



**9-10 Club Serving Soup to the Hungry Society
Board of Directors Meeting, Tuesday February 8, 2022 (virtual)**

DRAFT MINUTES for February 2022

Attending: Alexandra Banford, Sheila Connelly, Stef Hartwig, Teri Hustins, Dan Hickey, Gordon MacNeil, Susan Nawrocki

Call to Order: 16:00

Approval of Agenda: The chair informed the members that item #5 (Lester) would be deferred to a future meeting. The revised agenda was approved (m/s – Stef/Susan)

Approval of January 11, 2022 minutes: (m/s – Susan/Dan)

1. There were no action items/matters arising – any issues that require further discussion of past agenda items are on the agenda for this meeting.
2. Financials/Financial analysis: Daniel presented the financial items in the following order: investments, budget update, and strategic financial plan.
 - Investments: Daniel reviewed the particulars shown in the Investment Table for the 6-months ending December 31, 2021, namely that the balance of asserts rose by 27% from December 31, 2020, due largely from large contributions from generous donors which resulted in an operating surplus which is then transferred to the investment account. The balance of approximately \$814,000 at Dec. 31 represents roughly 450% of the currently estimated annual expenditure for 2021-2022 (as per the draft financial plan). The issue of desired level of such reserves would be discussed later in the meeting and a resolution proposed on the matter.
 - Budget update: Daniel reviewed the particulars shown in the Actual to Budget Comparison for the Month of January and Year to Date (YTD). He explained that for the moment, income is simply the figure that is the actual value for both the month and the longer period, but in the future the board will probably want to develop an actual annual forecast for revenue, based on historical patterns and expected special contributions, if known.

For the month of January, an operating surplus of approximately \$15K was reported on income of \$30K, with total expenditures of \$15K. In comparison to budget, expenditures were in excess by approximately \$2K, due largely to miscellaneous costs. The columns showing the YTD data are very informative. An operating surplus of \$113K is reported for the seven-month period ending January 2022, on income of \$220K and expenses of \$107K. The expenditure numbers suggest that the organization may incur an overall operating shortfall for the full year and if so the deficit will have to be covered from the investment account.

- Financial Plan: Dan tabled the detailed financial plan document and focused his remarks on the first few pages which summarize the key messages (the remainder on the paper shows the detailed calculations, tables, and graphs underlying the summary notes). He also described the different scenarios that resulted from the extremely useful and very clear analysis of data. There remain some matters that the board will have to discuss in future meetings, leading to decisions on the key financial strategic issues, including what the board is comfortable with as shown in the different scenarios that are presented. There will almost certainly be additional combination of factors to include, resulting in new scenarios perhaps, such as estimates of revenue under different assumptions, when we think the Soup Kitchen can return to seated dining, and so on. It was suggested that ultimately the board might expect to work with a three-year rolling budget plan in the future, with a new year added at the conclusion of the current financial year. Three years seems to be more likely to be an accurate operating forecast than a five-year period, although the longer term could serve very well as a strategic rather than operating plan, for longer term decision-making. Future expectations are mixed: we believe inflation will increase food costs, as we have seen dramatically recently, but on the other hand a return to on-site dining will decrease certain costs. Unless we can increase financial support from the general public (which, it was pointed out, is often successful when we are focused on fundraising), we expect that the Soup Kitchen will depend on the investment portfolio or from large bequeaths or exceptional large one-off donations such as we saw in 2021, to balance budgets. Managing this income and expenditure formula will be an important task for the board going forward. In summary, there was general board support for continuing to solicit public donations and other income to support operational expenses, and to include revenue forecasts in future budgets.

The board discussed the need to have a policy in place that specifies what is a minimum level of cash reserves at all times (at present, virtually the entire value of the investment portfolio). While the organization has a significant investment account balance at present, the board recognizes that the economic climate is very volatile, food support needs are unlikely

to decline in the future, and costs will continue to rise. Therefore, it is required that for stability and also for potential unseen future costs, the organization must maintain a minimum level of reserves.

After discussion, the following resolution was proposed and approved by the board.

RESOLVED: The 9-10 Club Serving Soup to the Hungry Society will maintain a minimum cash/investment reserve of not less than the value of two years of operating expenses, as adjusted and forecast annually

The resolution was approved by the full board, and the financial report also was approved (m/s – Stef/Sheila).

3. Marketing Committee Report:

Alexandra introduced and spoke to the draft 2022 marketing workplan, focusing on what activities to undertake, how it will be done, and the sequence in which activities will be carried out. At the moment, workstream assignments as outlined in the proposal have not yet been identified or volunteered for, but that will be an early task. The committee is asking for Board guidance in this matter. An immediate next step, therefore, is for the committee to re-group and distribute tasks. It was also suggested that the logo re-design could be the focus of a small contest, or even having a professional designer assist (though the latter was considered an expense that would be in excess of what sew should need to pay), Finally, the Board agreed to ask Laurel to assist the marketing committee especially with the public service fund idea that she advanced in a previous meeting.

4. Operations report:

Sheila briefly reviewed the essentials of the written report that the board had received, for the January operations. The issue and resolution of bread disposal was described, and the Board also agreed to send a thank you letter to the new owners of Cob's Bread, which will ensure that there remains understanding of our needs and support for the Soup Kitchen in the future. Three ongoing needs for training support were highlighted, including: (i) food safe handling, (ii) first aid, and (iii) perhaps a seminar on dealing with difficult clients, since there are occasional instances of conflict, or at least unpleasantness, which can be intimidating to volunteers. The latter idea may be especially relevant for when sit down meals re-start.

The above notes should not suggest that the operations for January were anything but achieved smoothly and efficiently, and team leaders continue to lead effectively with great volunteer assistance.

There being no other business, the meeting was adjourned at 17:20.