



**Marion-Polk Food Share  
Board Meeting Packet**

January 28, 2016  
8:00 – 9:30 am

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# AGENDA

Board of Directors Meeting  
Thursday, January 28, 2016

8:00 – 8:15	Light Breakfast
8:15 – 8:20	Call to Order – <b>Alex Beamer</b> Guest Introductions – <b>Rick Gaupo</b>
8:20 – 8:25	Finance Update – <b>Jim Green</b> Update on Food Share financial status
8:25 – 8:30	<b>Consent Agenda – Alex Beamer</b> <div style="float: right; border: 1px solid black; padding: 5px; background-color: #f4a460;"> <b>Action: Board Vote</b> </div> <ol style="list-style-type: none"> <li>1. Board Meeting Minutes, December 3, 2015</li> <li>2. Financial Statements ending Dec 31, 2015</li> </ol>
8:30 – 9:00	<b>Executive Committee Update and Discussion – Alex Beamer</b> <ol style="list-style-type: none"> <li>1. Strategic Planning discussion and update</li> <li>2. Employee Compensation Strategy discussion and update</li> </ol>
9:00 – 9:30	<b>Changes to Programs – Updates and Discussion – Rick Gaupo</b> <ol style="list-style-type: none"> <li>1. Spring Break Lunch</li> <li>2. Better Burger</li> <li>3. Production Farm</li> </ol>
9:30	Adjournment – <b>Alex Beamer</b>



Dear Board Members,

I know by the time you receive this, we will be near the end of January, but all the same, Happy New Year! My hope for all of you in 2016 is a year filled with joy and that one year from now you will be able to look back and say 2016 was a banner year.

That is also my hope for the Food Share. This year will be a pivotal year that will set the direction of the Food Share for years to come. Looking back just 10 years, I see what amazing changes have occurred in the Food Share in how we serve and make an impact in our community.

In 2016 we will be answering the question, “How will the Food Share serve and make an impact in the community over the *next* 10 years?”

At the January Board meeting you will be hearing from the Executive Committee on two initiatives – strategic planning and employee retention strategy.

The first – strategic planning – is about clarifying the future direction of the Food Share. The second – employee retention – is making sure the Food Share has a strategy in place to attract and retain the right staff to help achieve those dreams.

Earlier this month, the Senior Leadership team had a two-day planning meeting. The first day focused on reviewing the priorities of the Food Share and our successes and challenges from the first half of the current fiscal year. The second day we focused on clarifying the priorities for the next 6 months and started preparing for FY 2016-17.

Our discussion led us to identify initiatives of the Food Share that need to change course so that more time and energy can be focused on our major priorities.

At the Board meeting we will also discuss changes to three of the Food Share’s initiatives – Spring Break Lunch, Better Burger, and Production Farming. In this Board packet you will find information about each of these initiatives and the proposed program changes.

As always, I’m grateful for your support of the Food Share and the advice and wisdom you share with me. Let’s make 2016 a banner year!

Sincerely,



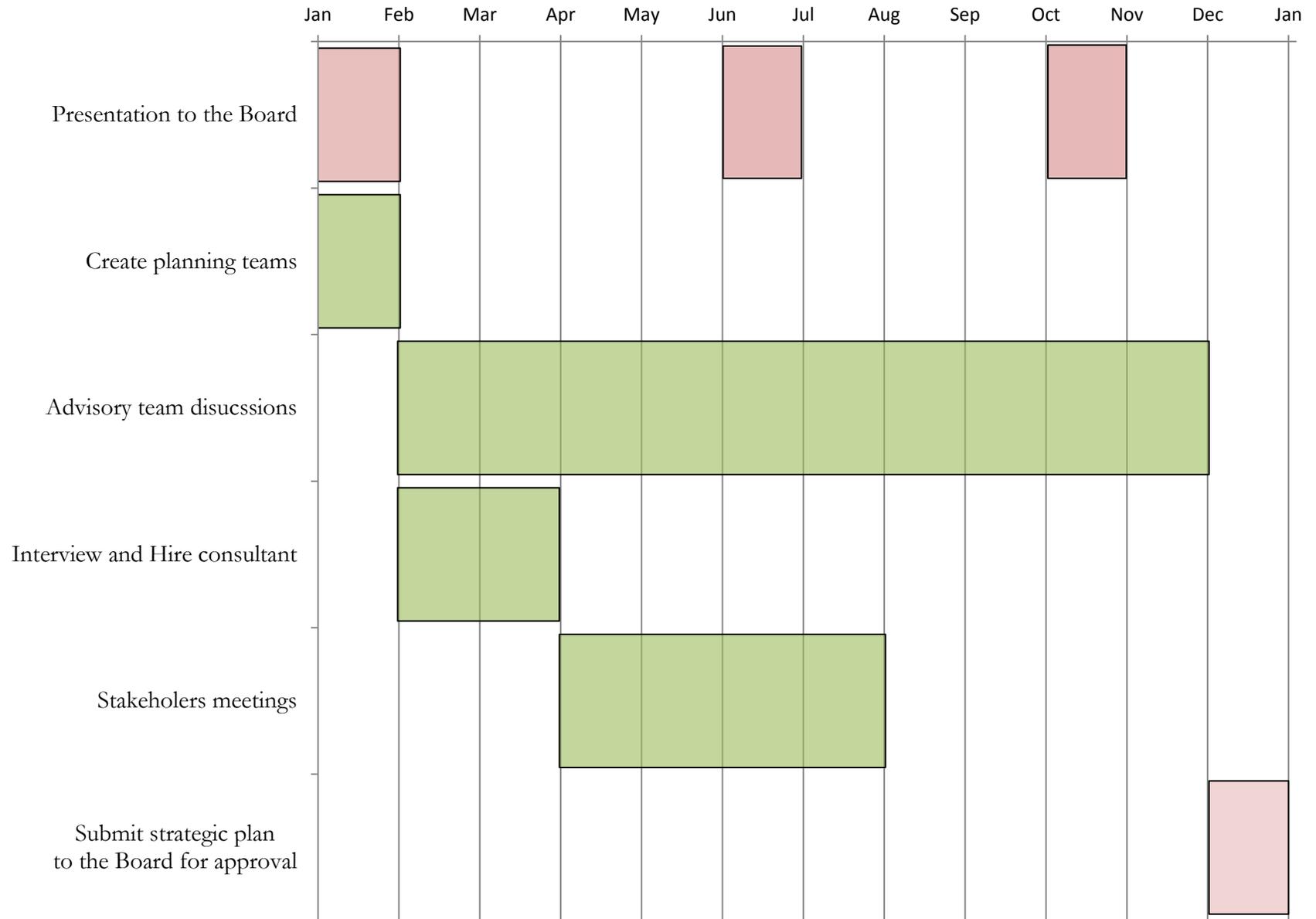
Rick Gaupo, CEO



**Strategic Planning**

**January 2016**

# Marion-Polk Food Share: Strategic Planning



This timeline may be refined after meeting with the advisory team and the consultant.

## **Who is participating the strategic planning processes?**

Board, staff, and community stakeholders will all be involved in designing Marion-Polk Food Share's strategic direction.

### **1. Board Of Directors**

Board members of Marion-Polk Food Share will be involved throughout the process. Board members will serve on the Advisory team, on the Coordinating Team, and will participate in Stakeholder conversations.

The Board as a whole is ultimately the entity that approves the adoption of Marion-Polk Food Share's strategic plan.

### **2. Advisory teams**

The Advisory Team will be comprised of Board members (5 members) and the Senior Leadership Team (5 members). This team will often work together, but at times the Board members and the staff may be working in sub-groups to advance the planning processes. The Advisory Team will be actively involved in the key discussions and decisions.

The Advisory Team will prepare and recommend the finished Strategic Plan draft to present to the Board of Directors for their approval.

### **3. Stakeholders**

The Food Share will seek out the opinions and perspectives of groups and individuals on how to best address the issues of hunger in our community and what they see as the role of the Food Share in that effort.

The Advisory Team and additional board members will participate in stakeholder conversations.

### **4. Coordinating team**

This team will manage the process from start to finish, ensuring that the project and process meets the Food Share's overall needs and stays on schedule. The Coordinating Team members are the Board Chair, Board Vice-Chair, CEO and the V.P. of Programs.

This team is the primary contact with the facilitator and will work with the facilitator to prepare for the Advisory Team and Stakeholder meetings.

Marion-Polk Food Share is entering into a new strategic planning process that will produce three distinct reports. These reports will guide the activity of the Food Share for years to come. The three reports are described below.

<b>Vision for the Future</b>	
Time Frame	10 plus years (Starting with FY 17-18)
Prepared by	Strategic Planning Advisory Team
Approved by	Board of Directors
Purpose	<p>The Vision for the Future report is the cornerstone document of the Food Share. This report is far forward looking and clarifies the direction the Food Share is heading and the impact we hope to have in our community.</p> <p>The report's primary purpose is to clarify how the Food Share will focus its energy to help create healthy communities where everyone has access to nutritious, affordable food every day.</p>

<b>Strategic Plan</b>	
Time Frame	4 years (FY 17-18 , FY 18-19, FY 19-20, FY 20-21)
Prepared by	Strategic Planning Advisory Team
Approved by	Board of Directors
Purpose	The Strategic Plan is 3 to 5 years in scope and its primary purpose is to foster multi-year planning and prioritize initiatives.

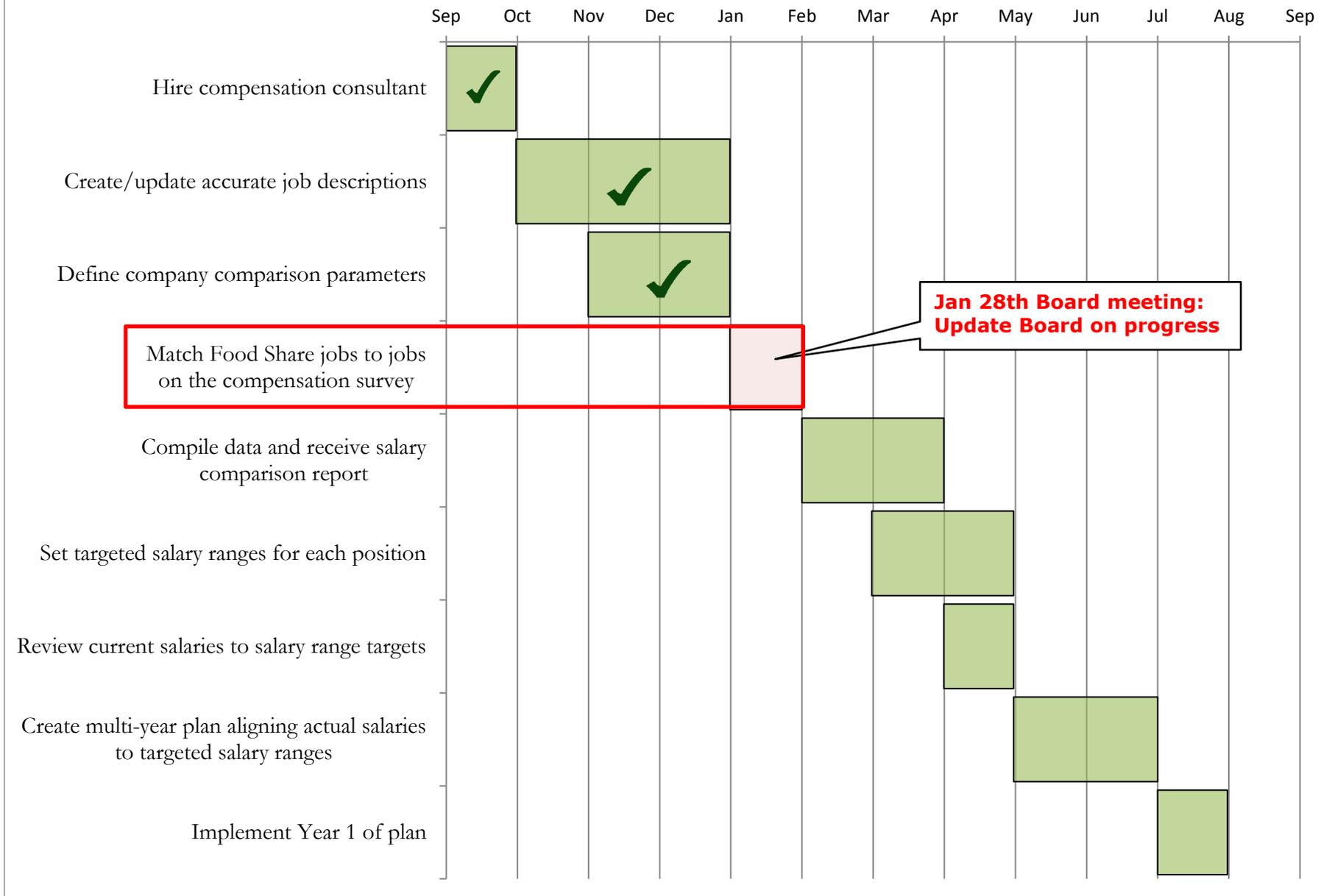
<b>Annual Plan</b>	
Time Frame	1 year (FY 17-18)
Prepared by	Senior Leadership
Approved by	Board of Directors
Purpose	The Annual Plan is the work the Food Share plans to accomplish each year and its primary purpose is to establish a clear set of annual goals and serve as the basis for the budgeting.



## Compensation Strategy

January 2016

## Marion-Polk Food Share Compensation Strategy Timeline



# Marion-Polk Food Share: Compensation strategy to attract and retain highly qualified staff

The quality and expertise of Marion-Polk Food Share staff greatly impacts the ability of the Food Share to accomplish its goals. The mission of the Food Share and the culture of the organization certainly have a significant role in attracting and retaining a highly qualified workforce.

A developed and thoughtful compensation strategy is also highly significant in attracting and retaining a great workforce.

The Food Share has hired the MBL Group to conduct a compensation study. The MBL group has vast experience in this arena and was recently hired by Oregon Food Bank to conduct a similar study.

Rick Gaupo, CEO, has asked the Board Executive Committee to serve as advisors on this project and to provide their recommendation in two specific areas:

- 1. Comparable Companies: Should the Food Share include the value of food when determining annual revenue and when seeking comparable compensation data?**
- 2. Compensation Ranges: What compensation-range strategy should the Food Share pursue in recruiting and retaining a highly qualified staff?**

Note: Total compensation – salary, health insurance, and retirement – are included in determining an employee compensation package.

## Comparable Companies

Many factors can be taken into consideration when pursuing comparable compensation studies, such as industry sector, staff size, and staff expertise required. However, the most common factor to use in obtaining compensation-data comparisons is annual revenue. This raises a question for the Food Share because the Food Share has a considerable portion of its revenue as an in-kind product, namely food.

The Executive Committee tackled the question, “Should the Food Share include the value of food when determining annual revenue and when seeking comparable compensation data?”

The Executive committee landed on the side that the value of food should be included in annual revenue comparisons. The central reasoning for this recommendation is that staff responsibility levels increase as food distribution increases. The management of volunteers, the coordination of food solicitation and distribution, the stewarding of partners and donors, all grow as the level of food inventory and distribution increases.

The fact that food is largely a donated product does not diminish its value or reduce the complexity of managing the resources; in fact, managing donated food and incorporating volunteers adds to the complexity of running a good organization.

### **Compensation Ranges**

Determining compensation targets and salary ranges of an organization are key elements of creating a long-term vision for staff recruitment and retention.

The Executive Committee tackled the question, “What compensation strategy should the Food Share pursue in recruiting and retaining a highly qualified staff?”

The Executive Committee considered four compensation strategies:

1. Below-average compensation– Count on the good work the Food Share does to attract and retain quality staff.
2. Average market compensation – Stay even with other organizations, believing Food Share mission and culture will attract and retain quality staff.
3. Above-average compensation – Use compensation as tool to attract and retain quality staff. Mission and culture of the organization is still very relevant in attracting staff.
4. Leading-the-market compensation – Use compensation as the primary tool to attract and retain quality staff.

The Executive Committee recommended the Food Share pursue a strategy of being above average in compensation benefits. (Being average in compensation benefits would have most employees near the 50<sup>th</sup> percentile in compensation for their level of responsibility.)

The Executive Committee recommended the Food Share strive to have staff’s compensation be near the 70<sup>th</sup> percentile for each position’s level of responsibility.

The rationale is, by targeting compensation at or near the 70th percentile, the Food Share is more likely to attract and retain an excellent staff and will be able to hire staff with experience in their areas of responsibility.

The Food Share may need to create a multi-year plan to fully implement this compensation strategy. The salary-report from the MBL Group will provide the Food Share with a report on where each position’s compensation level is in relationship to the Food Share’s Goals.

On the next page is a simple chart outlining the pros and cons of the four compensation strategies.

**Marion-Polk Food Share: Compensation Strategies**

Salary Level	Percentile	Strategy	Pros	Cons
Below-average compensation	20-40%	Count on the good work the Food Share does to attract and retain quality staff.	Low-cost workforce	Attract staff that settle for low salary.  High turnover expected.
Average compensation	40%-60%	Stay even with other organizations, believing Food Share mission and culture will attract and retain quality staff.	Average staff cost.  Attract mission-driven individuals.	Will need to hire more beginning to intermediate experienced staff.  Unlikely able to attract superb staff from other organizations.
Above-average compensation*	60-80%	Use compensation as tool to attract and retain quality staff.  Mission and culture of the organization is still very relevant in attracting staff.	Attract skilled and experienced workers.  Low turn-over rate due to salary issues.	Slightly higher workforce costs than similar-sized businesses.
Leading-the-market compensation	80%-100%	Use compensation as the primary tool to attract and retain quality staff.	Attract experienced and highly skill staff with true expertise in their area of responsibilities.	High workforce costs compared to similar-sized businesses.

\*The Executive Committee recommendation is the Food Share pursue the “Above-average compensation” strategy, with a general target of being near the 70<sup>th</sup> percentile mark for employee compensation. Total compensation – salary, health insurance, and retirement benefits – are all included in determining an employee’s compensation package.





## **Changes to Programs**

**January 2016**

**To: Board of Directors**

**From: Rick Gaupo**

**Date: January 28, 2016**

**Subject: Changes to Food Share programs**

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In the next few pages, you will be reading about changes to three Food Share programs – Spring Break Lunch, Better Burger, and Production Farming.

On each of these programs there is much more that I could have written to describe the program, the reason behind the proposed changes, and possible alternatives to the proposed changes.

I tried to keep these descriptions simple and focused on providing a brief background on each of these programs, clarifying how the situation has changed, and being clear on the strategic reason for making the proposed program changes.

The changes to production farm raise the question of how best to maximize the benefit of the farmland. I have provided a description of a few strategic options and would like the Board's advice on a course of action.

We will have time to talk about each of these programs at the Board meeting.

## **Spring Break Lunch**

Each year Marion-Polk Food Share provides spring break lunches to hundreds of kids every day during the break. We started this program when there was a gap to address. During winter and summer breaks kids had access to lunch programs, but not during spring break.

This gap was in part because of how the state and federal government funded lunch programs during school breaks and in part because no other entity stepped up to ensure kids were fed during spring break.

In the early days of this program the Food Share invested staff time and resources to identify and coordinate logistics at 20+ lunch sites, organize volunteers, plan kid-based activities, and of course provide the food.

The situation and need, however, have changed.

School districts across Marion and Polk counties now receive financial support for spring break lunch programs and are offering lunch during spring break. In addition, specifically in Salem/Keizer, SKEF does a wonderful job of organizing volunteers to provide activities for kids at the spring break lunch sites.

As schools districts and SKEF have stepped up to serve kids, the role of the Food Share is changing. We are no longer needed for site selection, volunteer organizing, activity planning, and in many cases not even for providing the food. (Please note, outside of Salem/Keizer the situation and the need vary more.)

While we are not planning on any changes this spring break, in 2017 the Food Share will focus on providing food only to spring break lunch programs that need our assistance. We will spend less time on securing and coordinating site locations and recruiting volunteers. We are happy to provide food to any spring break lunch program that needs our support. That's completely in line with our mission. In the areas outside of Salem/Keizer this transition may take a little longer.

## **Better Burger**

The Better Burger project attempted to combine three desirable outcomes into one project:

- 1) Provide a high-protein meal supplement to hungry families,
- 2) Provide a vocational training experience for at-risk youth, and
- 3) Generate revenue for the Food Share.

The backbone of this project was the partnership formed between Marion-Polk Food Share and Oregon Youth Authority. When this partnership dissolved in October 2014, Marion-Polk Food Share staff looked for new partners and created a revised execution plan.

We moved burger production into our own community kitchen. We partnered with Incite for youth recruitment and found a purchasing partner in Department of Corrections. The problem, however, is that this project was intended for scale, meaning the bigger the better.

The program we actually have is a niche program. We knew this when redesigned the program and moved production in-house. This decision gave us time to figure out if there was another means for bringing the project to scale.

In truth, however, the plan has not lived up to the original goals, and at this point in time we want to wind down our burger production. This decision is primarily based on two factors:

1. We have no viable partners at this time to help bring this project to scale, and
2. We want to focus kitchen facilities and staff on supporting Meals on Wheels and have the capacity to grow that program.

For more detail on this recommendation please read the attached report by Abisha Dunivin, Vice-President of Operations. Abisha presented this report to the Senior Management team. It's a thoughtful analysis of Marion-Polk Food Share's kitchen programs.

## **Production Farming**

The production farm is the 200 acre farm on Department of Corrections land. The Food Share leases this land for \$1.00 a year. In the last four years there have been four different models of farming the land in partnership with Iverson Family Farms.

Each year we grew crops that were distributed throughout our food bank network, both locally and to our partnering regional food banks across the state.

When the Food Share started this farm, we did not have a robust partnership with local farmers or harvest organizations.

This situation now is different than it was four years ago.

Today, we have a much stronger partnership with Salem Harvest and Farmers Ending Hunger. Both of these organizations focus on farm partnerships and have the goal of getting fresh produce from local farmers into the emergency food bank network.

Additionally, over the past four years both Oregon Food Bank and Marion-Polk Food Share have invested increased staff time and resources into building partnerships and donations with local farmers and food manufactures.

These changes led staff to evaluate our production farming efforts and the benefit the production farm brings to the Food Share. In short, the crops that we can grow on the production farm fall into one of two categories.

1. Products such as oats, that the Food Share can buy as cheap or cheaper than we can grow them, or
2. Products such as squash, that the Food Share can grow cheaper than we can buy it, but are donated in abundance.

Food Share staff is recommending that we intentionally move energy away from production farming and move to growing and supporting partnerships with and donations from Salem Harvest, Farmers Ending Hunger, and local farmers.

Let me be clear, we have the goal of increasing the fresh produce the Food Share distributes to hungry families. We believe we will be more successful with this goal by focusing on partnerships than we will be by investing more energy into our production farming.

## **Farmland**

The current plan for the farmland is to seek a farmer that would like to lease 160 of the 200 acres. We plan to keep 40 acres for potential projects down the road. This could include growing quinoa or investing in future farm projects that will provide a benefit to the Food Share.

In the processes of looking for a farmer to lease the property, staff asked the farm advisory committee and Norpac for leads. Through our Norpac partnership we were connected with Dickman Farms.

Dickman Farms has made a proposal to the Food Share to sublease the land for 6 years to grow grass seed on the farmland. The six year value of this partnership is approximately \$20,000 per year, for a total of \$120,000.

The benefit of accepting the offer is the guaranteed income and the ability to give the Food Share plenty of time to plan for a new farm initiative in 6 years, if we want to go down that route. Plus, we would retain 40 acres of land to use however we see fit over the next 6 years. (40 acres is still more land than we have used to date for growing food for distribution in the food bank network.)

There are two possible downsides to accepting this offer or an offer similar to it. One, it is tying up 160 acres for the next 6 years. Two, we don't know if growing grass seed has any negative impact on the Food Share's image.

Staff is recommending pursuing a multi-year lease and is okay with a grass seed farmer, but would like Board perspective on these two key decisions.

## MPFS Kitchen Programs – Proposal for Consideration

### Current Program

*Better Burger Vocational Training Program (Commercial Side):* The Better Burger vocational training (VT) program is run by MPFS head chef, Steve Morton and supported by a part-time ERN/Jobs+ program member. In partnership with Incite and the Chamber of Commerce, the Better Burger program offers a vocational training opportunity for at-risk youths between the age of 16 to 26. The VT program runs for 10 weeks per cohort. Cohort participants are given stipends while receiving on-the-job culinary training along with soft skills and career based training. Despite solid efforts to increase the number of program participants, we are currently attracting only 1 to 4 students per session. The ideal participation level is 4 to 6 youths per cohort.

MPFS is engaged in a contracted supply relationship with Oregon Department of Corrections for 66 cases of Better Burgers per month (9,504 burgers). At a contracted sale price of \$47.52 per case, the Food Share earns approximately \$37,600 per year of earned revenue (gross sales). The VT program currently produces between 9,000 – 11,000 burgers per month. Better Burgers have not been entering the MPFS Agency supply stream, to any significant level or with any degree of regularity, for more than a year

Anecdotally, we know that many of our program participants have gone on to find employment. We do not have a system for tracking this data. Though our participants have expressed a great deal of satisfaction with the management of our program, they have also expressed a firm desire to gain more traditional food handling and food service skills. We have adopted a few program tracks, such as knife skills training and product formulation work, and offered line-cook-type food service experience through our Meals on Wheels program. The “true” skills such as line-cook-work and knife skills have garnered a lot of excitement. Diversifying the participant experience has been very well received.

*MPFS Community Kitchen Use (Teaching Side):* The community kitchen is currently greatly underutilized. The space is mainly used as an office for Steve Morton and a break room for the VT program participants. One day per month the Nutrition Program team uses the community kitchen to make samples for the Pantry Partners program, which provides food samples to our agency network, for distribution to our clients. Historically, we have offered this space for use to community partners who provide cooking and shopping classes, and to agency partners looking for space and support in creating large meals. We also have used both sides of our kitchen for in-house, fee-based cooking classes and as prep spaces for catering. This year, we discontinued tamale classes and moved the majority of catering prep to our MOW kitchen.

Meals on Wheels: The MOW Kitchen is overseen by Steve Morton and is staffed as a traditional restaurant with a head chef, two sous chefs, a cook, three part-time dishwashers, a front of house person and minimal janitorial support. This program currently produces approximately 325-375 meals per day, Monday through Friday. The majority of the meals are for our home-delivered meal (HDM) clients (270-280), with the balance serving the Center 50+ dining room and regular in-house catering clients. In addition to catering, we also have moved our Spring Break Lunch program support to the MOW kitchen. The day-to-day kitchen operations have been running very smoothly.

The program recently underwent a consolidation of the distribution model, bringing more of the HDM volunteer drivers into the MOW dining room Monday – Friday. We expect to find opportunities for streamlining distribution in the coming months. In addition to drivers, MOW utilizes many volunteers to assist in executing the daily dining room meals (45-65 avg/day). It has been a struggle to maintain a solid volunteer base in the dining room and to improve the ambiance/dining experience. These issues appear to be staffing related and are currently under evaluation.

## **Program Changes**

### **Proposal:**

Better Burger Vocational Training Program (Commercial Side): At this time I recommend that MPFS cease the DOC supply relationship for Better Burger and transition the vocational training program to the Meals on Wheels location.

### **Rationale:**

- Lack of participation - The Better Burger VT program is not providing the most desirable experience for program participants. We have received quite a bit of feedback that potential youth participants are not interested in this food manufacturing type program. We have been told that what they really want is more of a restaurant type food experience. This has been evidenced by the lack of participation in the program.
- Lack of scale-up vision for Better Burger retail/wholesale – No vision, no plan. I propose that we utilize a community partner intern program to have some true market research and business viability research performed. If we feel that the product has true retail market value then the Leadership Team can review potential for a retail rollout plan that involves either internal production or the use of a contract manufacturer.
- Need for focused attention at MOW – We have not been able to move the needle on several initiatives at MOW. The added support from having Steve and the cohort in

that space could prove beneficial to that program, as well as provide a good VT experience for the youths.

- *Organizational capacity to grow the BB VT program* – In all my research, I have found that large-scale vocational training programs require the provision of wrap-around support services for their participants in order to ensure both short-term and long-term success. We have seen evidence of that in our existing, small program. Building that structure would have significant implications for our staffing model and internal area of focus. This level of commitment to VT should be a consideration of the Leadership Team and the Board during strategic planning sessions if we feel the community impact provides enough ROI. I do think that a small-scale VT program can continue to be managed without building that larger staffing support structure, so long as we are prepared to provide ongoing training to our VT managers.

### **Next Steps (if proposal is adopted):**

1. Communicate plan with current partners, including DOC, Incite, the Chamber, others.
2. Create a phase out plan that takes into consideration:
  - a. Cancellation timeline for DOC
  - b. Completion of existing cohort activities
  - c. Utilization of remaining designated materials

\* Estimated at 3-6 months
3. Move VT activities to MOW kitchen and dining room
4. Revise MPFS chili mix to utilize quinoa
5. Consider creating a continued production plan for Better Burger (small scale for MOW and agency use?)
6. Revise MOW kitchen and dining room staffing model, program expectations, etc.

### **Things to consider:**

- Best utilization of Steve's time.
- Staffing model impacts (including program based volunteers), if any.
- Potential MOW expansion – where are our resources being utilized vs. where we need them to be.
- Need a vision/program design for the MPFS kitchen space. Current ideas are:
  - Lease/rent out the commercial kitchen side for start-up business activities.
    - Would need to give attention to advertising and lessee management.

- Pursue agency and community partner use of the teaching kitchen more aggressively.
- Evening use of the commercial kitchen for warehouse product solutioning.
  - Intermittent evening or “second shift” use of the commercial kitchen for burger making. These would be used in the MOW program and for agency distribution.
- Designated backup kitchen for MOW program.
- Designated expansion kitchen for MOW program.



**Marion-Polk Food Share**  
**Board of Directors Meeting Minutes**  
Thursday, December 3, 2015

**Board Members Attending:** Alex Beamer, Cheryl Wells, Jim Green, John Burt, Courtney Knox Busch, Bernadette Mele, Eileen Zielinski, Warren Bednarz, Dick Yates, Mike Garrison, Frances Alvarado

**Staff Members Attending:** Rick Gaupo, Julie Hambuchen, Holly Larson, Rebecca Long, Eileen DiCicco, Emily Griffith, Heather McPherson, Abby Schilbach, Corrina Hawkins, Ian Dixon-McDonald

**Guests Attending:** Susannah Morgan (*OFB*), Mark Burnham (*Oregon Community Foundation*), Nicole Barbuch (*Food Share Youth Farmer*)

**Call to Order:**

Alex Beamer called the meeting to order at 8:16 a.m.

**Guest Introductions:**

Rick Gaupo introduced OFB CEO Susannah Morgan, completing her year-long exploration of the ways other boards function. Rick also welcomed Mark Burnham of Oregon Community Foundation, in attendance to present a grant to Emily Griffith, Youth Farm Coordinator, and Nicole Barbuch, Food Share Youth Farmer.

**Grant Presentation:**

On behalf of Oregon Community Foundation, Mark Burnham presented a grant in the amount of \$25,000 to support the Youth Farm's move to Chemeketa Community College. Nicole Barbuch shared her experience as one of fourteen youth farmers, farming for two summers and the off-season in between. Nicole shared that the grant's support of the Youth Farm's expansion means more youth like her will be impacted – up to thirty-five. Nicole enjoyed the meditative aspect of digging in the dirt as well as recording all farm activity and planning for future seasons. She also enjoyed the connections developed by cooking lunch together with farm-grown food, and working at the Saturday market, selling the harvest while interacting with the public. Rick thanked Mark for OCF's effective

leadership, regional model, decades-long growth, and deep impact statewide, ultimately connecting local passions with local organizations.

### **Executive Committee Update:**

**The Executive Committee** reported that Senior Townhouse has been maintained as an active 501c3 nonprofit to preserve receipt of estate donations to Meals on Wheels. **Mike Garrison** added that Senior Townhouse has its own bylaws and a board which is separate from the Food Share Board of Directors. The remaining Senior Townhouse board members resigned, and three board members were elected: **Alex Beamer, Cheryl Wells, and Jim Green.**

### **Finance Update:**

**Jim Green** stated that the Food Share's financial status is strong, directing board members to the supplemental board meeting packet for detailed statements. **Jim** added that the revised budget forecast is projecting a deficit for the current fiscal year, as expected, due to funds earned last year being earmarked for expenditures this year. Viewed from a two-year perspective, the Food Share will still have a surplus. In addition, the forecast provided by Development has been conservative; actual development efforts this fiscal year may reduce the deficit. **Jim** reiterated that the Food Share is a financially healthy organization.

### **Consent Agenda:**

**Alex Beamer** presented the following consent agenda items:

1. October 2015 board meeting minutes
2. MPFS financial statements ending October 31, 2015
3. Concurring Resolution for City of Salem General Fund Request, Fiscal Year 2016-17

**Rick Gaupo** explained that the resolution is done once a year to apply for a city grant; the Food Share is not eligible without the board requesting these funds. This year the Food Share is applying for \$173,000 to lessen hunger in our communities by enabling food purchases.

**Cheryl Wells** motioned to approve all consent agenda items, **Bernadette Mele** seconded, and the motion was unanimously moved.

### **Development Update:**

**Julie Hambuchen** shared that the Development team is seeking ways for increasing resources to deepen the Food Share's impact in our communities. One of these is the Share Tank event sponsored by the Center for Community Innovation. **Julie** announced that **Rick, Jared Hibbard-Swanson,** and youth farmer **Yaleni Hernandez** ably represented the Food Share, resulting in \$10,000 in support of the Youth Farm as well as two in-kind donations for infrastructure construction at the new Chemeketa site.

**Julie** thanked board members for distributing gifts to our Chefs' Nite Out partners. Last year, recipients thanked the Food Share for this personal touch, letting them know their contributions are valued. Final numbers from Chefs' Nite Out are included in the board packet.

Julie also thanked attendees to the Empty Bowls reception. Julie added that the artists reported being so pleased to participate in the community in this way.

Julie next announced a change to the Plate Expectations event, refocusing it to support the Food Share as a whole. There will be a separate appreciation event for Meals on Wheels.

Julie also invited board members to the next Thank-a-Thon on January 27, sharing that she enjoys the way the Food Share community sees interaction with donors as a whole organization activity.

### **Board Governance & Goals for Board Recruitment:**

**Mike Garrison** reminded the board that Food Share bylaws were amended in May 2015, increasing the number of board members to strengthen connections with the whole community. The goal is to increase board membership to 16-18 for September 2016 elections.

**Mike** introduced the *Board Diversity, Inclusion & Equity Statement*. He shared that the intention of the statement is to elect new board members who will help the Food Share Board reflect the diversity of community membership. Discussion regarding the relative merits of board diversity, including age and income diversity, followed. Considerations for potential board members include experience, community contacts, abilities, and passions, all while diversifying the board. **Cheryl Wells** added that gender, age, ethnic, and geographic diversity will be priorities this year.

**Courtney Knox Busch** motioned to approve the *Board Diversity, Inclusion & Equity Statement*, **John Burt** seconded, and the motion was moved with one abstention.

**Cheryl Wells** distributed the draft of the Board Member Roles & Expectations Checklist, requesting that board members provide feedback by using the tool and sharing their impressions. **Cheryl** also pointed out that the checklist represents an opportunity for each member to review their engagement with the board and discover areas they would like to be more involved in. **Cheryl** assured board members that deep engagement is not required in all areas and that the checklist offers an opportunity to assess whether the board as a whole is covering all areas. **Rick** added that any unchecked items may represent areas where staff members might be able to offer the board more opportunities for engagement.

### **Adjournment:**

**Alex Beamer** adjourned the meeting at 9:30 a.m.

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Rebecca Long  
Executive Assistant

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Esther Puentes  
Board Secretary





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MEMO

Date: January 19, 2016

To: Marion-Polk Food Share Board of

Directors From: Holly Larson

Re: December 2015 Financials

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**STATEMENT OF FINANCIAL POSITION – YEAR-TO-DATE:**

**CASH** – Total liquid cash & cash equivalents have decreased almost \$102,000 in the last 12 months. This decrease in cash is due to the following: operating surplus of nearly \$227,000 and other adjustments to operating cash, resulting in cash provided by operating activities of over \$54,000. Cash provided by investing (capital) activities (capital expenses and adding back depreciation expenses) had decreased cash by nearly \$118,000 due to Capital purchases. Cash used by financing activities (funds that remained in investment accounts, but are captured in revenue) was over \$38,000 (see Statement of Cash Flows).

**TOTAL ASSETS** – have decreased nearly \$538,000 in the past 12 months. Inventory\* and cash have both decreased over the last year, while investments and other assets have increased.

\*Donated inventory was revalued at \$1.25 per pound starting in fiscal year 2015, and represented a decrease of \$168,000. The remaining change is due to a decrease in ending inventory balance in purchased and donated inventory (combined \$575,000 decrease in addition to the valuation loss), while USDA inventory value increased over \$7,000.

**LIABILITIES** -- total liabilities have decreased nearly \$28,000. This is primarily due to a decrease in accounts payable, offset by increases in other liability accounts.

**NET ASSETS** – have decreased by nearly \$510,000 primarily due to the change in inventory valuation and increase in temporary restricted net assets.

**CURRENT ACTIVITY – STATEMENT OF ACTIVITIES:**

**OPERATING:**

**OPERATING REVENUE** – Operating revenue increased \$143,000 compared to the same 12 month period last year.

- **Donations** have decreased by over \$19,000 over the prior year. CenturyLink match decreased in 2015 than 2014, while other gains in donations have made up a portion of this reduction.
- **Program service revenue** has increased over last year by nearly \$227,000. This increase is due to food service revenue, the operation of MOW home delivered meal program for a full year, compared to 6 months in the prior year and increased MOW reimbursements based on higher service numbers,.
- **Interest and investments** have decreased over \$64,000 in the last year. Performance of OCF funds was down in 3<sup>rd</sup> quarter and decreased investment performance is expected in 2016.

**OPERATING EXPENSE** – Operating expenses were nearly \$678,000 more than last year.

- **MOW Program** operated for a full 12 months, compared to the prior 12 month period, in which the program was included in the financials for 6 months. We began recording the program activities on the financial statements in July of 2014. This represents an increase of total program expenses of \$312,000, including an increase of salaries and related expenses by \$196,000. MOW salaries and related expenses represent 55% of total costs in 2015.

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- **Iskam (Grand Ronde pantry)** operated for a full year. This increased expenses by \$54,000 over what was spent in the prior year (the pantry opened in December of 2014). \$40,000 of this increase was salaries and related expenses. 70% of this program's cost are salaries and related expenses.
- **Staffing and Related expenses** increased \$438,000 compared to the prior 12 month period. MOW program added \$196,000 in this line item. Operation of IMM (Grand Ronde pantry) added an additional \$40,000 in salary cost. Operations added about \$60,000 in costs for two additional positions. Programs added approximately \$28,000 in support staff for the Youth Farm and Agency Relations. Administration increased over \$32,000 to increase support in HR and related functions. The remaining changes are due to salary increases and various other payroll related expenses not attributed directly by position.

**OPERATING NET SURPLUS/(DEFICIT)-** Net operating activity was a surplus of over \$51,000 during the past 12 months.

#### **CAPITAL:**

**CAPITAL REVENUE** – Capital revenue was just over \$187,000 more than the same 12 month period last year.

**CAPITAL EXPENSE** – Capital expenses were comprised of depreciation, and were nearly \$18,000 less than last year. Depreciation has not been finalized for fiscal year end 2016 and numbers shown include estimates.

**CAPITAL NET SURPLUS/(DEFICIT)-** Net capital activity was a deficit nearly \$72,000 during the past 12 months.

#### **ENDOWMENT:**

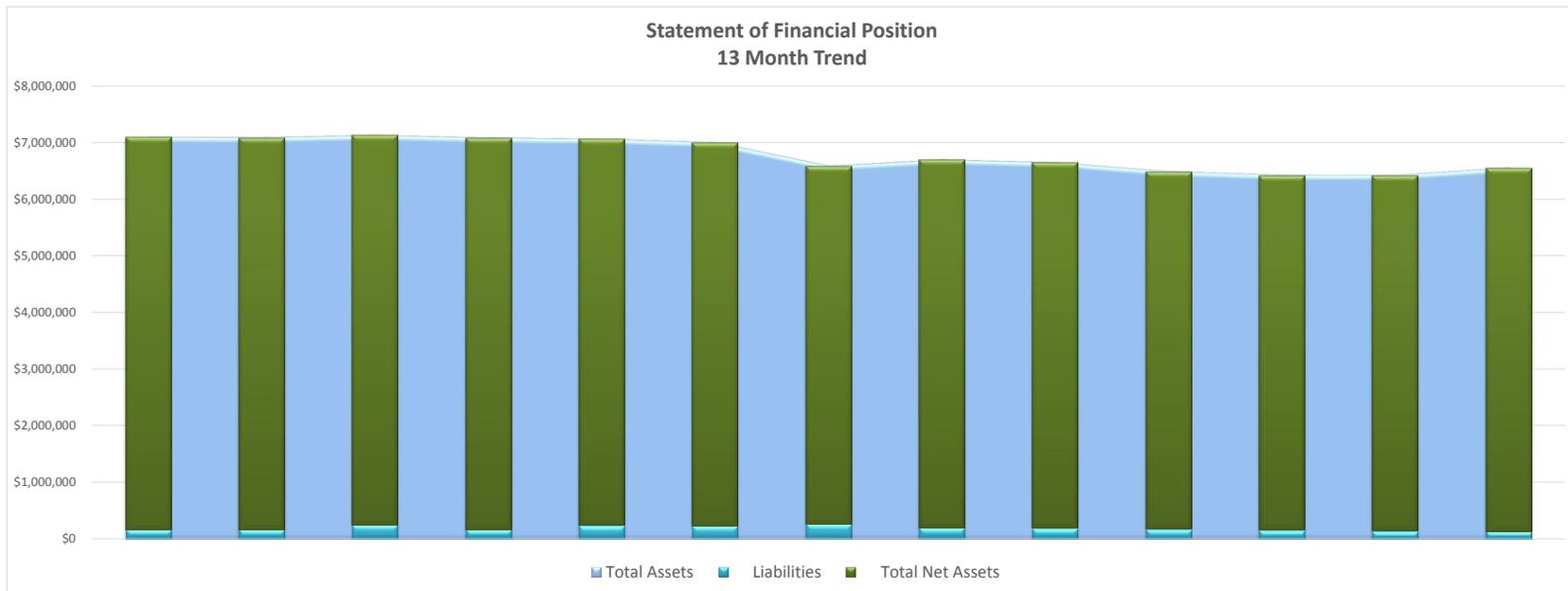
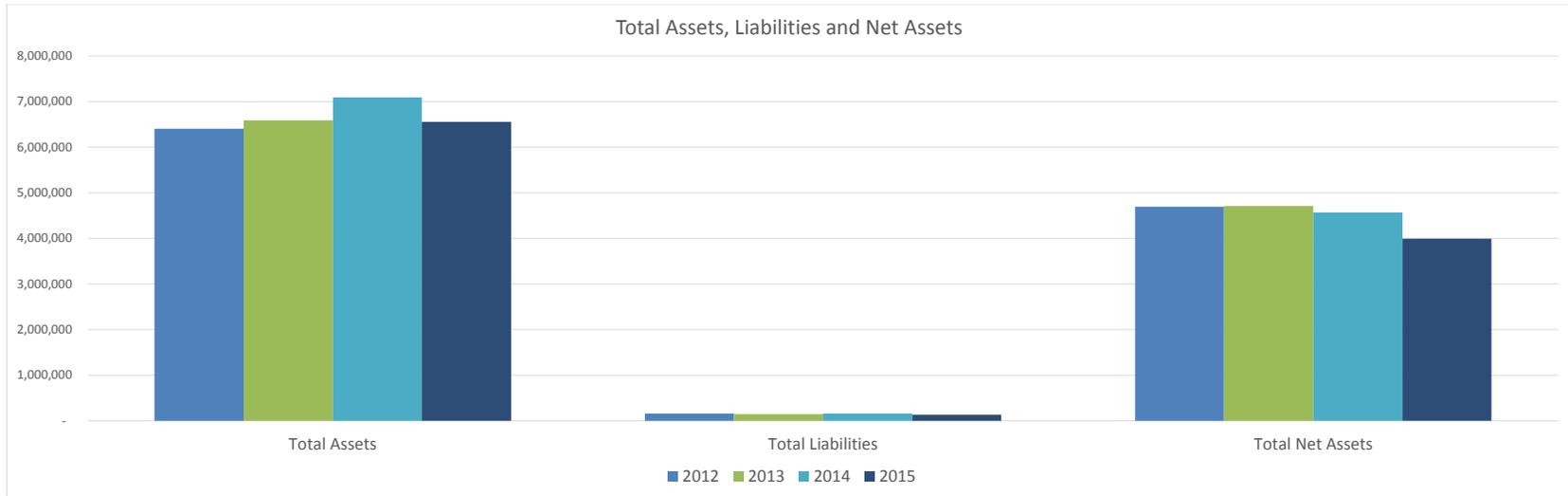
**ENDOWMENT REVENUE** – There was nearly \$103,000 of contributions made to the endowment in this reporting period.

#### **IN-KIND:**

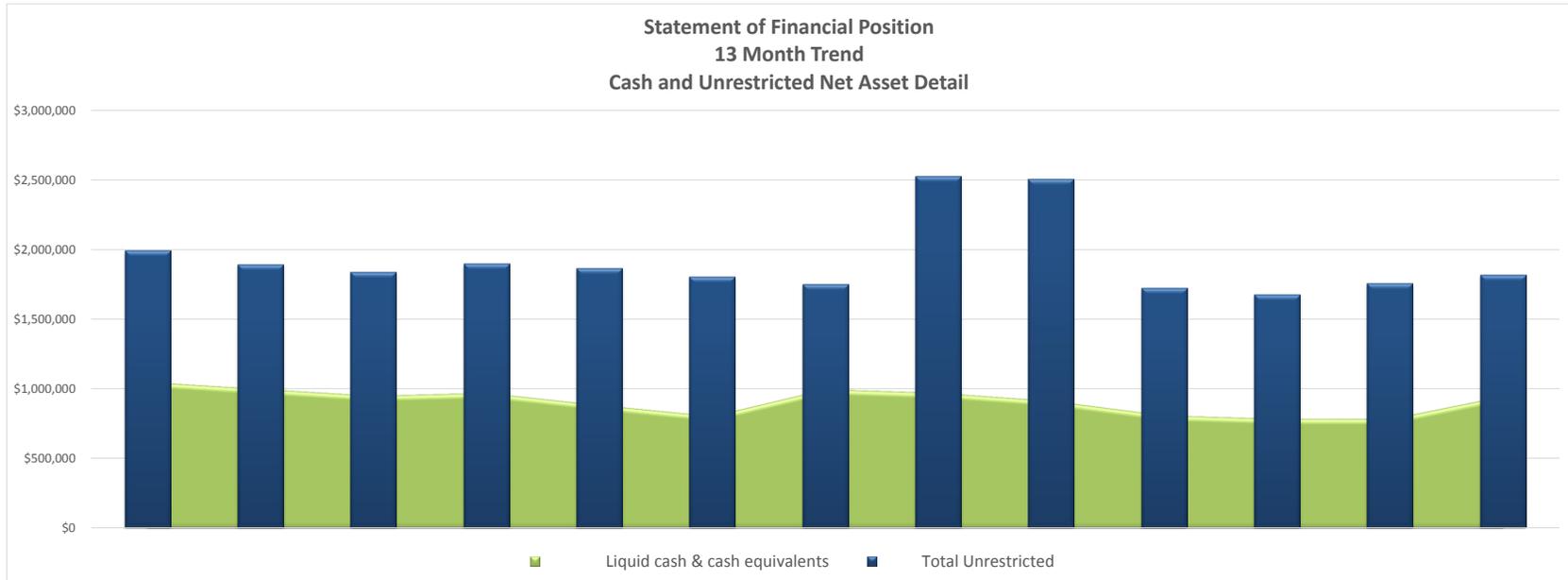
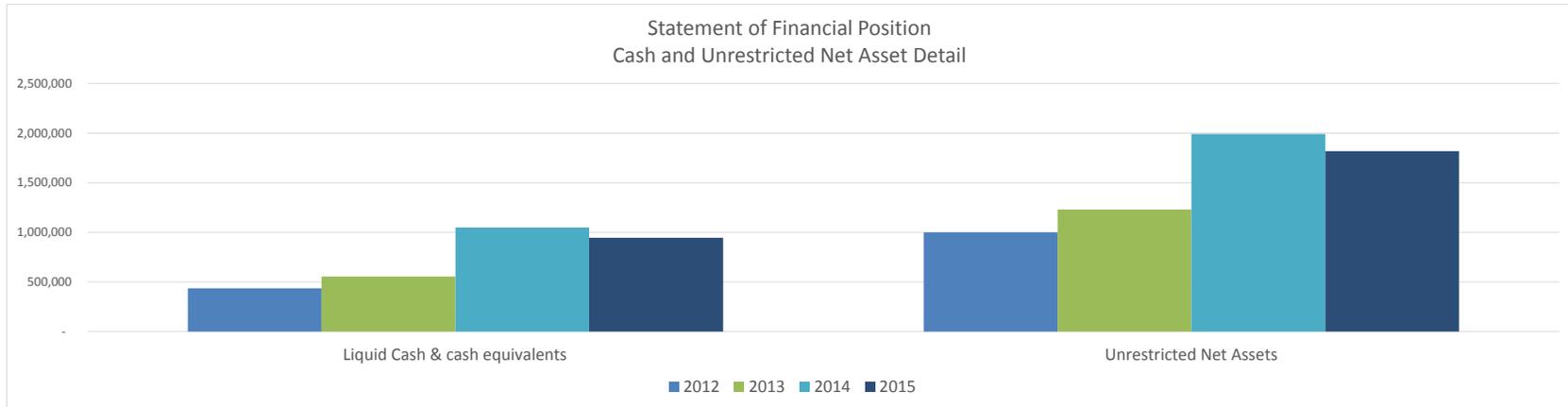
**IN-KIND REVENUE** – In-kind revenue was slightly over \$81,000 during the past 12 months.

**IN-KIND EXPENSE** – In-kind expenses were slightly over \$81,000.

Marion-Polk Food Share, Inc.  
January 2015 - December 2015



Marion-Polk Food Share, Inc.  
January 2015 - December 2015



**Marion-Polk Food Share, Inc.  
November 2014 - October 2015**

