



SEVANANDA NATURAL FOODS MARKET

REGULAR BOARD MEETING

Tuesday May 16th, 2023

Board Members Present: Jessica McMorris, Tracie Greene, Dorothea Gates and Lucy LaVouille.

Fabian Simpson present via ZOOM.

Wanique Shabazz present at 6:37PM.

Dr. June Chennault present at 6:40PM.1

Board Members Absent: None.

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

Timekeeper: Dr. June Chennault.

Cue taker: Fabian Simpson.

Call to Order/Welcome/Roll Call

Board President Jessica McMorris called meeting to order at **6:34PM 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 2023 agenda.

Fabian Simpson motion to approve the May 16th, 2023, regular Board meeting agenda as submitted with edits.

2nd: Tracie Greene

Votes Taken:

Wanique Shabazz-Yes.

Lucy LaVouille-Yes.

Jessica McMorris-Yes.

Tracie Greene-Yes.

Dr. Chennault- Yes.

Fabian Simpson-Yes.

Dorothea Gates-Yes

Motion carried.

Approval of Minutes & Previous Months Minutes

Tracie Green motion to approve the April 2023 regular meeting minutes as submitted with changes.

2nd: Dr. Chennault

Votes Taken:

Wanique Shabazz-Yes.

Lucy LaVouille-Yes.

Jessica McMorris-Yes.

Tracie Greene-Yes.

Dr. Chennault- Yes.

Fabian Simpson-Yes.

Dorothea Gates-Yes.

Motion carried.

Tracie Green motion to approve the February 2023 regular meeting minutes as submitted with changes.

2nd: Wanique Shabazz

Votes Taken:

Wanique Shabazz-Yes.

Lucy LaVouille-Yes.

Jessica McMorris-Yes.

Tracie Greene-Yes.

Dr. Chennault- Abstained.

Fabian Simpson- Abstained.

Dorothea Gates-Abstained.

Owner Comment Period

No Member owner's present, no comments submitted.

Purchase/ Repurchase of Shares

None to report.

Notification of Board decisions via email

Based on Policy II-2 any decisions made outside of the Board meetings that can legally be disclosed in the Board meetings, should be.

Decisions my by the Board via email

4/19/2023 - 5/15/2023

4/24-Tracie proffered a motion to form an ad hoc committee to have input on our BOD calendar created by the BOD Administrator.

2nd: Jessica

Final board member vote cast on 4/29

Motion passed by consensus.

FYI Report

Chris Roland, General Manager

The GM has been working diligently with East Coop Consultant/ Representative Brittney Bear as per the Co-op's recovery. They are constantly talking about sales and legalities as it pertains to Sevananda. They are working on Wegner CPA Auditor Audrey McGhee Griffin coming to the Co-op to go over the financials free of charge. Brittney has also been assisting with negotiating with the landlord as it pertains to the parking lot. Security costs have increased. A 16,000 USD fraudulent check was put in to supply cost but is currently being disputed with Bank of America

GM Policy Monitoring

Monitoring of Executive Limitations Policy (See Attached Report in May 2023 Board Meeting Packet)

For the month of May 2023, the GM policy being monitored is Policy III-6 Financial Conditions & Activity as well as Policy III-5 Financial Planning/ Budgeting.

Policy III-6 Financial Conditions & Activity.

“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 Roland reads the full policy along with his interpretation. He acknowledges the following items of this policy as in process:

Policy out of compliance due to sections 1-4. The Co-op is in emergency mode and needs to do everything in its power to lower costs and grow sales. Chris is currently putting together a plan that he will be able to present to the board soon but reports that some of the following items are already in motion and being worked on.

His current goals are:

- a. Show sales growth for Q2.
- b. Cut Sevananda's net losses by 2/3 (-50k)
- c. Achieve at least a 35% gross margin.
- d. Continue to lower our staff costs.

Policy III-5 Financial Planning/ Budgeting.

“The General Manager must not operate without annual and multi-year budgets and plans that address intentional and improved Ends accomplishment along with avoidance of fiscal jeopardy.”

Chris Roland reads the full policy along with his interpretation. He acknowledges the following items of this policy as in process with the current action plan:

This policy is out of compliance in almost all regards. While Sevananda does have the current year budget, it was written without any chance of accomplishment and can only serve as aspiration. The budget was created without any care towards:

- a. Risk incurring those situations or conditions described as unacceptable in the Board policy “Financial Condition and Activities.”
- b. Omit credible projection of revenues and expenses, owner investment and return,

separation of capital and operational items, cash flow, and disclosure of planning assumptions.

- c. Do not address excellence in business systems and operations.
- d. Have not been tested for feasibility.

Rewriting the current year and future budgets would be a good exercise, but he didn't have any grasp of Sevananda's current financial state until yesterday, when they got a "close to final" look at our 1st quarter financial statements. It also takes a week to write an accurate budget. Additionally, budgets are for planning and Sevananda is not in planning mode, but survival mode. Sevananda is at the point with our financial health where he will need to drastically cut any expenses he can to survive and keep the co-op afloat.

Action Plan

His plan is to get Sevananda through our 2nd Quarter and:

1. Rewrite a second half of the year budget for 2023
2. Write a rough budget for 2024
3. Write a rough 5-year budget that includes our upcoming debt repayment

GM Monitoring Decision Tree.

They agree that his reports were reasonable; Accomplishment was met; Date DID demonstrate compliance.

Lucy LaVouille motion to approve the GM Monitoring III-6 Financial Conditions and Activity as submitted with action plan stated.

2nd: Dr. Chennault.

Votes Taken:

Wanique Shabazz-Yes.

Lucy LaVouille-Yes.

Jessica McMorris-Yes.

Tracie Greene-Yes.

Dr. Chennault- Yes.

Fabian Simpson-Yes.

Dorothea Gates-Yes.

Motion carried.

Jessica McMorris motion to approve the GM Monitoring III-5 Financial Planning & Budgeting as submitted with action plan stated.

2nd: Tracie Greene.

Votes Taken:

Wanique Shabazz-Yes.

Lucy LaVouille-Yes.

Jessica McMorris-Yes.

Tracie Greene-Yes.

Dr. Chennault- Yes.

Fabian Simpson-Yes.

Dorothea Gates-Yes.

Motion carried.

Executive Limitations Policy Review

Policies being reviewed:

III-6 Financial Conditions and Activity

III-5 Financial Planning & Budgeting

No revisions needed.

Board Policy Monitoring

For the Month of May 2023, the Board Policy being monitored is Policy II-9 Board Meetings.

Policy II-9

“Board meetings are for the task of getting the Board’s job done.”

Overall, the ball has been doing lots of work outside of the Board meetings so that the Board can flow effectively. Since gaining the help of Columinate Consultant LaDonna Redmond the Board has created an agenda setting meeting which happens two weeks before the monthly meeting in order to set the agenda for the coming meeting. The Board has also adopted creating a Board packet for each meeting sending out documents and reports with ample time for each director to review and be well equipped to engage on each topic effectively in each meeting. The Board reports this policy as in compliance.

Lucy LaVouille motions Policy II-9 Board Meetings as in compliance.

2nd: Dr. Chennault.

Votes Taken:

Wanique Shabazz-Yes.

Lucy LaVouille-Yes.

Jessica McMorris-Yes.

Tracie Greene-Yes.

Dr. Chennault- Yes.

Fabian Simpson-Yes.

Dorothea Gates-Yes.

Motion carried.

Executive Limitations Policy Review

No revisions needed.

Bylaw Revision

Establish an Ad Hoc Committee

The Board has major work to do reconstructing the Bylaws in order to stay in line with the Cooperative principles. They need to establish an Ad Hoc committee to do bylaw revisions. Board Consultant LaDonna R tasked the Board with doing a thorough read of the policies making edits where they deem necessary, reviewing the outcoming and then voting on it and forwarding it to Sevananda’s attorney for legal guidance then presenting them to the Member Owners.

Tracie Greene motions that the Board forms an Ad Hoc committee for bylaw revision.

2nd: Dr. Chennault.

Votes Taken:

Wanique Shabazz-Yes.

Lucy LaVouille-Yes.

Jessica McMorris-Yes.

Tracie Greene-Yes.

Dr. Chennault- Yes.

Fabian Simpson-Yes.

Dorothea Gates-Yes.

Motion carried.

Brief Board Briefs

Up & Coming Conference.

The Up & Coming Conference is September 14th-16. Enrollment starts June 30th. This is a great conference for Co-op Boards dealing with diversity, equity and inclusion. It helps edify and promote diversity and the different needs as it relates to all ethnicities. There needs to be a discussion with the GM because this conference does have a cost.

Upcoming Columinate Training

Columinate extended an offer for 50% off any training the Board may be interested in. Co-op 101 is approaching once again. There was an initial training April 15th, 2023, and will be offered again July 15th free of charge. Jessica also informs the Board of a quarterly round table in which she joined for the remainder of the year where she will interface with other Board presidents.

Coop Deals

Every two weeks the Co-op Deal sale flyer changes. The Co-op Deals are the Co-op's biggest sales. There have been extra flyers printed with coupons of them for distribution. So far, they have been distributed to the neighborhood shops. Chris is asking if each Board member could take a stack of flyers and distribute them to increase Co-op awareness and bring customers in to increase sales. The door hangers have also been distributed to the community.

A local vendor by the name of Ross, who owns the sea moss company Bush Docta, is partnering with Sevananda Saturday May 20th 7pm-11pm to host a late-night market. The purpose of this event is to bring excitement, traffic and increase sales to the store. Ross is doing the majority of the work by gathering vendors, provide music and food to put on this event. The store will stay open an extra two hours and will have increased security,

which the cost for is being split with the host, Ross of Bush Docta. Chris invites the full Board to come out support the event and join in on the festivities.

Committee Chair and Officer Report

Elections Committee

Former Elections Committee Chair Jerilyn Bell recommended that the Board begins their work to start the general annual Board elections in September of each year. A new committee chair will have to be voted on and the charter will have to be updated and start the pre-planning process.

Emergency GM Succession Policy Ad Hoc Committee

In previous months' meeting Tracie Green felt there needed to be an ad-hoc committee created for this policy. After undergoing training separately from LaDonna she has a better understanding of this policy. Lucy LaVouille updates the Board that they have a date set for May 30th at noon to start working on this with LaDonna. Jessica weighs the option of continuing with the work LaDonna on this or possibly disbanding this committee. She also mentions discussing this after the full policy revision of the bylaws tabling this to 2024. The Board agrees to move forward with meeting with LaDonna on May 30th in efforts to revise this policy. In preparation for the meeting LaDonna recommends using the process that was used in the GM hiring committee as a template so that when they meet, they can simply edit the GM Succession part of that template.

Owner Linkage

Jessica offers herself up as chair of the linkage committee. Tracie previously offered herself as the chair but doesn't mind simply assisting on the committee. No one has put a motion on the floor for either Board members.

Discussion Tabled

Annual Board Calendar Ad-Hoc Committee

Committee established via email.

Tracie Greene offered herself up as the Annual Board Calendar Ad Hoc Committee Chair. The Board discusses processes that have occurred previously and communications that have gone out in effect to create the draft of the Board calendar. They have also discussed processes as per functionality. The draft of the calendar was created. There was a motion for Tracie to be the chair of the committee, for the charter to be created and to approve the moving forward with the actual committee. Jessica expresses that she

believed the motions/ voting process for this Ad-hoc committee via email did not follow Roberts Rules of order and the committee needs to have a charter. She expresses there needed to be a proper vote and a charter created for this committee that should be printed and signed for the record. Based on the email thread of communication Wanique Shabazz, Lucy LaVouille, Jessica McMorris, Tracie Greene, Dr. Chennault, Fabian Simpson and Dorothea Gates all vote “yes” to Tracie’s proposal on all three items. Jessica McMorris voted “yes” to creating the committee but voted “no” to Tracie being chair as well as the charter based on the way the motion was presented. Shae states that motions are to follow Roberts Rules of Order. Jessica offers the motion during the meeting for Tracy to be committee chair so that the motion could be in accordance with Robert’s Rules of Order.

Jessica motions for Tracie G. to chair the Annual Board Calendar Ad Hoc Committee
Motion Rescinded.

Board Appointment of Vacant Seats Ad Hoc Committee
Item tabled.

Jessica M motion to adjourn the May 2023 regular Board Meeting.
2nd: Lucy LaVouille.

Votes Taken:

Wanique Shabazz-Yes.

Lucy LaVouille-Yes.

Jessica McMorris-Yes.

Tracie Greene-Yes.

Dr. Chennault- Yes.

Fabian Simpson-Yes.

Dorothea Gates-Yes.

Motion carried.

Adjournment: 9:31PM EST

_____ on behalf of the BOD’s

Lucy LaVouille
Board Executive Secretary

_____ Date

**SEVANANDA NATURAL FOOD MARKET
REGULAR BOARD MEETING NOTES**

Tuesday May 16th, 2023

Board Members Present: Jessica McMorris, Tracie Greene, Dorothea Gates and Lucy LaVouille.

Fabian Simpson present via ZOOM.

Wanique Shabazz present at 6:37PM.

Dr. June Chennault present at 6:40PM.

Board Members Absent: None.

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

Physical copies of each item listed in the notes or Board meeting packet can be provided upon request.

Member Owners Present:

None

Election of Board Officers

Email thread communication to support streamlining the process.

GM Monitoring Report

Policy III-6 Financial Conditions & Activity

Policy III-5 Financial Planning & Budgeting

FYI Report

Financial Report

Board Self-Assessment

Policy II-9 Board Meetings