

MANNA FOOD BANK
BOARD OF DIRECTORS MEETING
June 21, 2017

TODAY'S MEETING: 5:00 P.M. TO 6:30 P.M.

LOCATION: MANNA, LAUREL'S KITCHEN, 627 SWANNANOA RIVER RD
Conference Line 866-740-1260 Access Code 2993663

**The mission of MANNA Foodbank is to involve, educate and unite people
in the work of ending hunger in Western North Carolina.**

Our vision is a hunger-free WNC.

AGENDA

1. Call to Order – Melody Dunlop
 - Reading of the mission and vision
2. Consent Calendar – May 2017 minutes
3. Board Activities in July – Hannah Randall
4. Finance Report – Sage Turner, Nancy Flippin
 - Proposed budget for fiscal 2017-2018+
5. Development Report – Mary Nesbitt
 - Blue Jean Ball Highlights; Empty Bowls Solicitation
6. Membership & Governance Report – Scott McLean
 - Update on open Board positions
 - Board recruitment for January 2018 terms
7. Advocacy Update – Hannah Randall, Ron Edgerton
8. President's report – Melody Dunlop
9. CEO's report – Hannah Randall
10. Old Business
11. New Business
12. Adjourn

Materials and Reminders:

+ Action Item – Proposed budget for fiscal 2017-2018
Volunteer Activity Sheets to be completed June 30, 2017

As a courtesy, please silence your cell phones during the meeting

**MANNA FoodBank
Board of Directors Meeting**

Date: May 17, 2017	Begin Time: 5:00	End Time: 6:30	Total Time: 1 hr. 30 m.
Members Present: Judy Butler, Chuck Cloninger, Mary Davis, Melody Dunlop, Ron Edgerton, Jeff Grindstaff, Bud Hughes, Allen King, Jim Mathews, Scott McLean, Louise O'Connor, Karen Olsen, Jerry Prickett, Jo Blaylock Ray, Robert Simmons, Sage Turner,			
Staff Present: Hannah Randall, CEO, Jill Hansen, COO, Nancy Flippin, CFO, Mary Nesbitt, CDO			
Members Absent: Rasheeda McDaniels and Steve Metcalf			
Member/Topic	Discussion/Recommendations/Conclusions	Action/Follow Up/Resolution	
Call to Order	Melody Dunlop called the meeting to order and presided. She called on Robert Simmons to state the mission and vision of MANNA FoodBank.		
Consent Calendar	The minutes of the March 15, 2017 meeting which were previously distributed, were approved.	Approved.	
Framing the Future Updates - Hannah Randall	Hannah spent the first part of today's meeting reviewing MANNA's strategic plan, Framing the Future, with the board. In addition, Hannah proposed some changes and updates for the start of the next fiscal year beginning July 1, 2017. The proposed updates which started as part of an internal review process amongst staff members then fuels the budget process for the next fiscal year which will be discussed at the June board meeting.		
Finance Committee – Sage Turner	Committee met. Minutes of the meeting along with a draft of the proposed 2017-2018 budget and an executive summary have already been distributed to board members via e-mail. Some key items were mentioned including the fact that the line of credit from the capital campaign has been paid off and that a new direct mail vendor will be selected for the upcoming fiscal year.		
Development Committee –Mary Nesbitt	Committee met. Jim Mathews has agreed to chair the committee. Two new members also attended their first committee meeting, Rocky and Sue Biby. Mary provided an update of BJB table sales and Table for Three ticket sales. In addition, Mary referred to 3 new grants that have been received: \$50,000 from Morgan Stanley, \$70,000 from Walmart and \$20,000 from the Landwirth Foundation. Mary also mentioned several other grant opportunities that are pending.		
Advocacy Next Steps – Hannah Randall	As a continuation of the board discussion following the Advocacy for Nonprofits training held in April, Hannah pointed out that the scope of this work was beyond what she could handle on her own. As such, she suggested that the board consider forming an ad hoc committee to assist with this work. A motion was made by Sage Turner and seconded by Jim Mathews to form an ad hoc Public Policy Committee going forth. The motion was approved by the unanimous vote of the board. So far two committee members have been identified: Ron Edgerton (Chair) and Steve Metcalf. They will be recruiting others to join this committee.	Approved.	
Sourcing Report – Jill Hansen, COO	Jill provided an overview of FY 2016-17 3Q YTD food receipts and distribution. All good news to date.		
CEO's Report -Hannah Randall	Hannah discussed the upcoming July board activities in lieu of a board meeting. She plans to have 3 different activities to offer to board members so they can select the date and time that works best for them. Hannah also discussed her recent trip to Raleigh for		

	Legislative Food Drive Day. While there, she also learned of some pending legislation that could potentially limit some families who currently qualify at the Federal level from automatically qualifying for the Food Stamp Program. Hannah was suggesting an action alert to all board members to be aware of this situation. This could suspend benefits to many needy families while each county would have to staff up to interview these families again to determine their ability to qualify for the program.	
President's Report – Melody Dunlop	Melody encouraged the board to stay in touch with current developments at MANNA through social media and other electronic resources. In addition, Melody also wanted to remind the board about the importance of contributing financially to MANNA each fiscal year. We want to be able to answer the question to grant funders that we have 100 percent giving by our board each fiscal year.	
Old Business	None.	
New Business	None.	
Next Board Meeting	At 5:00 pm in Laurel's Kitchen, 627 Swannanoa River Road, June 21, 2017	
Hard Copies/Handouts Distributed at Meeting	Board meeting agenda, Framing the Future strategic plan, statements of financial position and activities, comparison of cash balances from 2013 to the present, comparison of revenues by sources for the period July-December year end 2015 and 2016, cash reserves vs. goal, Advocacy for Nonprofits Summary, MANNA Food receipts and distribution report.	
Adjournment	6:30 p.m.	

Submitted this the 31 day of (May, 2017)

Judy Butler, Secretary

MANNA Food Bank

Budget Draft for 2017-18

Executive Summary

Overall Assumptions: This budget is a reflection of several key activities that are part of the strategic plan for the next fiscal year. We have sought to balance the needs that we see in our service area with what we believe is achievable and *sustainable* going forward.

- Continue with modest growth in product receipts & distributions
- Increase Manna Pack from 10% to 12% of children in need
- Sustain new work begun with Mission Hospital in nutritional nudges and health outcomes
- Continue with modest growth in FNS outreach
- Develop & implement first ever Manager Training program for staff

Revenues: Despite the difficulties encountered in the current fiscal year with the Direct Mail provider, the development team has done an amazing job in filling the gaps. We anticipate that we will end the year on budget. After careful consideration, we have decided to contract with a new direct mail firm beginning in July and we feel confident that this will prove to be a good relationship.

- Contributions and grants increase by 6.7%
- Special Events increase by 27%
- Earned Income (primarily COOP & reclamation) increase by 7.65%
- Overall Revenues increase by nearly 6%

Expenses: We took a serious look at what we believe it will take to sustain some of the new initiatives that we have piloted and are now incorporating into our overall workplans—specifically the MANNA Express distributions and the increased work in nutrition outreach. We also did a very thorough review of the trends we have been seeing in the Ingles Reclamation Program. As a result of these analyses, we have determined that we need to add 2 FTEs:

- 1 FTE for reclamation—previously we had been splitting an FTE between the distribution floor and reclamation but the volume of work in both areas really requires an FTE; in reclamation alone we have had over \$21,000 in overtime for the current fiscal year. By

adding a dedicated FTE we will be able to eliminate the majority of overtime and stay up with the scanning volume; this will create more revenue in the program which will more than pay for the new position

- 1 FTE for Agency Services to manage the MANNA Express program and give us time to transfer responsibilities from a long-term employee who will more than likely be retiring at the end of 2018. Currently, the MANNA Express duties are being handled by one of our Americorp interns whose term will be up in July. Ultimately, we envision that this position will be budget relieving within 18 months or so.
- We have determined that we will not look to add the Program Director position that had been approved for the current fiscal year going forward.
- Also included in this budget is a 3% wage increase; increases will be awarded by managers based on performance and length of service.

Other items to be noted:

- Supplies are being increased to include a new subscription to newsletter/eblast service; building and maintenance supplies, and program supplies
- We have greatly reduced the advertising budget for FNS; after a year of piloting various types of advertising to attract new clients (all of which was grant funded) we have decided that the ROI did not warrant the expense
- Increase in postage expense for direct mail (both in house and mailings done for us by the outside vendor)
- We added cyber security to our insurance coverages
- We decreased freight based on our current year actual expenses
- We adjusted both the revenue & expense portion of our budget for the sales tax related to the COOP sales; this was based on recommendations received from DOR sales tax audit—this is really a net zero effect on the budget but does change the individual line items

Supplemental Budget:

We currently have a grant proposal submitted to Mission Health to expand our nutrition outreach program; in the event this proposal is approved and funding is obtained we will be adding several items to the operating budget:

- Current western zone coordinator would shift to fulltime nutrition instead of only 25% nutrition and a contract labor position would be added
- Supplies, travel, and printing would increase by \$12,850
- Product purchases would increase by \$30,000
- Total net increase would be \$59,300

Manna Food Bank
2017-18 consolidated budget Draft

	Year Ending 06/30/2017	YTD Actual 04/30/2017	Prop Budget 2017-18	% change in budget
	Budget 2016-17	Actual FY-2017-18 draft 2		
Revenues				
Cont & Grants: Private	2,870,633.00	2,420,145.08	3,061,990.92	6.67%
Bequests & Planned Giving	60,000.00	72,164.55	40,000.00	-33.33%
Gov't Grants & Contracts	729,969.00	584,512.31	692,891.32	-5.08%
Special Event Income	217,000.00	184,526.71	275,050.00	26.75%
Earned Income	1,268,000.00	1,086,043.20	1,365,000.00	7.65%
Other Income	3,500.00	16,785.89	17,149.96	390.00%
Gains/Losses	0.00	(5,026.12)	0.00	
Non-Cash Cont	0.00	426,640.48	0.00	
Invest Income	30,000.00	155,430.36	30,000.00	0.00%
Total Revenues	5,179,102.00	4,941,222.46	5,482,082.20	5.85%
Expenses				
Wages & Benefits				
Wages	2,070,740.00	1,682,714.68	2,210,476.83	6.75%
Payroll Taxes	168,283.95	128,716.46	173,749.40	3.25%
Employee Benefits	454,092.75	377,813.61	500,391.19	10.20%
Total Wages & Benefits	2,693,116.70	2,189,244.75	2,884,617.42	7.11%
Other Employee Expenses	40,487.00	20,643.27	35,078.00	-13.36%
Professional Services				
Other Professional Services	68,958.00	48,566.42	68,827.56	-0.19%
Direct Mail Exp	127,200.00	78,700.00	132,960.00	4.53%
Total Professional Services	196,158.00	127,266.42	201,787.56	2.87%
Supplies	136,153.00	123,145.49	168,676.44	23.89%
Equipment	52,637.00	33,982.20	48,675.08	-7.53%
Travel	43,140.00	30,941.31	41,366.85	-4.11%
Printing	46,800.00	18,403.11	51,443.89	9.92%
Advertising	20,600.00	13,979.64	2,600.00	-87.38%
Postage	66,714.96	48,046.23	88,261.92	32.30%
Occupancy	129,500.00	93,734.88	130,803.76	1.01%
Insurance	23,236.00	22,204.04	26,050.88	12.11%
Freight & Handling				
Vehicle Operating Expenses	135,390.00	97,734.79	137,475.72	1.54%
Freight	141,789.00	73,863.61	100,325.00	-29.24%
Handling Fees	45,500.00	19,071.72	27,799.96	-38.90%
Total Freight & Handling	322,679.00	190,670.12	265,600.68	-17.69%
Product Purchasing	1,193,004.92	1,222,799.15	1,446,199.96	21.22%
Program Expenses	113,328.00	62,547.77	108,674.00	-4.11%
Communications	31,409.00	23,472.27	34,084.64	8.52%
Fees, Dues, Taxes, Financing				
Misc Fees & Dues	29,889.00	33,644.86	31,955.24	6.91%
Sales & Use Tax	120.00	9,440.07	10,559.88	8699.90%
Investment Expenses	12,204.00	9,312.11	12,032.00	-1.41%
Bank Fees	20,869.00	17,725.75	19,620.84	-5.98%
Financing Expenses	0.00	10,093.35	2,603.33	
Total Fees, Dues, Taxes, Financing	63,082.00	80,216.14	76,771.29	21.70%
Misc Expenses	4,500.00	1,425.73	4,016.00	-10.76%
Pass Thru Expenses	5,000.00	375,077.63	0.00	
Depreciation	262,455.48	240,261.29	290,155.56	10.55%
Non-Cash Expenses	0.00	42,922.13	0.00	
Total Expenses	5,444,001.06	4,960,983.57	5,904,863.93	8.47%

Adjustments for Net Gain/Loss

<u>Revenues:</u>	5,179,102.00	5,482,082.20
Restricted Funds Roll Forward	<u>50,000.00</u>	<u>150,000.00</u>
Adjusted Revenues	5,229,102.00	<u>5,632,082.20</u>
<u>Expenses:</u>	5,444,001.06	5,904,863.93
Less Depreciation	(262,455.48)	(290,155.56)
Plus Operating Capital Items*	<u>14,583.00</u>	<u>17,320.00</u>
Adjusted Expenses	5,196,128.58	5,632,028.37
Change in operating net assets	<u>32,973.42</u>	<u>53.83</u>
Change in net assets per GAAP	(264,899.06)	(422,781.73)

* Operating Capital Items:

Computer replacements	4,560.00
Vacuum Can Tester	7,500.00
POD for remote distribution	2,500.00
2 TB BDR server backup	<u>2,760.00</u>
	17,320.00