

# Hendersonville Community Coop Board of Directors Meeting

Annex Building

December 8, 2009, 5:30pm

**Board Present:** Ron Angermuller, Beth Beasley, Kristin Harkey, Marilyn Jackson, Susan O'Brien, Laura Miklowitz, Carolyn Widener, Tony Womack

**Board Absent:** Roger Hull

**Staff Present:** Damian Tody, Jane Murphy-Bagby

**Guest:** Patty Moore, CPA

## Announcements

Tony shared meeting "ground rules" that enhance participation and group work. Ron to serve as timekeeper, Carolyn as scribe, Susan will lead the meeting evaluation and Liz will provide a recap.

## Agenda Approval

By **consensus**, the Board approved a revised meeting agenda.

## Board Visioning/Discussion of HCC Year- End Financial Review

Patty Moore, CPA, and the Board discussed the year-end financials.

*Action item:* Executive Committee to investigate creating a budget checklist/evaluation process.

## Consent Agenda

By **consensus**, the Board approved November meeting minutes, Operations and Financial Reports.

## GM Report

Damian reported the oven needs repairs and he is looking into options.

## Policy Governance Review

GL 4. Communication and Support to the Board: **the Board accepted the GM's compliance statement.**

## Governance

- Policy Governance Monitoring Procedure: **By consensus**, the Board accepted the monitoring procedure with revisions.

*Action item:* Liz to make approved revisions to the monitoring procedure and send to Tony.

- Committee Member Volunteers:

- Board – Owner Linkage – Beth (chair), Kristin, Susan, Laura, Carolyn
- Policy Revision – Beth (chair), Marilyn, Ron
- Retreat Planning – Laura (chair), Kristin, Roger
- Nomination Committee – Laura (co-chair), Carolyn (co-chair), Susan, Ron

- Meeting Task Volunteers: Laura will handle

*Action item:* Laura to have some thank you cards made.

- Review Task List, Board Calendar and Leadership Sharing

- Next Organic Press Article: March/April Edition, deadline Feb. 7. Kristin to consider writing.

- Confirmed Retreat Dates: April 30 – May 2, 2010

- Review of Task List/Action Items

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**Meeting Evaluation**

All items on the Board Meeting Monitoring Form were rated “yes”.

Meeting adjourned at 8:30pm.

The next monthly board meeting will be Tuesday, January 26, 2010

*Respectfully submitted by Liz Malloy, January 5, 2010*

Board approved, January 26, 2010

## **Addendum to HCC Board Meeting Minutes**

### **Item: Year End Financial Review**

**12.08.09**

### **Year End Financial Review**

**Patty Moore**

#### **General Discussion**

- Department margins and sales analysis reports are important.
- 2008 averages/NCGA benchmark – HCC tries to stay within their data ranges.
- Damian also develops guidelines by looking at other co-ops in our region that are the same size.
- The Board's role in the budget is to look at the final figures and "sign off."
- Board signs off on expenditures that are over \$5000 above budget
- Financial Conditions Quarterly Report – monitoring document from Damian used by Board
- Monthly Financial & Operation Reports are also used by the Board to monitor the budget.
- The Executive Committee will investigate creating a budget checklist/evaluation process for Board review of the Co-op budget.
- Product mix – Department Managers use national reports and also look at sales reports to decide what products to offer. The product mix can have a big effect on the turns percentage so this is part of their process when working on increasing turns.
- Inventory Month – an inventory count is taken every 13 weeks (4 times a year). This is contracted out to Regis and costs approximately \$1700 (dependent on the amount of inventory).

#### **Preliminary Overview FY 08-09**

- Breakeven – investment in NCGA
- No debt and healthy cash reserves makes banks "loan friendly"
- HCC could improve margins and turns and Damian is already getting some help on this.
- HCC has less than 7.2% total inventory turns. Normal averages are in the 10-15% range.
- HCC has a 35% gross profit margin. Averages in our industry segment are 37-39%.
- While competition exists, the owner base is unique.
- Check with three banks on loans. Make them compete. Local is important.
- SBA loans are expensive and used more by higher risk businesses.
- "Owner Loans" – check out state regulations re: limitations (bonding, etc.)
- When explaining loans to owners, keep it simple.