

**Marion-Polk Food Share
Board of Directors Meeting Minutes
July 11, 2019 , AS AMENDED**

Board Members Attending: Frances Alvarado, Warren Bednarz, Alex Beamer, John Burt, Sarah DeSantis, Mike Garrison, Jim Green, Courtney Knox Busch, Chris Mercier, Linda Norris, Walter Smith, Bahaa Wanly, Cheryl Wells

Staff Members Attending: Kendra Alexander, Caitlin Calip, Alicia Clark, Eileen DiCicco, Ian Dixon-McDonald, Rick Gaupo, Jim Green, Julie Hambuchen, Corrina Hawkins, Sheri Jones, Robbin Kerner, Lexi Stickel

Call to Order

Cheryl Wells called the meeting to order at 8:15 a.m.

Guest Introductions

Rick Gaupo had Agency Relations Coordinator Caitlin Calip introduce herself.

Board Meeting Consent Agenda

- Board Meeting Minutes, May 23, 2019
- May 2019 Financial Statements
- Straumfjord Trust Board Resolution — MPFS one of 3 beneficiaries, expect about \$80,000

ACTION: Jim Green moved and Warren Bednarz seconded approval of items on the consent agenda. The motion received unanimous approval.

Brief AWARE Update: Rick said that he, Alex Beamer, Frances Alvarado and Sarah DeSantis met with the AWARE board. At that meeting, Alex, Frances & Sarah were elected to the AWARE board and current members resigned except for Mark Wilkes. With this action, the Food Share now manages and controls all of AWARE programs and financial resources (about \$40K cash, which will be dedicated to the AWARE program). Lexi Stickel and Ian Dixon-McDonald were praised for their efforts during the management contract year that built AWARE board trust in the Food Share. Frances said the meeting was positive and the transition will be good.

Board Election

Governance Committee Chair Mike Garrison presented the following recommendations:

- Re-election of board members Alex Beamer, Jim Green, Warren Bednarz, Walter Smith, each for 3-year terms; and Julie Huckestein, for one year.
- Election of Holly Nelson, Chemeketa Dean of Regional Education & Academic Development, as a new board member beginning in September.

- Officers: Chair Courtney Knox Busch, Administrative Vice Chair Bahaa Wanly, Secretary Warren Bednarz and Treasurer Jim Green
- Appointed Committee Chairs: Executive Committee, Courtney Knox Busch; Finance Committee, Jim Green; Governance Committee, Mike Garrison

ACTION: Warren Bednarz moved and John Burt seconded acceptance of the Governance Committee's recommendations. Approval was unanimous.

Annual Plan

VP of Programs Ian Dixon-McDonald presented highlights of the 2019-20 Programs Plan.

He highlighted the following three programs:

Emergency Food Distribution – The Food Share is receiving and distributing more food than ever before and expects FY20 to be a bit higher than FY19's approximate 9 million pounds. Key food sources will be:

- USDA commodities that are expected to increase from last year's 22% portion of the emergency food supply. This is typically welcomed tariff mitigation foods that present some client acceptability challenges for products like pinto beans, lentils and split peas.
- Retail donations that we expect will account for about 40% of our food. We're nearing saturation for retail participation. These donations are largely fresh foods that require refrigeration, volunteers/staff to sort product, and agency capacity and procedures to quickly move the product.
- Farm donations from Salem Harvest and area farmers.

Due to the increase in perishable product, we and our partner agencies need to consider refrigeration, improved distribution methods, and staff/volunteer capacity to sort produce.

AWARE Food Bank — This will continue to be our big project outside of our traditional core work. The Food Share will continue to improve this food bank and increase community connections in Woodburn. We are seeking to ensure high quality service, provide more volunteer training and recruitment, increase the number of bilingual volunteers, convert to a shopping-style distribution method, explore mobile pantry distributions, and build a community advisory team to guide and direct services.

Meals On Wheels — Service numbers are exponentially higher than in the past; and we don't see that changing. For FY20 we project 160,000 home-delivered and community meals. 500 home-delivered meals per day drive that number. Revenue from government reimbursement and private pay are flat. Demand for financial aid is the fastest growing part of the population. Kitchen production capacity is a challenge; we're looking at swing shifts for now, but 4 to 5 years down the road we need to be looking at a different model. This year, we will look to increase the volunteer driver pool, which currently cannot keep up with demand, requiring staff to fill in to deliver meals.

Discussion: Bahaa Wanly asked why when food insecurity rates are going down is our distribution going up. Ian explained that the number of individuals served has not noticeably changed and we do not turn away food donations. He also said that Feeding America's Map the Meal Gap food insecurity rates and food poundage gap (7-8 million pounds of food for our

region) are derived from a complex calculation. The poundage gap is not intended as a distribution target. People at the bottom aren't seeing the economic recovery. Rick pointed out that food assistance allows people to stay in their homes by freeing up existing financial resources to pay for housing, utilities, etc.

Cheryl Wells asked what we are specifically doing for children. Ian said we have a modified spring break program where we provide food boxes to children in rural areas, and we want to look at this model more. He noted that food insecurity for children has remained flat and is not declining.

Bahaa noted that Salem Health is planning for a 3% growth rate in Medicare patients. He sees the need to sustain MOW. Rick acknowledged this will be a big Board and staff discussion.

Rick also noted that our facilities are restraining our activities and said Julie Hambuchen is looking into a capital campaign in about three years to address such things as parking, office space, the MOW kitchen, and the AWARE building.

Development Report

Julie Hambuchen gave a brief report that highlighted the upcoming Farm to Table event; the Aug. 1 brand launch, and pre-launch announcement to sustainers and major donors at the end of July; and early (cash basis) revenue for FY19, which was \$4.3 million, \$450K over last year including capital. She credited a generous community, the Board, the whole Food Share organization, and Rick's engagement with donors for the results.

FY 2019-20 Budget

Board Treasurer Jim Green and Food Share Director of Finance Jim E. Green presented the FY2019-20 budget as recommended by management and the Board Finance Committee.

The operating budget includes \$5.25M in expenses (including \$211K in investments to fuel the donation engine in the future) and \$5.1M in revenue. The deficit would be covered by reserves that currently exceed \$2.2M, if needed.

Several board members (Bahaa Wanly, Warren Bednarz, Linda Norris, Cheryl Wells) expressed their discomfort about adopting a deficit budget and expressed their desire that the Board adopt a "no deficit" approach to budgeting in the future.

Courtney Knox Busch reminded the board that the budget is reviewed quarterly so that adjustments may be made along the way when necessary. Rick echoed that the budget reflects our best guess and we are keeping our eyes wide open.

Bahaa suggested the Board come up with a philosophy on how reserves should be spent — emergencies, bad economic year, strategic investment.

ACTION: Warren Bednarz moved and Bahaa Wanly seconded approval of the FY2019-20 budget. The motion received unanimous approval.

Cheryl's last meeting

Rick noted this is Cheryl Wells' last board meeting as she has moved to Tucson, AZ. He presented her with a Food Share memory book as a token of appreciation. Cheryl said she will be calling in for the September meeting for the leadership transition to Courtney. She said she

has enjoyed her experience with the Food Share and will continue to be a donor. She received a round of applause for her service.

Executive Session

The board met in executive session to review Rick Gaupo's salary for FY20 and a CEO Severance Package Policy to guide future succession planning.

ACTION: Courtney moved a motion to accept the FY20 salary recommendation and succession planning policy. Acceptance was unanimous.

Adjournment

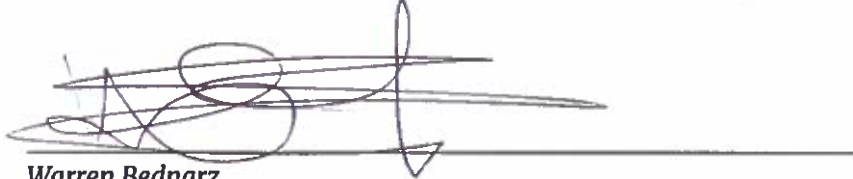
Cheryl Wells adjourned the meeting at 9:32 a.m.

Dates to Remember

July 13: Farm to Table, Willamette Heritage Center, 6-9 p.m. (Kendra Alexander is the featured speaker)

July 26: Youth Farm Lunch (see Sheri Jones)

NOTE CHANGE OF DATE — August 8: Summer Board Social (John Burt hosting)

A handwritten signature in black ink, appearing to read 'Warren Bednarz', is written over a horizontal line. The signature is stylized with loops and a long horizontal stroke.

Warren Bednarz
Board Secretary