



Meeting: HHI Board of Directors Meeting

Date: Tuesday December 19, 2023, 8 a.m.

Present: Tara A. Ellis (President and CEO), Lamont Williams, Ashley Rowe, Sharon Barilec, Amber Boll

Staff: Heidi Cheston (CFO), Don Rudewicz (GM), Siobhan Maloney (scribe), Lisa Woodring (EVP of External Affairs, FeedMore WNY)

Williams called the meeting to order at 8:03 a.m.

Boll calls for approval and made the first motion to approve the minutes from the September Board meeting. All in favor, the motion carried.

Governance

Williams read a bio on Jamel Perkins and announced that he will be nominating him for a seat on the Board of Director.

Jamel Perkins

More than eight years have passed since Jamel joined the Food Bank board. Since the beginning, he has offered guidance and supported us through many important decisions and investments as a member of the Technology committee and the Finance committee. Jamel has been a repeat volunteer at Food 2 Families often with his lovely daughters and wife assisting him. He also is a regular at fundraisers and food drives, inspiring family members and colleagues to support our mission. Jamel intends to remain on the Finance Committee for FeedMore Western New York, as well as serve as on the Hearty Helpings, Inc. Board of Directors.

Ellis stated that he has experience as an involved board member for FeedMore and is an Executive at Sodexo.

Williams and Barilec made first and second motions to approve Perkins to the BOD. The full board was in favor. Perkins will be notified later in the day.

HHI Financials through October 31, 2023:

Cheston reviews some highlights after 7 months as a subcontractor of FeedMore WNY:

- Cash revenue is \$4.4 mil
- Food costs are 64% of budget
- Salaries are under budget (due to vacancies)
- Professional fees included lawyer fees regarding the Labor Union
- Many costs were start-up costs that will be one-time expenses and capitalized
- \$6,200 a month in repairs and maintenance



- Operating expenses came to \$2 million for 7 months

Statement of financial position.

- Cash is low
- FeedMore was late on a cash transfer to pay HHI. This will be corrected on future financials.
- Food inventory came to \$156,000 monthly
- Commissary equipment and vehicles were transferred from the Foundation per guidance from legal and our accountants

With no further discussion on the financials, Williams asked for a motion to approve; Rowe and Barilec made first and second motions respectively.

2024 Budget

Cheston highlighted the following;

- \$1 million in restricted grants; NY Food for Families can be used to purchase throughout the year.
- \$9 million in revenue
- \$4.1 million in purchased food
- Packaging and components includes all of the trays and utensils that accompany the meals
- Costs of goods sold should be \$4.8 million.
- Salaries equal \$2.5 million, with a 31% increase in fringe, due to the nature of the work.
- \$105 thousand on fuel and maintenance of trucks
- Occupancy includes the building costs; water, electric, utilities, etc.

Ellis thanked Cheston for her work and acknowledged the role of GM Don Rudewicz.

Ellis wants to work with Barilec and Boll in the future once things are more stabilized for their input on opportunities to save money going forward.

Williams shared that he hopes to see efficiencies when we get into new building. Barilec offered to come in and see where there is room for opportunity at some point in 2024.

With no further discussion on the 2024 budget, Rowe and Boll made first and second motions to approve the budget. The motions carried and were approved unanimously.

Report of the President

Ellis stated we have been working through staffing challenges and continued to leverage the wonderful FeedMore team to fill staffing gaps. A new QA Manager, Betsy Kusimierski started this month. She has much experience and came highly recommended by a FeedMore WNY board member, Jeff Russo.



We are still in a holding pattern for our ready to eat (RTE) meals. It was recommended that we bring in a consultant by the Erie County Health Department. The cost of this consultant will also fall on us. We are hopeful that we can get through this process within the first half of 2024.

Jeff Williams and Justin Powley from FeedMore went above and beyond assisting with deliveries while HHI's transportation department dealt with some vacancies.

The holiday party on 12/15 was well attended. We had to hold it offsite, as we have outgrown our meeting space here in the CLC. We hope to include the BOD at functions in the future to create opportunities to interact with the staff.

HHI processes continue to be refined; they are now their own company in Paylocity. We have secured both the congregate dining and HDM contracts for Erie County, however we are still ironing out the contract conditions. It is set to be a three-year contract with the option for two year-long extensions.

For the first time, we will have control over the writing of the menus. This should begin in early Q2.

Union Update – the last day to re-file under the original CBA was December 16, 2023. We hope to remain free and clear, but of course can never forget that organic organization is always a potential as we are seeing across our community.

New Campus and Capital Campaign

Construction documents did reach 100% for our almost 200,000 square foot building. We will be working through bids and contracts through March, while still aiming for spring 2024 ground breaking.

We will receive \$3 million from Erie County out of a bucket of bonded funds. There will be a surety process with bonds and public hearings, so we hope to receive it in 2024.

Woodring shared our current dollar amount of just over \$69 million. She then encouraged the board to encourage their contacts to consider us for their year-end gift.

We are working through a process to apply for tax-exempt bonds through the Hamburg IDA with the Hamburg Land Development Corporation as the issuer. It seems as though it will be the lowest cost option and a key component to the overall capital stack on the debt side. Adjustments to the existing LOC and a potential bridge loan also may be in mix.

With no further business to address, Ellis thanks the board for their commitment.

Williams and Barilec made first and second motions to adjourn the meeting at 8:36 a.m.



Minutes submitted by Siobhan Maloney
Minutes reviewed by Lamont Williams