

HABITAT FOR HUMANITY ST. LOUIS

TO: HFHSL Board of Directors

FROM: Kimberly McKinney

RE: Board of Directors Meeting

Tuesday, August 28th - 11:30 am

LUNCH IS AVAILABLE AT 11:15am

BOARD OF DIRECTORS MEETING

HABITAT FOR HUMANITY SAINT LOUIS ADMINISTRATIVE OFFICE

3830 South Grand Blvd.

Saint Louis, MO 63118

Enclosed please find an agenda with supporting documents for our meeting. Please note that reports are included for those committees with new information since our last meeting. Only those committees with action items will give oral reports. Of course, questions will be entertained of any committees.

So that we may have an accurate lunch count please RSVP to Zoe Sullivan at zoe@habitatstl.org. If we do not hear from you, food will be ordered and purchased as if you are attending!

Habitat for Humanity Saint Louis
Board of Directors Meeting
August 28, 2018

Call to Order	Linda Loewenstein
Mission Moment	Nat Walsh
Minutes of June 26 th , 2018 Meeting	Pattye Taylor-Phillips
Strategic Topics:	Harper Zielonko – FUNDamental Focus
CEO Report	Kimberly McKinney

Committee Reports:
Discussion of any requiring Board action and/or questions regarding written reports.

Other/Open Business

Adjournment of Full Board

Executive Session **as needed*

Adjournment

MARK YOUR CALENDARS:

Upcoming Events

Friday, September 21, 2018	Executive Build , 1 st build of 2
Tuesday, September 25, 2018	Board Meeting , 11:30a at 3830 South Grand
Sunday, October 28, 2018	Volunteer Appreciation Event , 12:00-3:00 PM at AB Biergarten
Friday, December 7, 2018	Executive Build , 2 nd build of 2

“A world where everyone has a decent place to live”

Minutes from the meeting of the Board of Directors of
Habitat for Humanity Saint Louis (HFHSL)
June 26, 2018

The following members of the Board of Directors and other interested parties were present:

Linda Loewenstein	Chris Roetheli	Amy Berg
Jami Boyles	Roger Brown	Howard Smith
Kay Gasen Thenhaus	John Parker	Anna Hart
Peggy Holly	Doris Agwu	Malaika Horne
Linda Moen	Kimberly McKinney	Dan Cierpiot
Julia Hart	Jeff Dowd	

Linda Loewenstein called the meeting to order at 11:39 am. The mission moment was given by Linda Moen.

Minutes: A motion to approve the minutes of May 22, 2018 was made by Amy Berg; seconded by Kay Gasen Thenhaus. The motion was approved.

Strategic Topic: 2017 Audit - Jeff Dowd from Cohn Reznick was introduced and presented both the Business Performance Analysis and the preliminary draft of the Combined Financial Statement for December 31, 2017. The Finance Committee and those Board members who opted to attend met with Cohn Reznick to review the Audit Opinion for 2017 (including the Business Performance Analysis & Financial Statement) and address detailed questions. After the review which included meeting with the committee independent of staff, the Finance Committee approved the Audit Opinion.

Cohn Reznick provided each Board Member present with a copy of the 2017 Business Performance Analysis (BPA) and Combined Financial Statements (With Supplementary Information) and Independent Auditor's Report for December 31, 2017. Please note that the BPA is intended solely for the use of the Board of Directors and management of Habitat for Humanity Saint Louis. If any data from the report is needed for reuse, please contact Kimberly.

Jeff focused on the Business Performance Analysis (BPA). In the Auditor Communications section, it is noted that the most sensitive disclosure affecting the financial statements is the New Market Tax Credit program investments and related debt. Jeff also noted that accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experiences about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements are: 1) Mortgage receivables are valued at fair market value at inception, at which time the face value is reported net of an expected discount (based on historical sales prices) that will result from conversion to sales to a third-party financial institution. 2) Management's estimate of the allowances for uncollectible accounts for promises to give and mortgages receivable is based on past collection history and knowledge of third parties. 3) Leased homes and homes available for sale are valued in inventory at cost, net of impairment that will result from conversion to sales. 4) Construction in progress includes direct materials and equipment costs and indirect home construction costs. Costs are expensed when home sale revenue is recognized. CIP is recorded at cost, net of impairment that will

result from conversion to sales. 5) Management's estimate of the depreciable lives of property and equipment is based on the assets estimated useful lives. 6) Functional expense allocations are calculated based on periodic time and expense studies. CohnReznick evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Corrected and Uncorrected Misstatements: No material misstatements were noted. In addition, none of the uncorrected misstatements detected as a result of the audit procedures were material, either individually or in the aggregate, to the financial statements taken as a whole.

Accounting Standards updates were reviewed. The accounting standards update is intended to help organizations better convey how they spend and manage their resources, including simplifying and improving the reporting of net asset classifications and financial statement details. The main provisions include: replacing the existing requirement to present three classes of net assets with two classes, the option of presenting the statement of cash flows using the direct or indirect method, enhancing disclosures on liquidity and presentation of expenses to include both nature and function. The purpose of the May 2014 updates was to erase industry-by-industry revenue guidance and usher in a single, principles-based model for companies worldwide to calculate what is considered a key indicator of financial performance.

Strengths and Accomplishments for 2017: 1) 18 homes were under construction. 2) Following a very competitive bid process, HFHSL was selected by the St. Louis Housing Authority as the developer for the 10 home La Saison project in Lafayette Square. This award included \$968,500 in funding from the SLHA and the Affordable Housing Commission. 3) Partnered again with KMOV on the high-profile "Home for the Holidays" build, a project that included \$50,000 in Mission Support funding, and approximately \$500,000 worth of media coverage and advertising. Additionally, received a commitment to expand to two homes in 2018. 4) ReStore revenues grew by \$51,000 year over year, realizing sales of more than \$1.1 Million 5) Once again received a \$1 million allocation of AHAP tax credits which were leveraged to finance part of the purchase of 3830 South Grand, enhance Mission Support, and offset organizational expenses. 6) Continued partnerships with local banks to originate affordable mortgages with significantly low interest rates of 2.75%. 7) Successfully completed the sale of the HFHSL Headquarters facility, and negotiated and complete the purchase of the new HFHSL Headquarters facility including more than \$2,000,000 in Tax Exempt Bond Financing for the build out of the new facility. 8) Entered into and closed the organization's unprecedented fifth New Market Tax Credit transaction which provided more than \$200,000 in support of the home construction program.

Opportunities for Improvement: 1) Liquidity and Operations: Continue to improve operating cash flow and management of current liabilities, 2) Fundraising: Renewed campaign for large fundraising by all Board Members and Management, 3) Accounting Policies: Formalize current HFHSL accounting policies and procedures for mortgage, homeowner escrow, AHAP and new Market Tax Credit accounting in anticipation of compiling them into the existing HF Accounting Policies and Procedures manual., 4) Mortgage servicing: Research capabilities of accounting software system to determine if improvements can be made to tracking homeowners' escrow balances and for servicing in-house mortgages prior to sale.

Assets, Liabilities, and Net Assets –The Ratio of Total Current Assets from 2016 to 2017 has improved, but we want to continue improvement. Current Assets Audit Observations: Restricted cash increase includes \$2,000,000 Project Account funded from Tax Exempt bond proceeds. Investments are down, reflecting invested funds deployed to help retire higher interest rate debt.

Decrease in Pledges receivable is due to payment of \$75,000 receivables from Wells Fargo in the prior year. A decrease in home construction is due to availability of fewer complete homes for sale at December 31, 2017. The Forest Park land and building were classified as assets held for sale based upon Letter of Intent to sell from prior year. This no longer shows in fixed assets. The increase in mortgage receivables is due to an increase in sales of homes in 2017. The 2017 NMTC investment in Harbor Habitat Leverage II, LLC. is reflected in long-term assets. The increase in capitalized costs is from fees paid for the 2017 NMTC transaction. Liabilities: Line of credit increases reflect additional construction lines of credit opened at People's Bank during 2017. Increases in the current portion of long-term debt include the current portion of the 2011 NMTC loan. No payment is expected as it is assumed the loan will be forgiven in 2018. Decreases in deferred revenue are the result of recognition of grant revenue for homes sold during 2017. Long-term liabilities – During 2017, the St. Louis Housing authority loan and both IFF loans were satisfied. Received Series 2017 Tax Exempt Bonds from the Industrial Development Authority of the City of St. Louis and an associated construction loan from Royal Banks of Missouri.

Support, Revenues and Expenses: The "Total Support and Revenues" line item increased by approximately \$2.2 million, primarily due to three items: the AHAP check exchange revenue from the purchase of 3830 South Grand, the 11 homes closed in 2017 vs. 5 homes in 2016 and the \$969,951 gain on the sale of Forest Park building and land. ReStore results continue to improve. we want to improve these year-end totals and increase the Net Asset total. ReStore revenues are good.

The Independent Auditor's Report on the Combined Financial Statements reflects an unqualified opinion, that "...the statements...present fairly, in all material respects, the financial position of Habitat for Humanity Saint Louis and Its affiliates .."

Motion to approve audit was made by Linda Moen; seconded by Roger Brown and unanimously approved.

CEO Report Kimberly McKinney:

Kimberly highlighted the May dashboard report, reflecting that ReStore South Side sales were very strong during May without negatively impacting the ReStore Des Peres location – combined sales represented a new record by over \$7500! (\$125,613 in May of 2018 vs \$118,021 in August of 2017). And 44% of the revenue YTD for ReStore SS (previously ReStore Forest Park) were realized during May. June is currently looking similarly strong. In advance of midyear inventory, both stores will have a 25% off sale on June 30th and July 1st before closing for inventory on July 3rd.

The 3830 South Grand project is now officially a finalist in AGC (Associated General Contractors) award. This is another opportunity to publicize the mission and activities of HFHSL. Thanks SM Wilson.

La Saison: (previously noted as New City Build): Much progress was made in recent meetings with St Louis Housing Authority and documentation / land acquisition is slated for later this month / early July. A kickoff event is scheduled at **1200 South 13th Street, 63104 for 10 am on Wednesday, July 11th** celebrating both our entry into this new neighborhood as well as our 400th Home. As home construction is no longer a part of the organizational budget, project budgets for both La Saison and Tiffany were reviewed.

HFHI: The Quality Assurance Checklist is now divided into two sections – 13 Core

Requirements and 16 Other Essential Practices. At the time of submittal, Habitat Saint Louis responded yes to all 29 requirements except one core requirement (#7) that is related to Qualified Loan Origination. Dan Cierpiot has now completed the online certification courses. Avis McHugh and LaRita Fields within Family Services should also complete by the end of the month.

Following action by the Policy Committee and US Council, the extension of SOSI (US Stewardship and Organizational Sustainability Initiative) through June 2021 will be put out for comment by affiliates later this year.

Zoe Sullivan has been hired as Office Manager following the resignation of Grace Boehm. Zoe joined Habitat as of June 12th.

Kimberly shared the Resource Development priorities (1) Mission support – SPIRE match currently at 35% of goals. (2) Tiny House - We have sold 156 of 1500 Tiny House tickets and (3) an UnGala in celebration of our 400th house where individuals will be invited not to come to a gala but instead make a donation similar to what they would have spent. Kimberly will provide an email with target audience, links and verbiage.

Dashboard: As noted, the Re-Store program is rebounding with 44% of YTD sales for the City location realized in May. Board giving down 38% from 2017. Make Board gifts now with SPIRE match.

There being no further business, the meeting adjourned at 12:40 pm. The motion was made by Chris Roetheli, seconded by Amy Berg, and passed unanimously.

Respectfully submitted: Peggy Holly

Habitat for Humanity of Saint Louis

Dashboard

as of July 2018

Income and Expenses						
	YTD Actual	YTD Budget	%	Annual Budget	Prior Year YTD	
Mission Support	\$816,545	\$600,821	136%	\$1,107,265	\$511,811	Recorded \$155k in sponsor pledges and \$28k in board pledges
Restricted Contributions	\$90,000	\$83,500	108%	\$100,000	\$88,786	
Total RD Revenue	\$906,545	\$684,321	132%	\$1,207,265	\$600,597	
Construction Grants	\$0	\$164,500		\$282,000	\$378,222	
Total Contributions	\$906,545	\$848,821	107%	\$1,489,265	\$978,819	Annual budget includes \$1,190,000 ReStore donated materials, \$636,772 AHAP check exchange and \$657,512 AHAH donations. POB 2011 unwound resulting in \$1,107,707
Other Income	\$1,774,930	\$2,119,510	84%	\$4,033,873	\$1,125,370	
House Transfers	\$145,000	\$975,000	13%	\$1,950,000	\$820,000	
Construction In-kind	\$252,220	\$81,669	309%	\$140,000	\$20,150	
ReStore Forest Park (FP) Revenue	\$249,418	\$321,566	78%	\$551,250	\$254,197	
ReStore Des Peres (DP) Revenue	\$448,580	\$397,635	113%	\$681,661	\$353,109	Recd \$194k in mgmt. and facility cost fees
Total Income	\$3,776,693	\$4,906,701	77%	\$8,846,049	\$3,551,645	
Operating Expenditures	\$2,470,489	\$2,447,221	101%	\$6,892,656	\$1,973,173	
Home Construction	\$155,791	\$1,467,361	11%	\$1,078,593	\$1,079,021	
Total Expenditures	\$2,626,280	\$3,914,582	67%	\$7,971,249	\$3,052,194	
Net Profit (Loss)	\$1,150,413	\$992,119		\$874,800	\$499,451	
ReStore Forest Park Profit (Loss)	\$100,236	\$97,725	103%	\$147,145	\$27,531	Net revenue over budget RSS because of \$81k donated materials in mid year inventory/RDP mid year inventory negligible effect
ReStore Des Peres Profit (Loss)	\$370,830	\$158,896	233%	\$ 253,922	\$164,857	
	Principal Bal	High Limit	The full amount had to be booked in order to purchase tax exempt bonds.			
Peoples Bank LOC	\$852,165	\$1,056,000				
1st Mid Illinois (formerly Cloverleaf) LOC	\$0	\$76,500				
	YTD 2018	YTD 2017		Change		
Year/Year Change in Cash	\$123,762	\$15,023		\$108,739		
Year/Year AP	\$589,090	\$563,389		\$25,701		
Year/Year Change in Debt	\$1,679,165	\$1,540,119		\$139,046		
Mortgages	Actual	Benchmark				
Delinquent Mortgages (90+ days)	0		See CitiMortgage note within CEO report			
Open Communication w Representative						
Total Mortgage Portfolio						
Delinquency Percentage						
Construction	Actual	Benchmark				
Housing Units Closed	1					
Housing Units Under Construction	19					
Construction In Progress	\$1,425,100					
Cost/Closed	\$176,415		Includes In Kind Amount of \$15,395			
Financial Donor Volunteer Days	5		5 of 5 possible build days, 0 ReStore groups			
Homeowner Applications Distributed	276		163 or 59% return rate. 79 Tier 2 / 12 Approved (5 from MLF)			
Lots Available	19		Ownership or Option			
Vacant Homes	0		No owned, any vacancies are pending title issue resolution/ Wellston (5) Vacant Lots			
ReStore	Actual	Benchmark				
Average Number of Transactions SS	1254		Per Month and Per Customer (not per item)/ + 22 from prior report; -245 from prior year.			
Average Number of Transactions DP	1586		Per Month and Customer, +12 from prior report, +104from prior year			
Average Sales Per Square Foot SS	\$20.62	\$22.71	HFHI median of stores similar sqft (20.5k), open 18 months + / + .95 from prior report, +2.89 from prior year.			
Average Sales Per Square Foot DP	\$19.25	\$23.99	Benchmark (40k sqft as basis)/- .16 from prior report; +4.16 from prior year.			
Total pickups/drop-offs this month	759		221 Pick-Ups/54* drop offs SS/484 drop offs DP. SS entering error.			
						COMMENTS
Resource Development	Actual	Benchmark				
New Donors : Mission Support	276		Increase of 41 from prior month / decrease of 5 from prior year			
New Donors YTD -Contribution=/> \$1200	3		Same as prior report / -8 from prior year			
Median GC Gift Amount	\$50		Same as prior report /Increase of \$14 from prior year			
Renewed Mission Support Donor %	44%	40%	Benchmark reflects a NFP Standard			
Renewed Keystone members/Specialty	55		Increase of 5 from prior report			
New Keystone members/Specialty Buil	17		Increase of 2 from prior report			
						COMMENTS
Board Engagement	Actual	Benchmark				
Board Meeting Attendance	58%	80%	80% Best Practice Recommendation			
Board Percentage (personal giving ytd %	58%	100%	Per HFHSL Statement of Commitment; Increase of 13% prior report , Decrease of 3% from prior year.			
Board Giving (Total \$ YTD)	\$25,090		Increase of \$9150 from prior report / decrease of \$7,445 from prior year			

**Habitat for Humanity Saint Louis Board of Directors Meeting
Tuesday, August 28, 2018
CEO Report**

Successes and Shout Outs!

Resource Development

Mission Support

Our Spire / 400th House Match challenge launched as of June 1st. To date, over \$58k in donations have been received. By comparison, last year's match generated a total of \$40,467.50, representing a significant increase. The average gift has gone up every year of the Challenge Grant as the "ask" has also increased, from a \$145 average gift amount in 2016, to \$152 last year and \$200 this year –a MAJOR jump in individual investment. Also worthy of note: giving by donors lapsed 19 – 36 months increased 200%, with a giving total of \$3,055 up from \$470 last year. First time gifts also saw a gain by doubling the number of gifts, and an increased total of \$2,855 up from \$770 the previous year. ***Much thanks Spire and Nick Popielski!***

Tiny House

Greg C from Bridgeton was the winner of the Tiny House. He and his wife have opted to donate the house to Sherwood Forest (our nonprofit partner in the event the winner did not want to take possession). Over 300 tickets were sold. With consideration for expenses above the donations, the net revenue will be over \$20k while also exposing Habitat Saint Louis to a new audience, as most tickets were purchased by new donors.

Executive Build

Please continue to promote the Executive Builds on September 21st and December 7th. Currently four participants are confirmed for the September event with a goal of 10. Following the August board meeting, materials will be resent along with messaging to forward onto contacts.

UnGala

Much thanks to those Board Members who sent contacts for the UnGala invite. Invitations with personal connections will be available at the August meeting (or provided to those unable to attend in advance) as there is space on the invitation for a personal note if desired. Approximately 275 were mailed on August 21st and another roughly 100 will be hand delivered (reminder, please let us know if you have anyone that you want to hand deliver or that you want us to deliver!).

Work is underway with Carol Daniel for various social media vignettes the evening when there is not a gala (ReStore Manager who wears a tux to work thinking he was going to a gala, Kyle putting his kids to bed instead of going to a gala, etc.)

Board Governance

For 2019, 4 – 6 openings are anticipated. To assist in brainstorming candidates for consideration, the current board demographics and a "want ad" follows below. Please share possible candidates with either Linda or me.

- Currently 31 members strong
- Male 40% / Female 60%
- White 70% / Non-White 30%
- Affiliation: Business or Corporate – 24%, Construction 26%, Finance 14%, HR/Legal – 16%, Community 17%
- Board Length of Service – Year 3 or less 50%, 4 to 6 years 33%, 6+ years 17%
- Age of Board members; 40 and under 23%, 41-59 64%, 60+ 13%

What does Home mean to you? If you want to be a part of making sure that everyone has a decent place to live, the Habitat for Humanity Saint Louis Board is looking for you. Although unpaid, the benefits of seeing the joy on the face of first-time, and often first-generational, homebuyers are

priceless. Qualified applicants will be passionate about the difference that home makes in the lives of St. Louis families, so passionate, in fact, that they will want to share the mission of Habitat for Humanity Saint Louis with everyone in their network with a goal of raising money to support the incredibly important work.

Program

Relocation: HFHSL Headquarters: Board Retreat Outcome 2014

ReStore: Sales continue to be strong at the South Side location as well as at ReStore Des Peres. Average monthly sales year to date, with four months of relocation data, is \$123,000 versus \$83,139 for the same period last year – a 47% increase.

Outparcel: Of 12 entities on the latest activity report, three are considered higher interest. The national real estate team for one (a fast food franchise) has reiterated that this fills a gap in the trade area but have not provided timing regarding an LOI, with another fast food franchise planning a site tour in September. A developer for a medical use has shown some preliminary interest in the site and per NGZ the demographics of the site are right for them and they do not currently have anything in the trade area.

Lease: The lease documents are complete, and all terms agreed upon – waiting on approval from the Banking Commission.

Thanks Twain Financial Partners for hosting their quarterly meeting in August – great opportunity to expose those who are not familiar with Habitat to our mission and programs. The St. Louis Rehabbers Club is slated to meet in the Admin and ReStore area on September 29th.

Mortgage Loan Fund: Board Retreat Outcome 2015

Unfortunately, all documents were finalized within days of a staff change (Director of Compliance) and an acquisition at Midland States. Per an email from David Noble on August 9th, the conclusion was made, and directive given that Midland staff needed to conduct an internal Risk Assessment Analysis documenting the process and receiving sign off by different key business process stakeholders. David views this as a formality that will take approximately two weeks but will not affect the documents. In better news, 4 of 5 families presented have been approved as the pilot group to be closed out of the MLF – these buyers represent future owners of (AVIS).

Neighborhoods/ Home Construction/Homebuyers

St. Louis City:

Scattered South City Sites: Construction in final phases. Two additional lots in Carondelet, 7806 and 7810 Virginia, are being held for the 2018 KMOV project (two houses beginning in November) which is officially “sold out”.

Tiffany Phase 2: Site underway with predominately volunteers from TD Ameritrade who increased their earlier commitment from \$25k to \$140k.

La Saison: (previously noted as New City Build): As title issues that have prevented the transfer of the 10 parcels from the St. Louis Housing Authority (SLHA) to Habitat continue to be resolved, the Spire “blitz” scheduled for the week of August 20th transitioned to a second Habitat road show with interior and exterior walls being framed on a portion of the Peabody Elementary school lot. Through various community input meetings, the design drawings were approved, and construction drawings were provided just in time for this project to continue - a rendering is included.

As the Master Development Agreement has been signed and a Notice to Proceed from SLHA received, SLHA is preparing a document that will allow site development, excavation and subfloor work to begin as the title resolution continues. Because SLHA money can be used for these early expenses, work will move forward simultaneously with the hope to complete five foundations/subfloors by year end.

Future Builds: Funding for 10 additional houses in Lookaway (\$400k) was awarded from the Affordable Housing Trust Fund. With an application deadline of August 24th, applications will be submitted for 7 Lookaway (leveraged with AHTF) and 3 Tiffany Phase 3 for a combined ask of over \$300k.

Conversations continue for a possible partnership with SLATE (St. Louis Association of Training and Employment) that would represent 10 houses as a “*Youth Build True Dream Pilot Program*” addressing the issue of homelessness as it relates to those entering the workforce upon completing the SLATE Youth Build program. A draft MOU is being circulated through various City departments.

Citi:

As shared in a brief note via the dashboard, Citi had continued to write off mortgages including some buyers who had completed the “waterfall” modification plan that Citi previously offered.

In early 2018, we received one list of buyers whose loans were being forgiven with three additional lists sent more recently. In a conference call with Fred Bader, he shared that he fully anticipates forgiveness of all Habitat borrowers as 100% of the mortgage value goes towards satisfying their consent order – and that Citi is applying this same process to non-Habitat borrowers (making two specific comments that included “borrowers from Arnold and Fenton” and “borrowers from rural Kentucky”).

Affected homebuyers are receiving forgiveness documents and a “bump” to their credit rating as the mortgage is being reported as being paid. Through multiple conversations related to this process, assistance has been sought related to the possible IRS ramifications for buyers and, to date, it appears that a program known as “tax extenders” may prevent them from incurring an IRS tax liability. An excerpt of the information received via Senator Claire McCaskill’s Housing and Finance Legislative Counsel is below.

The mortgage forgiveness pieces of the tax code expired, but Congress extends it retroactively along with a few other provisions in the law. These are commonly known as the “tax extenders” just because it is this package of temporary pieces of the tax code that we just group together and pass in one big bill, often for one year on a retroactive basis, and sometime with an extra year going forward. **I have no reason to believe that this will be any different for the 2018 tax year. We've done it every other time since this mortgage forgiveness piece of the code first expired a decade ago.** This is the guidance the IRS issued last year for taxpayers who wanted to use the mortgage forgiveness provisions when filing their 2016 taxes in April 2017. <https://www.irs.gov/pub/irs-pdf/p4681.pdf>

Management/General

HFHI

As HFHI continues to work with affiliates on the collaborative operating model, field tests are in the planning phase now and are scheduled to begin in market next year. As such, HFHI will not be conducting a fall or holiday newspaper insert program for 2018. HFHI will revisit the insert program in spring 2019 once the practice fields are underway.

Review of the Quality Assurance Checklist will return to the previous schedule of an October submittal so even though this information was presented to the Board for FY2018 in March, FY2019 are due in October and will be included for action at the September meeting.

In response to the comment period for SOSI (Stewardship and Organizational Sustainability Initiative), 53% of responding affiliates recommend the extension. Responses for or against included –

The majority of respondents who agreed said they wanted to “extend SOSI to give the Collaborative Operating Model (COM) time to develop well.” Respondents who disagreed expressed a variety of sentiments, including the belief that “the money would be spent better locally,” “HFHI benefits don’t justify the fee,” and that “there is a loss of trust and dysfunctional relationship between affiliates and HFHI.” The top recommendation made by survey respondents was to “reconsider the SOSI fee timing and to allow for payment plans.”

Advocacy

Routine communication with staff at Missouri Housing Development Commission (MHDC) as a Commission meeting and the release of the Affordable Housing Assistance Program (AHAP) application is still unknown. MO Workforce Housing Association (MOWHA), of which Habitat is a member organization is also closely monitoring as federal credit awards (Low Income Housing Tax Credits, LIHTC, among others) are expected to be announced within the next six weeks.

Staff

Habitat Project Manager Kevin Rapp has resigned as of the end of the month. Director of Construction Kyle Hunsberger is evaluating the possibility of an internal candidate among the Site Assistants. And, as usual, the ReStore program is hiring with positions open for a driver and store associates.

All functions of Habitat will be closed on Wednesday September 12th for an annual Summer Outing.

Thanks to US Bank CDC and Chris Roetheli, I will be out of the office August 28th – 31st to participate in the Jimmy Carter Work Project in South Bend, Indiana.



DESIGN B 8/16/18



KILLEEN STUDIO ARCHITECTS
3015 SALENA STREET
ST. LOUIS, MO 63118
314-771-0883

HABITAT FOR HUMANITY
1317 SOUTH TUCKER BOULEVARD

Last updated 8/17/18				
Account Name	Keystone Giving Circle Levels	Committed Donation Amount	2018 Donor Notes	Natural Partner
TD Ameritrade	Contractors Circle	\$ 140,000.00	HFHI partnership	
Anheuser Busch Foundation	Developers Circle	\$ 100,000.00	Onsite, plus extra engagement events	Kimberly McKinney, Harper Zielonko, Marisa Botta
Wells Fargo Advisors	Architects Circle	\$ 80,000.00	75,000 From Advisers- possible extra funding	Harper Zielonko
KMOV TV Home 4 the Holidays	Builders Circle	\$ 60,000.00	Partners unknown at this time. Will be two homes in South City	Kimberly McKinney, Harper Zielonko
Spire	Builders Circle	\$ 50,000.00	400th home sponsor, match challenge partnership absolved. Church is giving alone	Kimberly McKinney, Harper Zielonko
Manchester UMC	Carpenters Circle	\$ 40,000.00	HFHI partnership	Harper Zielonko
Travelers Insurance	Carpenters Circle	\$ 18,000.00	HFHI partnership	Harper Zielonko
Altisource	Carpenters Circle	\$ 15,000.00	HFHI partnership	Harper Zielonko
US Bank	Carpenters Circle	\$ 15,000.00		
Homebuilders Charitable foundation	Carpenters Circle	\$ 15,000.00		
Simmons Charitable Foundation	Carpenters Circle	\$ 15,000.00		
Ladue Chapel	Carpenters Circle	\$ 12,500.00		Harper Zielonko
Bonhomme Presbyterian Church	Carpenters Circle	\$ 10,625.00		
ArcBest	Carpenters Circle	\$ 10,000.00	ABF Freight - new donor	Harper Zielonko
Ashinger Electric Company	Carpenters Circle	\$ 10,000.00	AHAP	Kimberly McKinney, Deirdre Schaneman
Employees Community Fund of Boeing	Carpenters Circle	\$ 10,000.00		
The Integra Group, Inc	Carpenters Circle	\$ 10,000.00	returning group from the fall	Harper Zielonko
The Moneta Group	Carpenters Circle	\$ 7,500.00	returning group from the fall	Harper Zielonko
General Growth Properties	Framers Circle	\$ 7,275.00		
ESCO	Framers Circle	\$ 7,275.00		Kimberly McKinney
Carraden Group	Framers Circle	\$ 6,000.00	monthly giving- Greg Meyer	
Ameren Foundation	Framers Circle	\$ 5,000.00		
Bob & Kathy West	Framers Circle	\$ 5,000.00	2018 Board Commitment	Kimberly McKinney
Bodine Aluminum	Framers Circle	\$ 5,000.00	grant application	Deirdre Schaneman
Diann Cage Design Co	Framers Circle	\$ 5,000.00	2018 Board Commitment	Kimberly McKinney
Ladue High School	Framers Circle	\$ 5,000.00	Chapus Chapter fundraising	Harper Zielonko
Nidec	Framers Circle	\$ 5,000.00		Kimberly McKinney
Martha Kratzer	Framers Circle	\$ 5,000.00		
Oque Foundation	Framers Circle	\$ 5,000.00	Working a half day for their KC and STL office	Harper Zielonko
Linda Loewenstein	Crew Member	\$ 3,300.00	2018 Board Commitment	Kimberly McKinney
Washington University Campus Chapter	Crew Member	\$ 3,000.00		
St. Louis University Campus Chapter	Crew Member	\$ 3,000.00		
Kimberly & Kevin McKinney	Crew Member	\$ 2,500.00		
Amy Berg	Crew Member	\$ 2,500.00	2018 Board Commitment	Kimberly McKinney
Rick & Mary Anne Roberts	Crew Member	\$ 2,500.00	AHAP	Deirdre Schaneman & Harper Zielonko
Peggy Holly	Crew Member	\$ 2,400.00	2018 Board Commitment	
Jeffrey St. Onser	Crew Member	\$ 2,000.00	2018 Board Commitment	Kimberly McKinney
Peggy Holly	Crew member	\$ 2,000.00	2018 Board Commitment	
Todd Smith	Crew Member	\$ 2,000.00		
Webster Groves Presbyterian	Crew Member	\$ 2,000.00		
Shirley Dowdy	Crew Member	\$ 2,000.00		Deirdre Schaneman
Pattye Taylor Phillips	Crew Member	\$ 1,900.00	2018 Board Commitment	Kimberly McKinney
Kimberly & Kevin McKinney	Crew Member	\$ 1,790.00		
Roger & Susan Brown	Crew Member	\$ 1,600.00	2018 Board Commitment	
Boeing	Crew Member	\$ 1,538.00	individual matches	Deirdre Schaneman
Linda Mohen	Crew Member	\$ 1,500.00	2018 Board Commitment	
Anna Hart	Crew Member	\$ 1,500.00	2018 Board Commitment	
Ed & Brenda Alizadeh	Crew Member	\$ 1,500.00	2018 Board Commitment	
Marc Hirshman	Crew Member	\$ 1,500.00	2018 Board Commitment	
Ruth Siteman	Crew Member	\$ 1,500.00	Individual donor	Deirdre Schaneman & Harper Zielonko
BUILDERS CLUB TEAMS				
Towers Watson	Builders Club Team	\$ 4,000.00		
Brad & Heather Strahorn	Builders Club Team	\$ 3,000.00	2 Builders Club teams- new donor	Harper Zielonko
Crawford Butz	Builders Club Team	\$ 2,500.00		
Abstract Marketing	Builders Club Teams	\$ 2,000.00	New donor	Harper Zielonko
Medco Tool	Builders Club Team	\$ 2,000.00		
Whelan Security	Builders Club Team	\$ 2,000.00		
RedKey Realty	Builders Club Team	\$ 2,000.00		
Genworth Mortgage	Builders Club Team	\$ 2,000.00		
Country Financial	Builders Club Team	\$ 2,000.00		
Interfaith Community Partnership	Builders Club Team	\$ 2,000.00	TwoStory Builders Club Team	Harper Zielonko
Renewal by Anderson	Builders Club Team	\$ 2,000.00	TwoStory Builders Club Team - New donor	Harper Zielonko
Wallis Companies	Builders Club Team	\$ 2,000.00	TwoStory Builders Club Team- New Donor	Harper Zielonko



Finance Committee Minutes

June 19, 2018

Mission Statement: The objective of the Finance committee is to support long-term growth and stability through effective stewardship of all financial affairs. This stewardship will include recommendations and counsel to the board and staff related to: current financial situation; financing and mortgage policies, procedures and practices; accounting and control policies, procedures and practices; annual and long-term financial plans.

Facilitator(s): Dan Cierpiot, Kimberly McKinney and Julia Hart
Scribe: Sabrina Stahl
Attendees: Stephen Westbrooks, Chris Roetheli, Judy Cromer, Bob Frank, Mike Giger, Andy Weissler, John Castagno, Rob Anderson

Approval of Minutes:

- A Motion was made by John Castagno to approve the minutes of May 15, 2018. Mike Giger seconded.
- All in attendance approved and there were no objections or abstentions.

Introductions

- Introductions were done to welcome new finance committee member Andy Weissler.

Audit Presentation

- Jeff Dowd (by phone), Kristy Maes and Jonathan Senkbeil from CohnReznick presented the 2017 final audit and Business Performance Analysis (BPA) to the Finance Committee.
- Jeff reviewed the audit and addressed any questions or concerns the committee members had. Kristy and Jonathan also fielded questions as needed
- The committee members made recommendations to clarify differences in Profit & Loss Statements compared to Cash Flow, due to non-cash transactions.
- Once discussions were complete Chris Roethli moved to recommend the 2017 Audit be presented to the Board with the above change noted. Judy Cromer seconded the motion and all in attendance approved.

Updates

- The mortgage loan fund has made significant progress and should close in June 2018.
- We will be beginning building projects in LaSaison as well as the second phase of Tiffany in July 2018.
- ReStore sales dipped in early 2018 due to the winding down of ReStore Forest Park and the move to the new location.
- May sales for both ReStore South Side and Des Peres were better than expected, with bonuses being paid to associates. They are on track to beat the predicted for June as well.



May 2018 Results

- Julia reported net loss of \$177,961 as of May 31. Fundraising Net Revenue is off budget by \$153k, ReStore Forest Park Revenue is off budget by \$80k and ReStore Des Peres Revenue exceeds budget by \$25k.
- Cash is up \$61k YOY and payables are down \$139k YOY.
- The Trending report reflects proceeds from the sale of 13 homes, 8 carry-forward and 5 new builds. 3434 Indiana is now expected to sell in 2019.
- The Trending report projects a net surplus of \$322,795 at year end vs. \$874,948 budgeted.
- The Cash report projects \$236,833 of cash at year end and \$871,068 of short term debt.

Announcement and Adjournment

- The meeting was adjourned.

Next Meeting: August 21, 2018 – Habitat for Humanity Saint Louis
Topics to be covered: June-July 2018 financial Statements



Leading Edge Committee Meeting Minutes

To: Leading Edge Committee Members and HFHSL Board of Directors
From: Joe Fetter, HFHSL Volunteer Services Manager
Date: July 25, 2018 @ HFHSL Boardroom
Attendees: Paul Tohl (LE Chair), Bill Schwartz, Bob Fayman, John Beaury, Bob Frank, Erica Flanagan, Kathy Ryan, Kevin Rapp (HFHSL PM), Joe Fetter (HFHSL VSM)
Absent: Brandon Meinert

I. Welcome – 6:00pm

Paul Tohl, Leading Edge Committee Chair

II. Approved June 2018 Minutes

- a. June 2018 minutes reviewed
- b. Bob Frank moves to accept the minutes as written. Kathy Ryan seconds.
- c. June 2018 minutes are approved.

III. Sub-Committee 2018 Updates

a. Leadership Recruitment & Retention (R&R) Subcommittee

- i. Review of CLT 2018 numbers and statistics (see meeting agenda)
- ii. Mentorship Program Updates
 1. There are nine (9) confirmed mentors.
 2. Joe will mention the mentorship program in his initial welcome email to new CLTs.
 3. Mentors should be aware that the first time they reach out to a mentee will likely be the first time that that mentee has heard of the program (aside from Joe's email).
 4. Mentors shouldn't solve problems for mentees or teach them technical skills. Rather, they should help guide them through the CLT program.

b. Leadership Training Sub-Committee

- i. July 21st Flooring Training Review
 1. 8 CLTs attended.
 2. Overall, leaders felt like it went well and everyone was engaged.
 3. We forgot to bring the surveys. We need to remember these for future trainings.
- ii. Upcoming Trainings
 1. August 11th at Anistasia
 - a. Topic: Interior Doors and Cabinetry
 - b. Instructors: Bob Miller, Paul Tohl, Kevin Rapp
 2. August 25th at Anistasia
 - a. Topic: Base Trim
 - b. Instructors: Paul Tohl, Bill Schwartz, Kevin Rapp

3. Discussion of compressing the Intro to Construction Leadership training
 - a. We can cut it down to about 2.5 hours and cover just the basics (site leadership, general safety, basic tool use, etc.)
 - b. This way, we could hold it in the warehouse during the evening
 - c. Discussion of building something in the warehouse for the training to practice the skills
 - i. Storage boxes: This is possible, but would be hard in a short training. Plus, we have no use for them, so they would likely take up space and go to waste.
 - ii. Bob Miller suggests thinking for something that could easily be assembled, but then disassembled after the training is over.

c. **Inactive Construction Leaders**

- i. Paul Tohl will contact Cody Henderson and Bill Schwartz will contact Jim Samel to see if they are still interested in being CLs.

IV. **Upcoming LE Committee Meetings**

- a. **Leading Edge Committee:** Wednesday, August 22nd, 2018; 6pm at South Grand
- b. After August, Joe is no longer available to meet on Wednesdays. We will decide on a new meeting day at the next meeting.

V. **Meeting Adjourned – 7:00pm**