loan updates and timeline discussed in executive session.

Full Discussion Tabled to Executive Session. Vote on this policy tabled to June 2024 Meeting.

Policy III-9 Asset Protection

"The General Manager must not allow assets to be unprotected, unreasonably risked, or inadequately maintained."

This policy was reported out of compliance due to Sevananda's business license. The license is now active, and the past fees were paid. The full policy is now in compliance.

L'Angela Lee motions to accept III-9 Asset Protection as fully in compliance.

2nd: Edith Love.

Votes Taken:

Edith Love- Yes.

Jessica McMorris-Yes.

L'Angela Lee-Yes.

Nadia Giordani-Yes.

Beverly Perkins-Yes.

Gregory Daniels-Yes.

Dr June Chennault

Motion carried.

GM Policy Monitoring

For the month of May 2024, the GM monitors

Policy III-6 Financial Conditions & Activity

POLICY TITLE: Executive Limitations

"With respect to the actual, ongoing financial conditions and activities, the General Manager must not cause or allow the Cooperative to be unprepared for future opportunities, the development of fiscal jeopardy, or key operational indicators to be below average for our industry."

Chris R. thoroughly reviews the monitoring of this policy with the Board answering all questions and giving full detail on each item. After thoughtful consideration Chris reports item 4 and 7 as "**not in compliance**"

4. Allow solvency (the relationship of debt to equity) to be insufficient.

A solvency ratio indicates whether a company's cash flow is sufficient to meet its long-term liabilities and thus is a measure of its financial health. Chris believes the word "equity" there is deceiving and needs to be stricken from this policy as it can confuse people into thinking that we have the funds in Balance Sheet account #31110 (Common Stock), which Sevananda does not. That is just a record of the total equity ever paid into Sevananda, but we do not have that money separate from our store bank account.

The ratio Chris would like to use to judge the amount of long-term debt is a simple debt to asset ratio (Debt/Assets). Non-cash assets should be removed, which are our Fixed Assets or Deferred Tax Asset which doesn't hold a cash value.

With those out our Debt/Asset ratio is 1.18 (Long-Term Liabilities/Assets (with cash value). Anything over 1 means that we're holding too much long-term debt. We needed the loans when we took them out and are lucky enough to have most of it due to NCG and be interest free. Chris is trying to find the paperwork on the SBA loan and sent an email out to Ahzjah, Sevananda's former GM, to find out details on that note.

7. Allow late payment of contracts, payroll, loans or other financial obligations.

We have a few late bill payments due to different circumstances:

· Two refrigeration companies are awaiting payment due to insurance claims and we're also refuting some of the charges.

· We are withholding payment to our former accounting firm due to billing for services without alerting us of prices or terms. We ended up not choosing this firm for our ERC filing, but they still want to be paid for their work. I don't see an amicable conclusion to this disagreement.

· We are currently awaiting correspondence from the Dorsey law firm regarding, what in our eyes, is over billing. We are hoping they will agree with us and stick to the original terms of our engagement.

See Report for full details.

Executive Limitations (EL) Policy Review

The Board did not see anything in Policy III-6 Financial Conditions and Activity that needed to be addressed immediately by way of an Ad Hoc Committee.

Gregory Daniels motions section 1,2,3,5,6,9,10 and 11 as in compliance and sections 4 and 7 out of compliance with action plan stated.

2nd: Nadia Giordani

Votes Taken:

Edith Love- Yes.

Jessica McMorris-Yes.

L'Angela Lee-Yes.

Nadia Giordani-Yes.

Beverly Perkins-Yes.

Gregory Daniels-Yes.

Dr June Chennault

Motion carried.

Board Policy Monitoring

Policy II-6

Policy Type: Governance Process

Policy Title: Board Members Code of Conduct

“We each commit ourselves to ethical, professional and lawful conduct.”

After thoroughly reviewing this policy and discussing the Board deems it appropriate to move forward with motioning this policy as in compliance. They however would like to table this to the next Board Meeting to verify that the correct policy is being signed.

Nadia Giordani motions motion to table Policy II-6 Board Member Code of Conduct to the next Board Meeting.

2nd: Edith Love

Votes Taken:

Edith Love- Yes.

Jessica McMorris-Yes.

L'Angela Lee- Yes.

Nadia Giordani- Yes.

Beverly Perkins- Yes.

Gregory Daniels- Yes.

Motion carried.

Board Linkage (BL) Policy Review

Tabled to June 2024 Board Meeting

Brief Board Briefs

CCMA Conference

The Consumer Cooperative Management Association Conference is coming up May 30th - June 1st, 2024, in Maine. The board applied for scholarship and were awarded. Chris Roland, Jessica McMorris and Nadia Giordani will leave May 30th. They are in conversation to attend the same track obtaining information relevant to where Sevananda is as a business. Jessica plans to bring relevant information back to the Board on how they can operate as a unit. They will return Sunday June 2nd. Jessica is also excited for she was nominated for a Board Service Award.

GFI Conference

Governance for Impact conference is in Atlanta this year. Jessica believes this would be great training for the Board to learn the fundamentals of policy governance. Budget to be discussed in executive session.

Upcoming Events

Queen Afua Family of Products is having an event here at Sevananda to launch her products. There will be more details to come once the date is solidified. Chris is also interested in attended different festivals in the community if any Board member is aware of supporting Sevananda for the outreach initiative.

Elections Committee Debrief

Committee Chair: Dr June Chennault

Dr. June Chennault submits and reviews a full debriefing report of the 2023/2024 Elections process. She reviews everything that went well and things that were a bit challenging. This document will be used as a tool to improve the elections process in the future and make it run smoother.

See report for details

Annual Member Meeting Ad hoc Committee Debrief

Committee Chair: Edith Love

Edith submits and reviews a full debriefing report of the 2024 Annual Member meeting. Her report breaks down things that went well, things that went wrong and what the committee learned from this experience as it pertains to planning and executing an Annual Meeting. The meeting had a great turn out however, due to lack of quorum, they were unable to vote on the bylaw revisions. The committee will reach out to the local co-op attorney on advice on how they can proceed with financial challenges with current attorney. The committee is also working on communication on how to get the adequate number of votes needed for the bylaw revisions to be approved.

See report for details

Committee Chair and Reports

GM Contract and Evaluation Committee

A chair for this committee was nominated. The committee has (1) month to get through the request for proposal for the Board to review then the attorney. The Board will vote on the final RFP then it will go to the general manager, the attorney and a designated Board representative to be signed. The committee requested Beverly to serve on the committee and she agrees. The committee is now populated and has until June 30th for the contract to be completed.

Owner Engagement Committee

Committee Chair: L'Angela Lee.

Jessica met with L'Angela and went over the Owner engagement portion of a few documents for her to understand what owner engagement is. The committee works for the Owners based on what engagements they may want organizing events for them. The committee are looking forward to doing early Owner engagement activities as early as July.

L'Angela motions to accept all committee reports.

2nd: Nadia Giordani

Votes Taken:

Edith Love- Yes.

Jessica McMorris-Yes.

L'Angela Lee- Yes.

Nadia Giordani- Yes.

Beverly Perkins- Yes.

Gregory Daniels- Yes.

Motion carried.

Adjournment:

Edith Love motions to adjourn the May 2024 Regular Board Meeting.

2nd: Gregory Daniels

Votes Taken:

Edith Love- Yes.

Jessica McMorris-Yes.

L'Angela Lee- Yes.

Nadia Giordani- Yes.
Beverly Perkins- Yes.
Gregory Daniels- Yes.
Motion carried.

8:42PM EST

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REGULAR BOARD MEETING NOTES

Tuesday May 28th, 2024

Board Members Present: Board President Jessica McMorris, Board Vice President Edith Love, Board Secretary Beverly Perkins, Board Treasurer Nadia Giordani, Board Member L'Angela Lee, Board Member Dr June Chennault and Board Member Gregory Daniels.

Board Members Absent: None

Non-Board: Chris Roland (General Manager) Cheranna Dottin (Board Admin)

Member Owners Present

None

Owner Comments

None.

Decisions Made by the Board Outside of the Regular Meeting

4/23/2024-5/28/2024

Board Decisions Made by Email Report

GM Reporting

FYI Report

GM Policy Monitoring Updates

Policy III-7 Asset Protection

Policy III-5 Financial Planning & Budgeting

GM Policy Monitoring

Policy III-6 Financial Conditions & Activity

Board Policy Monitoring

Policy II-6 Board Code of Conduct

Additional Reports

Annual Member Meeting Debrief

Elections Committee Debrief