

Hendersonville Community Co-op Board of Directors Meeting

715 S Grove Street, Hendersonville, NC

December 14, 2010, 6:00pm

Board Members Present: Ron Angermuller, Thomas Beckett, Beth Beasley, Steve Breckheimer, Susan O'Brien, Laura Miklowitz, Carolyn Widner, Tony Womack

Staff Present: Damian Tody, Jane Bagsby

Staff Absent: Liz Malloy

Guest: Patti Moore, CPA

Announcements:

- Beth and Susan are the December birthdays.

Approval of the Agenda:

- By **consensus**, the Board approved the meeting agenda.
- Carry over to January meeting the Committee/Meeting Activities Volunteer.

End - of – Year Financial report: Pattie Moore, CPA

- Sales look good – 2.9 increase.
- Gross margin improved.
- Change in margin tracking reflects a loss.
- Research costs off set any loss.
- Co-op will benefit from available tax credits.

Consent Agenda:

- By **consensus**, the Board approved the Operations and Financial reports.
- Change to November minutes – Beth is not writing an article for the upcoming Organic Press.

Owner Comments:

- No owners present.
- Thomas shared complimentary comments about HCC from John Swan, formerly of Green Life Grocery.

Discussion of Open Board Member Slot:

- Need to fill 1 seat that is a 1 year slot, and appoint 1 alternate.
- It would be good to have someone with fundraising experience, community figure.
- Discussion of possible candidates.
- Laura will contact Sandy McGlashan to follow up on her interest.
- Board members will think of other candidates, bringing the names to the next meeting.

Board Education/Owner Loan Campaign

- Steve gave an overview.
 - Financing Expansion – What Will It Take?
 - Where does everyone fit in?
- Carolyn reviewed parts of *Member Loan Campaign Toolbox*:
 - Roles, committees
 - Leader roles

Board Education/Owner Loan Campaign-continued

- Thomas presented options for raising money
 - Member loans – only available to NC residents.
 - Stocks –Preferred –only available to NC residents.
 - CDs held by (cooperating) bank – Open to everyone.
 - Donations – Open to everyone.
 - All had some positive and negative aspects.
 - Loans and Preferred shares both require SEC Filing by Atty.
 - In order to offer stocks the Bylaws and Articles of Inc. will need changing.
 - In order to hold the vote with the ownership on raising funds for the expansion we should make sure that Membership numbers are current.
- Steve wrapped up. By **consensus** the Board decided that while we are going to be working with the ownership about news and requirements for the possible expansion and getting that vote, we should also use that time to present to the owners necessary changes of the Bylaws and Articles with regard to different classes of stock and its issuance in the interest of the Coop's long term capital raising ability.
 - Tasks assigned.
 - Thomas will craft language for changes regarding stock issuance in Articles of Incorporation and Bylaws for Board's review.
 - Susan will write a 30 day notice of a special meeting to be posted in Organic press.
 - Meeting planned for February 24, 2011, Annex, 5:30 – 6:30pm, planning by all board members
- Agreed by **consensus** that a consultant reporting to Damian should be hired to lead the campaign.
 - Damian will contact Tammi Bauer for her availability.

Next topic: Ongoing Owner Loan Campaign and Expansion.

GM Report:

- Expansion update: Stuart from Go Grocery has come back with a counteroffer. Damian has not responded to Stuart.
- Looking for a new Grocery Manager.
- Looking for P/T baker.
- November sales looking good at this point.

Policy Governance:

- E1 Ends **3 of 3 subsections in compliance**. Some discussion on whether the report should have looked to the future; based on accomplishments. More tracking of accomplishments. This is the first Ends report since the new format. Due to upcoming expansion responsibilities the report will not be written again until next year.
- GL 5 Financial Conditions **9 of 10 subsections in compliance**. The GM will provide timelines to bring subsection 2 into compliance. Michael Healy commented to Tony, "This was an excellent report".

HCC Board Minutes/December 2010

Page 3

Governance:

- Board Member Statement of Agreement signed by all members.
- Policy Review Committee - by **consensus** the board accepted the changes to BP 7 *Board Committee Principles*.
- GL 6 by **consensus** the board agreed to keep GL6.
- Beth will distribute a refreshed, complete copy of policies to all members.
- Board Calendar – Tony has created a draft. The calendar will be reviewed; changes and suggestion will be made.
- Next Organic Press article (March/April) – Beth will write an article on fundraising.

Other

Board retreat will be May 7th. Location to be determined.

All items on the board Meeting Monitoring Form were rated “Satisfactory” – very good meeting.

Meeting adjourned at 8:30pm

The next monthly board meeting will be January 25, 2011

Respectfully submitted by Susan O'Brien, December 15, 2010

Board approved with edits January 25, 2011