

AUBURN INTERFAITH FOOD CLOSET  
**EXECUTIVE COMMITTEE**

**MINUTES OF THE MEETING**

HELD

November 14, 2022

at

1788 Auburn Ravine Rd, Auburn CA 95603

Andy Hayes called the meeting to order at 4:04 PM.

In attendance were: Andy Hayes, Judie Whitman, Fran Wheaton<sup>(Z)</sup>, Richard Goss, Sandy Bassett, Peter Clark, and Denise Hoffman. <sup>(Z)</sup> = Attended by Cell Phone.

1. OPENING PRAYER/MEDITATION. Rich Goss offered the opening prayer.

2. STRATEGIC PLAN PROGRESS REPORTS

Goal 2 – Board – Next Steps AIFC Governance Model

i. Charter Team to Explore AIFC Relations with Churches. Hayes opened the discussion saying that we need to have a better understanding of the expectations of the supporting faith-based communities with regard to participation in the AIFC's governance.

Sandy Bassett said it isn't so much what the churches need to do, but that church representatives need to be on the Board. Goss commented that not all of the work group sees it that way.

Hayes asked Pete Clark to comment on what he has found in the past as he has talked with supporting faith communities' pastors. Clark said the pastors have not been so interested in having a voice, but they want to know what's going on at the Food Closet. He continued that this is a most divisive issue. We have been functioning with an Executive Committee acting like a board and the Board does go along with the recommendations of the Executive Committee, which makes the Board more like an advisory group. Bassett noted that the whole reason the Executive Committee was formed is so it could dive deep into issues and determine the pro's and con's before an issue goes to the Board.

Hayes then asked if the discussion has gone full circle, should we just say, "never mind"?

Denise Hoffman said that what is proposed is a Board and a second advisory group so that those who want to serve but don't want to be "Board Members" will have a way to provide input.

Bassett noted that there are supporting churches that don't have representatives on the Board; having Board members is optional. Goss said that since this is a corporate board of directors it should have a set number of seats.

Hayes put the question back to the Work Group members – how should we deal with the Group's recommended governance model? Clark said we should go ahead with the Work Group's recommendations which includes one or maybe two advisory groups.

Hayes said his question has to do with the relationship with the supporting churches. What are the expectations of the current church representatives on the Board? What are the expectations of their churches' leaderships? Bassett asked what would be the expected findings? Hayes said the question is the difference of opinion: One way is a lean and mean board, and the other way makes room for at least two representatives per supporting church.

Clark reminded the Committee that two participating Pastors, Paul Bagai and Charlaine Lines, supported making the recommendation for a smaller Board. He said he would not be comfortable going to pastors with Hayes' questions without being clear on the responsibilities of Board members. The way to determine responsibilities is to go through the Center for Nonprofit Leadership's list of Board member responsibilities with our current Board members to see who on our Board wants to do what. That should be done before going out to the pastors. Judie Whitman said that Clark's process was planned for the last Board meeting, but the discussion went in another direction. Goss said it is his opinion that the Board should be structured to act like the Executive Committee does now.

To Goss' thought that there should be a vote on the issue – up or down, Hayes said he sees only six votes supporting the Work Group's recommendation.

Fran Wheaton said she thinks the Committee is going about the question backwards. We should look at what tasks need to be done, then fill spaces instead of having Board volunteers and finding something for each to do. If we get more supporting churches do the representatives rotate in the Board positions?

Hoffman said there is a role for church representatives on the actual advisory group.

Bassett said the beauty of having two representatives from each church is that a new Board member needs at least a year to become acquainted with the AIFC's operations and governance, so while a new Board member is learning, the church's other representative can be fully engaged. That provides better continuity on the Board. She said that a crisis, such as a critical volunteer not continuing to serve, has nothing to do with the size of the Board.

Hayes said that the Goal 2 Work Group needs to put something together to take to the Board's next meeting because very few of the Board members are buying into the Work Group's recommendation. Wheaton commented that without a finished organization chart the Board members won't be able to see what is proposed to happen. She suggested that the Work Group discuss the issue off line.

### 3. TAKE ACTION ON THE FOLLOWING ITEMS.

- a. Meeting Minutes Approval – October 14, 2022. Goss presented the minutes of the October 14 Committee meeting. Clark moved, Bassett seconded approval of the minutes as presented. Approved by unanimous vote.
- b. October Financial Reports & Budget Finalization. Hayes pointed out the net loss of \$70,000 and said that without the unbudgeted van purchase, the actual loss is about \$16,000. There are no unanticipated differences in the financial reports. The income is budgeted on a straight line during the year and the annual appeal usually brings in a

\$70,000 “bump” after Thanksgiving. He said on one level we don’t need to sweat the overall financial condition this year because the balance sheet is still looking good.

With regard to the 2023 Proposed Budget, Hayes walked the Committee through the 2023 Budget memo which explains the underlying assumptions and he pointed out the anticipated \$178,000 net loss shown on the Budget Summary. Total income is projected at \$321,000. He said he believes the Board is prepared to consider a deficit budget for 2023 and said that the proposed Budget will be taken to the Board with the caveat that a deep dive into actual experience will be made after the first quarter of the year to determine if any adjustments in expenditures that might be needed.

#### 4. FUNCTIONAL FOCUS REPORTS

- a. Turkey Drive. Whitman reported that at this time we have 453 people signed up for a turkey and \$2,300 has been received in donations through PayPal. Thunder Valley Casino has pledged donation of 100 turkeys. Last year 380 people signed up for turkeys and 331 actually came in to take one. The concern is that we might have more people coming in to pick up a turkey than we have turkeys to deliver.

Hayes said that the PayPal donations should be used to purchase any turkeys needed to cover a shortage before the expenditure approved by the Board is made to purchase turkeys. Bassett reminded the Committee that the Homebound Program’s needs also should be covered. Hayes said that despite items in the news, there are enough turkeys available that we will be able to secure all that will be needed.

- b. Walk to Stock the Closet. Clark told the Committee that the planning is going great, that efforts have been made to attract more runners, like offering medals for top finishers in the 5K and 10K runs, and that a big community turnout is expected. He asked for more volunteers to help.
- c. Nutrition Committee. Bassett reported that the Department of Aging gave classes in applesauce prep for volunteers and guests. Pumpkin pie spices are also being distributed. Planning for the next classes is underway.

Hayes commented that the bag distribution at Chapa-De Health Center was successful in reaching potential AIFC guests, and it would be good to offer some classes to those people. Maybe we could expand the reach of the classes we offer.

Hayes said there is also a potential training program in how to create a community garden that would be led by a volunteer experienced in that endeavor.

#### 5. OTHER BUSINESS

- a. 2023 Focus. Succession Planning. Hayes said he and Bassett will bring a plan for their roles to the Board in January to get the ball rolling.

2023 Focus. Additional Teaching Moments for Board. Hayes said he will be getting teaching moments from other service organizations that also serve our guests. He will put a list together. Clark proposed a short briefing on an AIFC policy each month.

- b. Set Dates. 2023 Exec Comm Meetings. The Committee members agreed that meetings should be on the 2<sup>nd</sup> Monday of each month.

- c. Open Forum. Bassett advised the Committee that Placer Food Bank is now making one TFAP delivery per month. It had been two per month.

Bassett told the Committee that Civil Rights training needs to start for AIFC leadership and volunteers who have guest contact. Claudia Wilson will lead this effort.

Clark commented that Conflict of Interest Forms need to be completed soon as well.

Bassett told the Committee about the "Drive Through Christmas" that affiliated Upper Room Community Church will be doing on the evening of December 18. She asked if authority could be given to hand out flyers to guests. She pointed out that this is not a religious service but is a colorful light/vehicle/Christmas carol singing/youth band event, and that prayer opportunity is offered as an option. An opportunity to donate food to the AIFC is also offered, but not required to drive through. Hayes said the agreement to allow linking from the AIFC web page to this event would also be appropriate. There was agreement among the Committee members that this publicity should be permitted. Hayes assigned Goss to write the blurb to be used.

Hoffman proposed a gift of a handmade Christmas tree ornament be given to the Board members to thank them for their service, and after some discussion, agreed that recognition should be given to all AIFC volunteers. The Committee agreed that this is a nice idea, but no AIFC funds would be used if this were to be done.

Hayes adjourned the meeting at 5:50 PM.

Approved by the Executive Committee at its meeting held January 16, 2023.

Richard Goss  
Secretary

11/14/22  
Cash Basis

Auburn Interfaith Food Closet, Inc.  
Profit & Loss Budget Performance  
October 2022

Ordinary Income/Expense	Budget		YTD Budget		Annual Budget	
	Oct 22	Jan - Oct 22	Oct 22	Jan - Oct 22	Oct 22	Jan - Oct 22
Income						
Bank of America Interest						
Contributions Income	24,899	202,789	118,000	143,300	24,899	202,789
Fundraising Income	454	24,268	17,000	26,000	454	24,268
Grants/Restricted Income	1,700	42,118	29,000	32,400	1,700	42,118
Other Income	2,712	346	15,472	18,308	15	346
<b>Total Income</b>	<b>25,369</b>	<b>269,528</b>	<b>179,472</b>	<b>220,008</b>	<b>25,369</b>	<b>269,528</b>
Gross Profit	25,369	269,528	179,472	220,008	25,369	269,528
Expense						
Administrative	8,353	27,628	21,699	23,831	8,353	27,628
Building	3,800	39,207	41,630	49,678	3,800	39,207
Fundraising Expenses	349	4,053	7,760	8,696	349	4,053
Grants/unused returns Program		2,118				2,118
A/FC Vehicle	55,825	95,334	14,030	16,836	1,000	40,334
Building Expenses	7,573	7,791			7,573	7,791
Client Outreach	250		2,500	3,000		
Food	18,284	135,253	79,723	95,409	18,284	135,253
Food Resources	475	475			475	475
Homebound Program Expense		53	3,898	4,666		53
Hygiene kits		424				424
Licenses and Permits		25				25
Non-Food Related Client Program	456	747	700	840	456	747
Non-Office Supplies	295	3,914	2,500	3,000	295	3,914
Nutrition Committee	415	736	2,530	3,160	415	736
Printing	138	1,282	710	960	138	1,282
Printing Discount	(41)	(41)			(41)	(41)
Youth Program	42		418	500		
<b>Total Program</b>	<b>83,420</b>	<b>245,993</b>	<b>106,989</b>	<b>128,371</b>	<b>28,585</b>	<b>190,993</b>
Reconciliation	302	4,133			302	4,133
<b>Total Expense</b>	<b>96,224</b>	<b>323,132</b>	<b>178,068</b>	<b>210,576</b>	<b>41,389</b>	<b>288,132</b>
<b>Net Ordinary Income</b>	<b>(70,855)</b>	<b>(4,077)</b>	<b>1,384</b>	<b>9,432</b>	<b>(15,030)</b>	<b>1,396</b>

3:03 PM  
11/14/22  
Cash Basis

**Auburn Interfaith Food Closet, Inc.**

**Balance Sheet**  
As of October 31, 2022  
Oct 31, 22

**ASSETS**

Current Assets

Checking/Savings

BofA - 1728 Operating Account	47,875.97
BofA - 2666 Money Market	362,153.96
BofA - 6005 Emergency	
Equipment Reserve Savings 1656	12,500.00
BofA - 6005 Emergency - Other	116,416.77
<b>Total BofA - 6005 Emergency</b>	<b>128,916.77</b>
Debt Reserve Acct 2760	27,049.80
New Bldg Bof A ACCT 9007	
Construction Fund	0.10
New Kitchen	8,560.45
Solar/Generator	42,205.50
* New Bldg Bof A ACCT 9007 - Other	10.69
<b>Total New Bldg Bof A ACCT 9007</b>	<b>50,776.74</b>

Total Checking/Savings 616,773.24

Total Current Assets 616,773.24

Fixed Assets 1,943,818.01

**TOTAL ASSETS 2,560,591.25**

**LIABILITIES & EQUITY**

Liabilities

Current Liabilities	-43,420.07
Long Term Liabilities	681,189.86
<b>Total Liabilities</b>	<b>637,769.79</b>

Equity

Mortgage Principal	6,824.70
Opening Bal Equity	87,873.83
Retained Earnings	1,897,277.10
Net Income	-69,154.17

Total Equity 1,922,821.46

**TOTAL LIABILITIES & EQUITY 2,560,591.25**

# AUBURN INTERFAITH FOOD CLOSET, Inc.

Executive Committee  
2023 Budget  
November 9, 2022

At the October Board of Directors Meeting, the consensus was that we can plan the 2023 budget with a deficit. We will plan to have a deep dive review after 3-months, when we will be able to determine the accuracy of the monthly guest growth projections used in the modelling.

Attached is Version g of the budget. I want to review this with you below. I seek any comments by Friday. I then want to create a memo, similar to this one, that provides direction and commentary to the board. I plan to send this out to the complete board by Monday, November 14<sup>th</sup>.

2023 Summary	2023 Plan	2022 Budget	Est 2022 Actual
• Line 23 - Total Income:	\$321,000	\$220,008	\$400,000
• Line 116 – Total Expense:	\$499,209	\$210,575	\$375,000
• Line 117 – Profit/Deficit:	<b>-\$178,208</b>	+\$9,433	+\$25,000

As of September 31<sup>st</sup>, we have over \$400,000 in undesignated cash available. This likely will rise to \$500,000 by year end. This money was given to us by donors with the assumption that we would use it to feed people. For this reason, I recommend we move forward, using some of this to help cover any 2023 budget shortfall.

The following provides detail on specific areas that could impact the total income and total spend in 2023.

## Risks and Opportunities for 2023 Budget

- Income
  - Compared to 2022, the planned income is up by \$100,000 compared to last year budget. We've had total income of \$565,551 (2020) and \$493,345 (2021), and on pace for > \$400,000 (2022).
    - Note that in past years, our November and December income typically is 50% of the total from January to October. We currently have \$269,588 income in the first 10 months of 2022, so we should see an additional \$135,000 in the next 8 weeks.
- Food Costs
  - We modelled 8% monthly guest visit increases through the remainder of 2022, and projected 2% monthly increases in 2023. The largest impact to our budget is the need to purchase more food, at \$346,000 on line 99. Note this was \$77,100 in the 2022 budget, and we've spent \$105,000 in 9 months so far.

- Placer Food Bank benefits
  - We are planning to adjust our use of the TEFAP program food (USDA food passed to us by Placer Food Bank). With COVID, we abandoned monthly menu adjustments and stabilized on a single offering for each family, based on size. The result is that currently we provide all families the same food items, and add TEFAP to those who qualify. For 2023, I want to revert to including the TEFAP food as part of the complete offering for those who qualify, and then adding the equivalent for those who don't. This will result in more of the PFB bank value covering real food costs and lowering that which we purchase ourselves.
  - Milk and eggs were a big expense in 2022. Recently, PFB began supplying us at no charge to a certain level. They plan to continue that through the rest of the year, but expect they will not be able to cover 100% of our needs in 2023. Still, any that they do provide will assist us.
  - Line 120 projects \$160,000 from PFB in 2023. In comparison, we've recognized just under \$90,000 in 2022 through September, which scales to \$120,000 for the full year.
- Direct food sourcing
  - We've projected our food costs based on the 2022 'cost per meal'. This formula blends the various sourcing strategies we use. The following are opportunities for us to beat 2022 'cost per meal' pricing.
  - For much of 2022 before the milk subsidy from PFB started, we were purchasing our milk from Grocery Outlet. It started the year at \$2.30 per half gallon, rising to \$3.10 and then \$3.25 by September. Walmart currently is selling a ½ gallon at \$1.82, with WinCo at \$2.20. So if/when we need to purchase directly, we will move our business to one of these, with a resulting cost reduction. We can now take advantage of these other vendors when we have the new van in service.
  - We want to maximize purchases of other food items from PFB. They provide the best pricing possible, significantly better than wholesalers. But they are unable to assure consistent supply. When we find ourselves needing to purchase other than from PFB, we will attempt to create new vendor relationships with wholesalers and suppliers, to beat retail pricing. If we can do this, we should find some additional savings. We've identified companies that can provide 15-20% cost below retail, but require large volume purchases.
- Other food programs
  - We support \$41,000 in the budget for food programs outside our traditional food program. This includes Staples; Bag programs; Thanksgiving adders (fixings; meat for home bound).
  - This budget limits the amount of staples, below the level that guests would request based on the 2022 run-rates. This can be revisited as we monitor the overall 2023 budget.
  - The budget does include bag program expansion. These programs have proven effective at touching people living in our area who were not using our services. The extent we expand will be assessed on a case-by-case basis.

- Other operating costs
  - Outside of food, the four largest expenditure areas of the budget are:
    - \$16,143 for Utilities – the budget presumes we will still pay \$3,000 to PG&E for electricity in 2023. If the upgrade to our solar system achieves the plan, this will go to \$0.
    - \$31,000 for mortgage and building maintenance. We may be able to reduce expenditures by \$2,000 in this area, if the bioretention bond costs are not as high as shown.
    - \$10,280 for insurance. No flexibility here, with an increase from 2022 as we add coverage for the van.
    - \$8,600 for vehicle operation. This is a new area, so we do not know how much this will really cost. We've made best estimates for total miles, with fuel costs the highest contributor. Should gas prices start to recede, this overall cost may be less.

AUBURN INTERFAITH FOOD CLOSET  
Draft 2023 Budget Version g

Ordinary Income/Expense	Budget Lead	2023	2022
		Request	TOTAL
<b>Income</b>			
<b>Contributions Income</b>			
Church Donations	Hayes	\$ 13,000.00	8,000.00
Corporate Organization Donation	Hayes	\$ 30,000.00	10,000.00
Individual Donation	Hayes	\$ 100,000.00	84,000.00
Memorials/Honor Of	DRGP + other		1,000.00
Sponsor & Family Income	Hayes	\$ 54,000.00	54,000.00
Virtual Food Drive - All Combined		\$ 8,000.00	
<b>Total Contributions Income</b>		<b>\$ 213,000.00</b>	<b>143,000.00</b>
<b>Fundraising Income</b>			
Big Dog	Hayes	\$ 20,000.00	17,000.00
Walk To Stock the Closet	Clark	\$ 10,000.00	8,000.00
<b>Total Fundraising Income</b>		<b>\$ 30,000.00</b>	<b>25,000.00</b>
<b>Grants/Restricted Income</b>			
EFSP Grants Phase 30 & ARPA	Hayes/Barto	\$ 30,000.00	12,000.00
Other Grants	Hayes/Barto	\$ 30,000.00	
<b>Total Grants/Restricted Income</b>		<b>\$ 60,000.00</b>	<b>32,000.00</b>
Other Income	Wheaton/Ha	\$ 10,000.00	10,000.00
<b>Total Income</b>		<b>\$ 321,000.00</b>	<b>220,000.00</b>
<b>Gross Profit</b>			
			220,000.00
<b>Expense</b>			
<b>Administrative</b>		green items used	In total expenses
Bank Service Charges	Wheaton	0.00	0.00
Financial Review	Wheaton/Ha	1,845.00	1,845.00
<b>Governance Committee</b>			
Volunteer Appreciation	Clark	1,000.00	1,000.00
Governance Committee -	Clark	280.00	280.00
<b>Total Governance Committee</b>	Clark	<b>1,280.00</b>	<b>1,280.00</b>
<b>Insurance</b>			
Board D&O Insurance		605.00	100.00
General Liability		1,848.00	2,482.00
Insurance-Property		3,877.00	4,386.00
Insurance Fidelity Bond		100.00	100.00
Vehicle Insurance		\$ 3,865.00	
<b>Total Insurance</b>	Wheaton/Ha	<b>10,254.00</b>	<b>7,948.00</b>
<b>IT Software/Support</b>			
Adobe	Hoffman/Ba	380.00	384.00
GoDaddy - Email and Dom Hoffman		274.00	274.00
Website Update		3,000.00	
Mailchimp	Hoffman	400.00	372.00
Quickbooks	Wheaton	720.00	720.00
Zoom		0.00	
Scalix	Bassett	360.00	360.00
Webmaster	Hoffman	1,200.00	1,200.00
<b>Total IT Software/Support</b>	Wheaton	<b>8,822.00</b>	<b>5,190.00</b>
<b>Office Expense</b>			
Office Supplies		4,200.00	4,200.00
Postage and Delivery		884.00	884.00
<b>Total Office Expense</b>	Wheaton/Ba	<b>4,884.00</b>	<b>4,884.00</b>
Volunteer Training	Clark/Bassett	300.00	300.00
<b>Total Administrative</b>		<b>38,196.00</b>	<b>18,815.00</b>
<b>Building</b>			
<b>Admin</b>			
<b>Exterior Maintenance</b>			
Bronetendon	Bassett	3,386.00	3,386.00
?	Bassett	1,896.00	1,896.00
<b>Total Exterior Maintenance</b>	Bassett	<b>4,882.00</b>	<b>4,882.00</b>
Fire Assessment, Annual	Bassett	600.00	600.00
Interior Maintenance	Bassett	2,040.00	2,040.00
Mortgage	Wheaton	27,040.00	27,040.00
Property Taxes	Wheaton	1,496.00	1,390.00
<b>Total Bldg Admin</b>	Bassett	<b>31,954.00</b>	<b>36,970.00</b>
<b>Utilities</b>			
Electric		3,000.00	8,800.00
Fire Alarm Monitor		1,010.00	800.00
Gas		1,000.00	1,000.00
Pest Control		1,320.00	1,320.00
Telephone - Internet		1,800.00	1,800.00
Tooth/Disposal		4,484.00	2,344.00
Water		2,748.00	2,400.00
<b>Total Utilities</b>	Wheaton	<b>16,142.00</b>	<b>18,924.00</b>
<b>Total Building</b>		<b>82,228.00</b>	<b>84,894.00</b>
<b>Fundraising Expenses</b>			
Advertising	Hoffman	1,000.00	1,000.00
Benefity Fees	Wheaton/Ha	80.00	80.00
Big Dog	Hayes	130.00	130.00
<b>Food Resources</b>			
Printing Food Resources	Whitman	5,000.00	3,880.00
KORA Kids Can Food Drive	Whitman	400.00	400.00
Outside Food Drive Expenses	Whitman	1,200.00	1,200.00
PAYPAL Expenses	Wheaton/Ha	1,440.00	1,848.00
Walk to Stock the Closet	Clark	600.00	400.00

AUBURN INTERFAITH FOOD CLOSET  
Draft 2023 Budget Version g

Ordinary Income/Expense	Budget Lead	2023	2022
		Request	TOTAL
Total Fundraising Expenses		19,735.00	8,896.00
Program			
AFC Vehicle			
Fuel		8,000.00	885.00
Van and Refrigeration Maintenance		1,000.00	15,845.00
DMV License & Registration		800.00	
Total AFC Vehicle	Bassett	8,000.00	16,835.00
Client Outreach	Gautier	3,000.00	3,000.00
Food			
Flour	Whitman	3,000.00	1,295.00
Home Delivery Meat		2,000.00	
Bag Program food items		\$ 17,880	
Packaged Foods-Staples	Bassett/Hay	17,541.34	
Food - Costs Standard	Bassett/Hay	348,896.20	77,100.00
Total Food		386,877.72	88,095.90
Homebound Program Expense			
Homebound Food Specs	Gautier	0.00	4,865.90
Total Homebound Program Expense		0.00	4,865.90
Non-Food Related Client Program			
Bailey's Books	Bassett	96.00	96.00
Birthday Bags	Putt	2,000.00	240.00
Hygiene	Bassett	804.00	804.00
Total Non-Food Related Client Program		2,800.00	840.00
Non-Office Supplies	Wheaton/la	3,000.00	3,000.00
Major Equipment		2,800.00	
Nutrition Committee			
Nutrition Resources	Kilborn/Bass	3,000.00	3,180.00
Printing	Hoffman/Wh	880.00	880.00
Other Bag Programs	Hayes/Whee	0.00	
Youth Program	Luke	800.00	800.00
Total Program		415,137.72	128,376.20
Total Expense		496,295.72	216,876.20
Net Ordinary Income		\$ (178,298.72)	8,432.80
Net Income			8,432.80

FFB Contribution  
In Kind Contribution