

HABITAT FOR HUMANITY ST. LOUIS

TO: HFHSL Board of Directors

FROM: Kimberly McKinney

RE: Board of Directors Meeting

Tuesday, August 27th - 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 27, 2019**

Call to Order	Chris Roetheli
Mission Moment	
Minutes of June 25, 2019 Meeting	Pattye Taylor-Phillips
Treasurer's Report	Stephen Westbrook
CEO Report	Kimberly McKinney
Committee Reports: Discussion of any requiring Board action and/or questions regarding written reports.	
Strategic Topic	The Who: Getting to Know Your Peer Members
Other/Open Business	
Adjournment of Full Board	
Executive Session <i>*as needed</i>	
Adjournment	

MARK YOUR CALENDARS:

Upcoming Events

Friday, September 20, 2019	Executive Build, 2 of 3
Tuesday, September 24, 2019	Board Meeting, 11:30 AM
Tuesday, October 22, 2019	Board Meeting, 11:30 AM
Tuesday, November 12, 2019	November Finance Committee Meeting, 11:30 AM
Tuesday, November 19, 2019	Board Meeting, 11:30 AM
Friday, December 6, 2019	Executive Build, 3 of 3

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

Habitat for Humanity Saint Louis (HFHSL)
June 25, 2019 Meeting Notes

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

Chris Roetheli	Stephen Westbrook	Patty Taylor-Phillips
Natasha Das	Amy Berg	Anna Hart
Jami Boyles	Nick Popielski	Subash Alias
Barb Anderson-Kerlin	Anna Hart	Tiffany Harvey-Horton
Peggy Holly	Malaika Horne	Linda Loewenstein
Emily Martin	Linda Moen	Carla Reid
John Short	Howard Smith	Marc Hirshman
Kimberly McKinney	Dan Cierpiot	Jeff Dowd, CohnReznick

Chris Roetheli called the meeting to order at 11:34 am. The mission moment was given by Dan Cierpiot (Director of Operations).

Minutes: A motion to approve the minutes from the May 21, 2019 Board of Directors meeting was made by Amy Berg and seconded by Peggy Holly. The motion was approved.

Strategic Topic: Presentation of the 2018 Audit by Jeff Dowd of CohnReznick, Stephen Westbrook (Board Treasurer), and Dan Cierpiot. The audit documentation distributed to board members and reviewed at the meeting contained 1) the Combined Financial Statements and Independent Auditor's Report for the time period ending December 31, 2018 with comparison to the performance ending December 31, 2017, and 2) the Business Performance Analysis that provides a summary of the 2018 audit. During the review of the Combined Financial Statements, differences between 2017 and 2018 performance were discussed and explained. Jeff Dowd of CohnReznick issued an unqualified opinion of the audit with no issues.

Highlights from the Assets, Liabilities and Net Assets Reporting, & Expenses (in the Audit):

1. Total Fixed Assets grew from \$1,576,665 (in 2017) to \$3,899,813 (in 2018). The increase was due to the build out of 3830 South Grand and the associated value of the facility, property, and fixed assets.
2. Net capitalized costs were lower in 2018 (at \$111,303) compared to 2017 (at \$150,472) due to fees paid in the prior year for the 2017 NMTC transactions.
3. Long term liabilities associated with long-term debt from NMTC transactions in 2011, 2012, and 2017 were \$9,118,546 (in 2017) and were unwound in 2018, ending at \$3,595,000.
4. Expenses are in a good position in 2018 at \$6,898,866, compared to 2017 at \$7,045,937. The primary driver of expenses is program services (84%).
5. Jeff Dowd was asked how Habitat-Saint Louis' cash position compares to other non-profits. He replied that it is difficult to compare Habitat to other non-profits because the operations are different. The best comparison could be to other Habitat organizations. Jeff also works on the audit for the LA Habitat and noted that he could investigate and report back. In comparing Habitat Saint Louis to other non-profits, Kimberly shared that there are multiple services including Charity Navigator that rates non-profit organizations. One of the metrics is the percent that supports the mission or program vs. administrative/fundraising costs. The standard benchmark for scoring is 70/30%. Per the audit being reviewed, Habitat Saint Louis is currently accessed as 84% /16%

Highlights from the 2018 Habitat – Saint Louis Audit Business Performance Analysis:
Habitat Saint Louis Strengths and Accomplishments:

1. Successfully completed the build out and organizational move to the new HFHSL headquarters facility at 3038 South Grand. The new HQ was recognized by the Mayor of the City of Saint Louis Developer/Development of the Year Award and was a finalist for the Association of General Contractors Keystone Award.
2. During 2018, 20 homes – all built and /or rehabbed to Zero Energy Ready standards – were under construction in targeted, higher profile, stable neighborhoods, such as Lafayette Square/La Saison, Marine Villa, Tiffany and Carondelet.
3. Finalized the creation of the cutting edge Mortgage Loan Fund in partnership with local banks which included an unprecedented committed interest rate of 2.5% on newly originated mortgages.
4. HFHSL began pre-development work on the 10 home LaSaison project in the Lafayette Square area, a development that includes \$968,500 in funding from the SLHA and the Affordable Housing Commission.
5. HFHSL partnered again with KMOV on the high profile “Home for the Holidays” build, a two home project in the Carondelet neighborhood that included \$50,000 in Mission Support Funding, and approximately \$500,000 worth of media coverage and advertising. Additionally, received a commitment to continue the partnership in 2019.
6. ReStore revenues grew by \$151,000 year over year, realizing sales of more than \$1.25 million. This was accomplished in the middle of the move to the South Grand location and with a temporary shutdown of the ReStore during the move.
7. Once again received a \$1 million allocation of AHAP tax credits which were leveraged to enhance Mission Support, and offset organizational expenses.

Habitat Saint Louis Opportunities for Improvement:

1. Liquidity and Operations – Continue to improve operating cash flow and management of current liabilities in accordance with the new Financial Reporting Standards.
2. Fundraising – Renewed campaign for fundraising participation 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 HFH 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.

Restore: Restore sales in 2018 exceeded 2017, although the city location was not open for 4 months (January – April 2018) due to construction and the move to the new location. Expenses were slightly higher in 2018 due to operating 3 locations during the transition. Donations remain strong at both Restores.

In 2020 there will be a change to how lease agreements are represented in the financial statements. While Habitat-Saint Louis does not have a great deal of leases, there will be a few contracts, such as copier leases, that may be affected by the accounting change.

After review of the 2018 audit, there was a motion to approve the 2018 audit of Habitat Saint Louis as presented. Motion was made by Amy Berg, and seconded by John Short. The motion was approved.

Kimberly reviewed the May 2019 Dashboard. She reported that ReStore sales are rebounding from the winter months

CEO Report: As part of success and shout outs, Kimberly expressed thanks to Natasha Das who is reviewing the Restrictive Easement Agreement with Family Dollar and assisting with repayment of snow removal and trash services that have been paid by Habitat Saint Louis. She also thanked both Amy Berg and Emily Martin for their assistance with information related to Davis Bacon and prevailing wage. Lastly, thanks to Anheuser-Busch/InBev for their participation in the recent Habitat "Road Show" event held on the A-B parking lot. Photos of the event were displayed on the screen.

Habitat for Humanity International Update: The replacement for SOSI is in work. Advisory committee meetings are being held via conference calls to discuss changes to the agreement. To assist with donor transparency that it is important to give local, if donors wish to build local, a 15 second PSA has been recorded featuring Kyle Hunsberger, Director of Construction, and a 5 second version will be added using just a voiceover. The PSA will run on KMOV-TV (Channel 4) at least until the end of July (to coincide with the summer challenge). Additionally, a follow-up postcard is slated for late June. On another note, Kimberly has been asked to renew as a member of the HFHI Policy Committee of US Council.

Summer Challenge: The summer appeal hit mailboxes early June as planned and through June 24th, \$32,800 (or 65%) has been received or pledged (via charitable trusts). As a reminder, the goal is that individual donors match \$50K (the Spire money) between June 1 – July 31 with a "bonus" that if \$50k worth of matched support is garnered by July 31, the Board will kick in an additional \$10K which would bring the total to \$110k (approximately 7% of the total Mission Support budget number of \$1,601, 500). Related to above, HFHI's Direct Mail calendar indicates six emails related to a "Habitat Challenge" between June 4th and June 28th, a sample email was shared.

Executive Build: Development Council members, Craig Webster, BR+A Consulting Engineers and Alex Kuehling, Rosenblum Goldenhersh, will be cohosting the September 20th Executive Build with Kathy Sorkin. The December 2019 build will be cohosted by Subash Alias and Jamey Edgerton. Please forward any referrals to either Harper or Kimberly. The registration link is: <https://www.habitatstl.org/executive-build-registration-now-open/>

HFHSL Headquarters Outparcel: A taskforce of the Board met June 4th. Various documents are being reviewed/prepared with an update planned at the August meeting. If you would like a more specific update or wish to participate, please contact Kimberly.

The Mortgage Loan Fund: Board Retreat Outcome 2015: The fund is up and running with three investors! Just under \$800K in loans have closed of the \$3 million currently committed.

Neighborhoods/Home Construction/Homebuyers: Michael Powers, Real Estate Development Manager, developed a summary of the scheduled builds and their locations. The Board Packet for June contains a summary of each neighborhood with maps to show where builds are in progress and/or planned.

Scattered South City Sites: Closings on Ulena and Indiana to occur by end of July (slightly delayed due to weather/flooding slowing down the completion of flatwork). Based on concerns

regarding timing of the environmental work (timing dependent on the City of Saint Louis), the KMOV build will be moved to the Indiana lot adjacent to the house nearing completion.

Tiffany Phase II is in the final phases with masonry nearly completed. Closing on these homes is being planned (tentatively also July). One of the Tiffany families will be a recipient of the First Things First (Kurt and Brenda Warner) blessing on July 6th at 10:00 am.

La Saison: (previously noted as New City Build): Excavation and foundation work is underway (digging the foundations). First Wall ceremony is slated for Thursday, July 18th, flyer attached. This is a great celebratory event to invite prospects to attend, please forward to contacts.

Lookaway Phase 2 – 7 homes, \$446,751: Start date continues to await the completion by CDA (Community Development Administration) of an environmental review.

Gate District (across from Tiffany) – 5 homes, \$285,800: Projected to start Fall of 2019. At the request of Midtown Redevelopment, a presentation was made to SLU staff who may have an interest in homeownership. With overwhelming attendance (over 50 people), it set the stage for future phases in this community.

Future builds:

Tiffany Phase 3 – 3 homes, \$216,287: Projected to start in 2020

University City Phase 3 – 7 homes, \$425,000: Saint Louis County Office of Community Development is in the process of drafting loan documents; start date contingent on outcome and timing of Lookaway environmental review.

ReStore

Mid-year inventory is scheduled for July 2nd and 3rd (closed on the 4th for the holiday); a graduated sale (10% on day 1 - 50% on day 5) will occur just prior to inventory.

Management/General

The administrative offices & construction will be closed on July 4th and 5th in observation of the Holiday.

There is no July 2019 Board meeting, the board will reconvene on August 27, 2019.

Adjournment

There being no further business, the meeting adjourned at time 12:28 pm. The motion was made by Amy Berg and seconded by Peggy Holly. The motion was approved.

Respectfully submitted: Pattye Taylor-Phillips, Board Secretary

Habitat for Humanity of Saint Louis
Dashboard
as of July 2019

Income and Expenses						
	YTD Actual	YTD Budget	%	Annual Budget	Prior Year YTD	
Mission Support	\$711,767	\$776,325	92%	\$1,601,500	\$808,045	
Restricted Contributions	\$80,000	\$58,331	137%	\$100,000	\$90,000	\$80k is Wells Fargo \$ that is restricted as the grant requires it to be connected to a specific address.
Total RD Revenue	\$791,767	\$834,656	95%	\$1,701,500	\$898,045	
Construction Grants	\$90,931	\$683,730	13%	\$1,367,460	\$30,000	
Total Contributions	\$882,698	\$1,518,386	58%	\$3,068,960	\$928,045	
Other Income	\$1,141,428	\$992,432	115%	\$2,816,291	\$1,780,730	AHAP overbudget by \$225k AHAP exchange with CohnReznick, Berkley Lumber.
House Transfers	\$403,000	\$1,800,000	22%	\$3,600,000	\$145,000	
Construction In-kind	\$73,097	\$87,000	84%	\$174,000	\$421,411	Schneider Electric, Whirlpool and Valspar.
ReStore South Side (SS/FP) Revenue	\$342,205	\$386,000	89%	\$650,000	\$249,419	
ReStore Des Peres (DP) Revenue	\$378,957	\$455,231	83%	\$780,400	\$448,580	
Total Income	\$3,221,385	\$5,239,049	61%	\$11,089,651	\$3,973,185	
Operating Expenditures	\$2,145,443	\$2,476,276	87%	\$5,755,112	\$2,477,685	
Home Construction	\$502,924	\$2,196,609	23%	\$4,393,219	\$155,791	
Total Expenditures	\$2,648,367	\$4,672,885	57%	\$10,148,331	\$2,633,476	
Net Profit (Loss)	\$573,018	\$566,164	101%	\$941,320	\$1,339,709	
ReStore Forest Park Profit (Loss)	\$84,098	\$103,570	81%	\$145,767	\$113,605	
ReStore Des Peres Profit (Loss)	\$243,248	\$351,671	69%	\$582,986	\$385,294	
	Principal Bal	High Limit				
3830 South Grand / Royal TEBF	\$2,040,000	\$2,040,000				
Royal Bank Construction Line of Credit	\$378,225					
Royal Banks Truck Loan	\$43,924	\$48,950				
Royal Bank LOC	\$800,000	\$800,000				
Peoples Bank LOC	\$638,755	\$1,189,367				
	YTD 2019	YTD 2018		Change		
Year/Year Change in Cash	\$110,489	\$130,252		(\$19,763)		
Year/Year AP	\$908,211	\$655,150		\$253,061		
Year/Year Change in Debt	\$1,440,630	\$1,652,165		(\$211,535)		
Mortgages	Actual	Benchmark				
Delinquent Mortgages (90+ days)	2					CitiMortgage shared that Cenlar Financial will return to policy of charge offs rather than write off s. This will negatively effect the buyers credit for up to 7 years. We will NOT have a contact beyond Aug. 2019.
Open Communication w Representative	0					
Construction	Actual	Benchmark				
Housing Units Closed	3					
Housing Units Under Construction	11					
Construction In Progress	\$1,344,935					
Cost/Closed	\$156,624					Includes In Kind Amount of \$19,453 (average per home)
Financial Donor Volunteer Days	4					4 of 5 possible build days / 0 ReStore groups
Homeowner Applications Distributed	125					125/186 or 67% return rate. 200 Tier 2 / 16 Approved. Buyers for both Indiana homes & Buddie in Hazelwood. 2 potential buyers for the last Ulana house and plan to have this finalized in the next few weeks.
Lots Available	15					Ownership or Option. One additional property has an accepted option contract that hasn't yet been
Vacant Homes	0					No owned, any vacancies are pending title issue resolution/ Wellston (5) Vacant Lots
ReStore	Actual	Benchmark				
Average Number of Transactions SS	1361					Per Month and Per Customer (not per item)/-34 from prior report; +107 from prior year.
Average Number of Transactions DP	1534					Per Month and Customer. -33 from prior report, -52 from prior year
Average Sales Per Square Foot SS	\$28.62	\$22.71				HFHI median of stores similar sqft (20k), -1.18 from prior report,+\$.8.00 from prior year.
Average Sales Per Square Foot DP	\$16.24	\$23.99				Benchmark (40k sqft as basis)/ -0.42 from prior report; -\$3.01 from prior year.
Total pickups/drop-offs this month	770					176 Pick-Ups/134 drop offs SS/460 drop offs DP.
						COMMENTS
Resource Development	Actual	Benchmark				
New Donors : Mission Support	243					Increase of 17 from prior report, decrease of 33 from prior year.
New Donors YTD -Contribution= / > \$1200	18					Increase of 2 prior report / increase of 15 prior year
Median GC Gift Amount	\$50					No change from prior report or prior year.
Renewed Mission Support Donor %	49%	40%				Benchmark reflects a NFP Standard
Renewed Keystone members/Specialty	59					Increase of 10 from prior report / increase of 4 from prior year.
New Keystone members/Specialty Buil	20					Increase of 4 from prior report / increase of 3 from prior year.
						COMMENTS
Board Engagement	Actual	Benchmark				
Board Meeting Attendance	58%	80%				80% Best Practice Recommendation
Board Percentage (personal giving ytd %)	67%	100%				Per HFHSL Statement of Commitment. Increase of 12% from prior report and 22% from prior year
Board Giving (Total \$ YTD)	\$29,425					Increase of \$4335 from prior year

**Habitat for Humanity Saint Louis Board of Directors Meeting
Tuesday, August 27, 2019
CEO Report**

Successes and Shout Outs!

Resource Development

HFHI

Advisory groups for HFHI Collaborative Development have been reassigned for FY2019. With meetings (via conference call) beginning the week of August 19th, the focus will continue to be on (1) the role of tithe within Habitat 2.0 and (2) the fee structure for affiliates to replace the monies raised by HFHI (via direct mail, telemarketing, online, and through newspaper inserts). Currently HFHI receives approximately \$74 million dollars in restricted funds on behalf of US affiliates and \$90 million in unrestricted donations which they retain for their own operations. If approved, some or all of the \$90 million would also be transferred to affiliates and an affiliate fee (as a replacement to the current Stewardship and Sustainability Initiative – SOSI) would fund HFHI operations.

Prior advisory committees and ultimately the US Council and HFHI Board of Directors has determined that establishing the appropriate number of affiliates, using affiliate production as an approach, and minimum production standards is out of scope for Habitat 2.0

The June advisory group calls focused on tithe and whether it would/would not be included in the new fee with affiliates being evenly split - 53% responded “yes, *Habitat 2.0 should be inclusive of all International support including tithe.*” And 47% responded that no, Habitat 2.0 should not include tithe. As a result, tithe will continue to be a part of the Habitat 2.0 discussion.

The August calls will focus on “bucketing” affiliates and is intended to group affiliates based on amounts raised. Based on FY17, 90% of the \$90 million in unrestricted funds was raised from the GSA of 25% of affiliates (including Habitat Saint Louis).

To begin the conversation that there may need to be multiple solutions, reflective of similar tensions regarding fundraising, HFHI has identified two buckets – the 352 affiliates where 90% of the current unrestricted money is raised, and the 1,014 that comprise the other 10%. Additional information about the two buckets follows –

Population of GSA	352 Affiliates	1,014 Affiliates
Very Large (750k+)	76	2
Large (250k-749,999)	150	20
Medium (100k – 249,999k)	106	177
Intermediate (50k-99,999k)	16	249
Small (<50k)	4	566

Currently, SOSI is based on GSA.

Historical Info:

SOSI began in 2014 as an “annual fee to offset a portion of the costs associated with efforts that benefit all affiliates”. From the onset, SOSI was tied to collaborative development review as affiliate feedback overwhelmingly challenged the fairness of a fee while HFHI continued raising money via direct and electronic mail along with telemarketing in competition with local affiliates.

Most recently, the US-SOSI policy was extended until June 30, 2021. The two-year extension of US-SOSI in its current form was approved in order “to allow HFHI and affiliate leadership to focus on the ongoing Collaborative Operating Model (COM) work, while ensuring HFHI continues to receive revenues needed to maintain the current level of support to affiliates, as well as the COM work.” The SOSI fee for Habitat St. Louis is currently \$25k annually (for a total of \$125k paid to date). To further the conversation along collaborative development, HFHI provided to each affiliate the dollar amount benefit received from HFHI during the past year, and for the first time ever, the total amount raised from the number of donors within the affiliate GSA. The fiscal year amounts for St. Louis are –

FY2017	\$528,529 (4,570 donors)
FY2016	\$472,349 (4,327 donors)
FY 2015	\$489,162 (4,198 donors)

for a three year total of \$1,490,040 raised from direct mail (including media inserts), telemarketing and online giving (email, search engine, digital display, web-giving). Transfers to St. Louis during this time are reported to be \$172k (FY17), \$273k (FY16) and \$136k (FY15) for a total of \$581k. These amounts are representative of both cash in the form of national partnerships like TD Ameritrade and HFHI’s value of gifts in kind such as the Whirlpool appliance donations.

Mission Support

Summer Challenge: Challenge goal met! Much thanks to those who participated.

Below are the results as of the Challenge end date:

2019’s totals:

Total Gifts (excluding BOD): 202
Total Amount Received (excluding BOD): \$69,406
BOD Gifts: 24
BOD Total Amount Received: \$11,600
Spire Contribution: \$50,000
TOTAL RECEIVED: \$131,006

2018’s totals:

Total Gifts: 225
Total amount received: \$53,134
Spire Contribution: \$50,000
TOTAL RECEIVED: \$103,134

Executive Build: As shared, Kathy Sorkin (Development Council) is sharing as the host for the September event. To date, the following individuals are registered –

David Rhoads	Accurate Disbursing
David Will	Central Bank
Annie Kowert	HBDGC
Connor Kolb	Chapman Ventures
Ken Mohr	Hera Inc

The registration link is – and allows for registration at either the September or December event:
<https://www.habitatstl.org/executive-build-registration-now-open/>

Volunteer Appreciation Event flier attached

Mark your calendars to attend our annual Volunteer Appreciation Event, Sunday October 27th, anytime between noon and 3 pm at the Anheuser Busch Biergarten (*Thanks Marisa!*). Register at WWW.HABITATSTL.ORG/VOLUNTEERLUNCH

Program

HFHSL Headquarters

We hosted the August meeting of St. Louis Council of Construction Consumers - and served as one of the presenters – to approximately 40 industry professionals (many of whom did not know about the ReStore). In September, we will host an event of the Association of General Contractors. *Much thanks Amy!*

We have applied for a new Ameren business initiative program for nonprofits. At no cost, an energy audit has been conducted at 3830 South Grand and, if approved, could result in upgrades to lights and HVAC (also at no cost). An email ask to determine if ReStore Des Peres can also be considered is pending. *Much thanks LaDawn!*

Outparcel

As part of the due diligence related to the outparcel, a review of the Restriction and Easement Agreement (REA) has resulted in a \$62,948.58 invoice being submitted to the corporate offices of Family Dollar for paving, snow removal and general upkeep (trash pickup). *Much thanks Natasha!*

After meeting with David Stiffler from Equifax, a group brainstorming meeting is pending for development of the outparcel representative of a community benefit. Outreach to attend includes Paul Woodruff (Prosperity Connection), Amanda Colon-Smith (Dutchtown South), Kevin Wilson (Small Business Empowerment Center), among others. Once a date is confirmed, I will share it for those interested to attend. *Much thanks Jared!*

Mortgage Loan Fund: Board Retreat Outcome 2015

A follow up meeting with representatives from Citizens National Bank, who have made a tentative commitment, is scheduled for August 22nd. When/If they finalize their participation, they will represent the fourth investor to the Fund.

ReStore

As shared in April, HFHI Policy Committee advanced a recommendation to the US Council that would strengthen the policy of HFHI approval to open (new or expansion) or relocate a ReStore. While previously a policy was in place noting that approval should be sought, it had no specific requirements related to what information would be submitted or ramifications when/if approval was not sought. If the new policy is approved by US Council, approval would be tied to Good Standing similar to the SOSI affiliate fee and other reporting requirements currently in place (and which limits an affiliates ability to participate in national partnerships like Whirlpool). The policy comment period ended in early August and overwhelmingly represents a reluctance to empower HFHI to approve new/relocated store locations. Of the 128 responses (several of which represent multiple affiliates i.e. a State Support Organization responding on behalf of 15 affiliates), 33 comments – all negative – were received in response to written approval as tied to Good Standing.

Neighborhoods/ Home Construction/Homebuyers

Scattered South City Sites: The closing on Ulena was cancelled after an issue with the applicant that resulted in disqualification. Family Services has identified two additional applicants who are interested in the Ulena property and anticipates closing being rescheduled soon. The Indiana closing is slated for August 28th (delayed due to backorder of railings

required for final inspection). The KMOV build will be moved to the Indiana lot adjacent to this property and an outgoing (media ready) buyer has been identified.

Tiffany Phase II. All three homes are slated to close on September 11th.

La Saison: (previously noted as New City Build): Build underway. The First Wall ceremony was held July 18th and resulted in great media coverage. Based on the current schedule, two of the Phase 1 (5 homes) will close by year end. Phase 2 is slated to begin in early October but may be delayed as challenges continue regarding documentation and processes with the St. Louis Housing Authority.

Lookaway Phase 2 – 7 homes, \$446,751: Start date continues to await the completion by CDA (Community Development Administration) of an environmental review.

Gate District (across from Tiffany) - 5 homes, \$285,800: Based on the delays with the City and the environmental review of the project above, Gate District has been moved up. Site development and excavation will occur within the next couple of months. Additionally, we will be responding to a recently released RFP for future phases.

Future Builds:

Tiffany Phase 3 – 3 homes, \$216,287: Projected to start 2020.

University City Phase 3 – 7 homes, \$425,000: Property transfer and UC support (specifically for the application of AHAPs – a NOFA has been released) will be on the September 9th City Council agenda. Following a meeting with the City Manager and Director of Planning and Development, no issues are anticipated.

Management/General

As 2019 Christmas/NY holidays fall on Tuesday/Wednesday, the Administrative offices will be closed December 23 – December 25th, will close early on 12/31 and will be closed on 1/1.

The ReStore will be closed to the public on December 26th and 27th for inventory, will reopen on December 28th – 29th and then close again from Monday 12/30 (per normal schedule) – January 2nd.

To avoid conflicting with the Thanksgiving holiday, the **November Board** meeting has been moved from the fourth Tuesday (November 26th) to **November 19th**. Finance Committee will meet on November 12th. Members who would like a more in-depth discussion about the 2020 budget are encouraged to attend. Both meetings begin at 11:30 am.

VOLUNTEER APPRECIATION LUNCH



Habitat for Humanity[®]
Saint Louis

SUNDAY, OCTOBER 27TH
OPEN HOUSE FROM 12 PM - 3 PM
ANHEUSER-BUSCH BIERGARTEN

RSVP at habitatstl.org/volunteerlunch

BUILDERS CLUB TEAMS



Development Council Meeting Minutes

Date & Time: August 6th 2019

Location: St. Louis Title, LLC. 7701 Forsyth Blvd Suite 200, Clayton MO 63105

Parking: St. Louis Title can validate both outdoor parking available off Hanley, garage parking available of Forsyth

In attendance: Nat Walsh, Kimberly McKinney, Stacey Hudson, Kathy Sorkin, Lauren Talley, Ellen Mannion, Jacqueline Horton, Dan Thieret and Harper Zielonko

- **Welcome and Introduction**

Nat Walsh- Development Council Chair

- **Habitat for Humanity Saint Louis 2018 Construction Update**

Kimberly McKinney- CEO Habitat for Humanity Saint Louis

- Construction update

- Closings: Indiana in August, Hazelwood, Ulena, & Tiffany (3) to follow

- New Projects:

- La Saison – first phase of 5 homes under construction, five more to follow starting in 2020 partnership with SLHA and MHDC
- Gate District- partnership with SLU redevelopment 5 homes in phase 1 with the hope that a phase 2 will then follow. Looking to have foundations in later this fall for 2020 start
- Lookaway phase 2 – 7 homes finishing off this development. Current start date unknown. Working on environmental reviews. Hope for foundations later this fall.

- August 17th Housewarming 11am-1pm 3830 S Grand Habitat Offices – All are welcome

- **HFHI vs HFHSL** – Our parent company Habitat for Humanity International is advertising in our market and may be increasing their presence here. This creates confusion we are trying to counter locally. We have increased our own Give Local to Build Local messaging with print and tv pieces. If you hear of anyone saying they support Habitat please do make sure they are sending their check to the local address.

- **2019 Development Council Projects**

Harper Zielonko- Resource Development Relationship Manager

- Executive Build- \$500 donation per person. September 20th, December 6th.

- New format is quarterly with a DC or BOD sponsor/co-sponsor

- Kathy Sorkin has graciously offered to host this Septembers build and we are up to 6 participants. Please encourage participants to register [here](#).

- Industry Challenges- This program is designed to raise money from within an industry (realty companies, CPA Firms, etc) during one month and works best but not exclusively with transactional industries. We can make this work in any industry as long as we have people willing to help us make the contacts. Reach out to Harper!
- Dates for 2019 to keep in mind
 - Meeting dates: October 8th and December 3rd
- Events Habitat is hosting
 - Volunteer Appreciation Luncheon @ Anheuser Busch October 27th @ noon
 - KMOV Build October 28th-November 22nd. Dedication November 25th
 - KMOV is totally sold with 10 partners: Imos, Brown & Crouppen, TDK Technologies, Regions Bank, Koch Air, Spectrum, Clayco, Mastercard, Carpenters Union, & USA Mortgage.

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



Finance Committee Minutes

June 18, 2019

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 Tom Wohlfeil
Scribe: Sabrina Stahl
Attendees: Stephen Westbrooks, Mike Giger, Andy Weissler, Rob Anderson, Pattye Taylor-Phillips, Nathaniel Walsh

Approval of Minutes

- Mike Giger moved to approve May 14, 2019 minutes. Andy Weissler seconded the motion.
- All in attendance approved and there were no objections or abstentions.

Audit Presentation

- Jeff Dowd and Dan Rehor from CohnReznick presented the 2018 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. Dan Rehor also answered questions as needed.
- Changes in accounting standards caused some changes in the way things are grouped on financial statements, such as fewer categories for Restricted funds.
- Once discussions were complete Mike Giger moved to recommend the 2018 Audit be presented to the Board no changes. Rob Anderson seconded the motion and all in attendance approved.

Updates

- Ground breaking has taken place for La Saison Phase 1, and we are well on our way with this project
- We anticipate 5-6 home closings to take place by the end of July/ beginning of August. They should include the three homes in Tiffany Phase 2, one on Ulena and one on Indiana.

May 2019 Results

- The Financial Manager reported a loss of \$92k for the five months ending May 31, 2019.
- During the month we didn't close on any homes, the forecast is to close 20 homes by the end of the year.
- ReStore Southside sales were \$55k for the month, which is over budget by \$1k. The YTD sales for Restore Southside is \$249k, which is \$22k under budget. Restore Des Peres sales were \$48k for the month, which is under budget by \$19k. The YTD sales for Restore Des Peres is \$261k, which is under budget by \$59k. The projected YTD sales for both stores is \$1.350m, which is \$80k under budget.



- YTD Actual vs Budgeted - Net Income: RD net income was \$119k over budget. The main reason RD NI is over budget, we received the Wells Fargo pledge of \$80k two months before we normally receive the pledge and we received \$21k from our industry challenge (which is not included in our budget). M&G net income is \$16k under budget. Revenue is \$8k under budget and expenses are \$8k over budget. Program net income is over budget by \$38k. The reason that Program NI is over budget is the expenses related to salaries and facility costs are under budget by \$59k. Restore net income is under budget by \$81k. Restore is under budget due to a short fall in sales. Currently the Restore sales are \$81k under budget.
- During the month of May, the organization had a Net Income of \$87k. For the year, the organization is operating at a Net Loss of \$92k. We are projecting a Net Profit of \$888k by the end of the year. The year end projection is \$53k less than our budgeted Net Profit of \$941k. The decrease in the projected net income is attributed to updated sales figures related to the Restore sales.
- Payables at the end of May 2019 totaled \$1.114m, which is \$617k increase over last year. The increase in payables is related to home construction and payables related to Chapman Venture and our auditors. Home Construction AP increased \$187k over last year due to home construction being at a standstill the first four months of 2018 with the build out of 3830 South Grand. Operations AP increased \$428k over last year due to increases in AP related to Chapman Venture(\$322k) and CohnReznick(\$36k).
- Cash at the end of May totaled \$30k, which is a decrease of \$93k over last year. In May 2018, we received payment, from Chapman Venture, for our management fee and for expense reimbursement. We didn't received payment for these items in May 2019. Cash is projected to end the year at \$403k with \$280k pay down of payables.
- Short term debt is down \$419k year over year and is projected to end the year at \$792k (with the \$800k unsecured line of credit paid down to \$775k).
- Long term debt increased \$181k over last year. The year end projection for long term debt is \$2,459k.

Announcements

Next Meeting: August, 2019 – Habitat for Humanity Saint Louis
Topics to be covered: June, July 2019 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 18, 2019 @ HFHSL Boardroom
Attendees: Bob Miller, Kathy Ryan, Bill Schwartz, John Beaury, Joe Fetter (HFHSL VSM)
Absent: Paul Tohl, Bob Fayman, Bob Frank

I. Welcome – 6:00pm

Joe Fetter, Volunteer Services Manager

II. Approved June 2019 Minutes

- a. June 2019 minutes reviewed.
- b. Bob Miller moves to accept the minutes as written. Kathy Ryan seconds.
- c. June 2019 minutes are approved as written.

III. Sub-Committee 2019 Updates

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

- i. Review of 2019 CLT numbers and statistics (see meeting agenda)
- ii. There have been no new potential CLTs since last meeting.

b. Leadership Training Sub-Committee

- i. Mentorship Program
 1. It'd be good to have mentors call mentees just for a general check-in.
 2. VSM will contact Bob Frank to see if he has the capacity to work on the mentorship program from home.
- ii. Intro to Construction Leadership Training
 1. Wed., July 24th, 6:00pm-8:30pm in the Warehouse
 2. Bob Miller and Paul Tohl will lead.
- iii. Wall Framing Training
 1. Wednesday, August 28th, 6:00pm-8:30pm, in the Warehouse
 2. No more than 6 attendees but prioritize those who attend the July 24th training.
 3. Ideally, trainees could build a wall to be used on site. If not, they could build a model wall and take it apart.
 4. John suggests building a smaller, partial wall that could be spliced into a wall on site at a later date.
 - a. We could not organize this for the August training, but it's worth looking into for future trainings.
 5. Trainees could also build an interior wall for La Saison, since most exterior walls have already been built.

- iv. Future Training Suggestions
 - 1. Wall framing again
 - 2. Plan review
 - 3. General construction knowledge

IV. Upcoming LE Committee Events

- a. **Intro to CL Training:** Wednesday, July 24th, 2019, 6:00pm-8:30pm at the construction warehouse
- b. **Leading Edge Committee Meeting:** Thursday, Aug. 15th, 2019, 6:00pm in the board room
- c. **Wall Framing Training:** Wednesday, Aug. 28th, 2019, 6:00pm-8:30pm at the construction warehouse

V. Meeting Adjourned – 7:00pm