Board of Directors Meeting

September 7, 2021

Habitat for Humanity of North Central Connecticut

CONSENT AGENDA

MINUTES OF THE MEETING OF THE

EXECUTIVE COMMITTEE OF THE

HARTFORD AREA HABITAT FOR HUMANITY

JUNE 15, 2021

PRESENT: Augustin, Below, Floyd, Hamilton

STAFF: Moody, DeRoy

The proposed 2021-2024 Strategic Plan will be presented to the board, without the Executive Summary. Billie will discuss the comments she has received.

The new Nominating Committee will begin to look for candidates for the board.

International is continuing to vet our proposals for a second ReStore.

Respectfully submitted,

Anne M. Hamilton

Secretary

Minutes of the Meeting of the Board of Directors

Hartford Area Habitat for Humanity

June 15, 2021

5:30 pm By Zoom

PRESENT: Augustin, Bates, Below, Dwivedi, Floyd, Guidry, Hamilton, Hernandez, Symonette

STAFF: Moody

Billie opened the meeting with a Devotion.

A motion to approve the Strategic Plan for 2021-2024 was made by Steve and seconded by Anne. The motion was unanimously adopted.

A motion to approve the Consent Agenda was made by Don and seconded by Crystal. The items included a document containing the names of approved signers for documents required by Bank of America, Liberty Bank and Windsor Federal; a document confirming the change of our name to Habitat for Humanity of North Central Connecticut; a document reflecting the change in our territory; and a document adding Mike and April as approved signatories on documents for the purchase, sale or transfer of real estate or other property up to the value of $15,000; and Minutes for the April meeting of the board, and the EC meetings of April 20 and May 18. The motion was unanimously approved.

Karraine reported that the Cleveland Avenue site will be dedicated July 29, and that the Golf Tournament is fully subscribed. It will be held August 23.

She also reported that we have applied to International to receive approval for a second ReStore in Tolland County. A pro-forma budget and list of goals are being prepared, as well as estimates of staffing and revenue. She and Matt have been scouting a potential location for the ReStore, which would also house our office. We are investigating potential revenue from prior donors as well as the state.

At 7:10, **Billie moved and David seconded, a motion to go into Executive Session, which was unanimously approved.** At 7:20, the board resumed its public session.

Jennifer reported that the Succession Plan and Compensation plans have been completed; the Development Committee has sent out a schedule of upcoming meetings, and a Nominating Committee, to recruit new board members, is being created. Governance will decide on and circulate dates for the process. All board members are encouraged to look for potential board members and give their names to Steve.

Respectfully submitted,

Anne M. Hamilton

Secretary

Minutes of the Meeting of the Board of Directors

Hartford Area Habitat for Humanity

July 15, 2021

By Zoom

Present: Augustin, Bates, Below, Blanco, Cheeks, Dwivedi, Floyd, Guidry, Hamilton, Hernandez Symonette.

After a discussion about the new Succession Plan, Sharon **moved to adopt the plan, seconded by Ellen. The motion was unanimously adopted.**

After a discussion of the revised Performance Plan, **Sharon moved and David seconded a motion to approve the revised Performance Plan, subject to a re-evaluation of the quantitative component of the plan. The motion was adopted unanimously.**

The meeting adjourned at 6:55.

Submitted by

Anne M. Hamilton

Secretary

Minutes of the Meeting of the Executive Committee of the Board of Directors

Hartford Area Habitat for Humanity

July 20, 2021

By Zoom

Present: Augustin, Below, Floyd, Hamilton

Staff: Moody

Karraine said that the Planning and Zoning Commission is slated to review the Windsor project and issue permits as soon as we purchase the property.

We are still very concerned about the spike in the price of construction materials. If prices do not fall as some have predicted, we plan to construct two stick-built houses and two with the concrete construction techniques we are using on the Cleveland Avenue property in Hartford.

The City of Hartford has funds for the Cleveland Avenue property, according to Mayor Bronin, who attended the ground breaking ceremony. We are waiting for the city to confirm in writing what was promised for Vineland, Capitol Avenue (rehab) and Cleveland. Some of the federal funds have been earmarked for us and/or the Union League. The next step is to make our pitch to the City Council and ask for four properties to be conveyed to us for $1.

We have a problem on our East Hartford site, which failed a foundation inspection, which has delayed the pouring of the foundation. The inspector returned, but the delay means that the other subs had to be rescheduled, causing a huge delay. We need the property to be ready for the September build-a-thon, when we will bring the walls from the site where they have been built. This still will result in a two-week delay. This may mean all our sites will not be available for our big September fundraising events. Another potential problem is the re-emergence of Covid through the Delta variation.

Karraine announced the hiring of new corporate engagement director to replace Christine Amato.

The next board meeting will be September 7.

The meeting adjourned at 9 am

Respectfully submitted,

Anne M. Hamilton,

Secretary

FINANCE DASHBOARDS

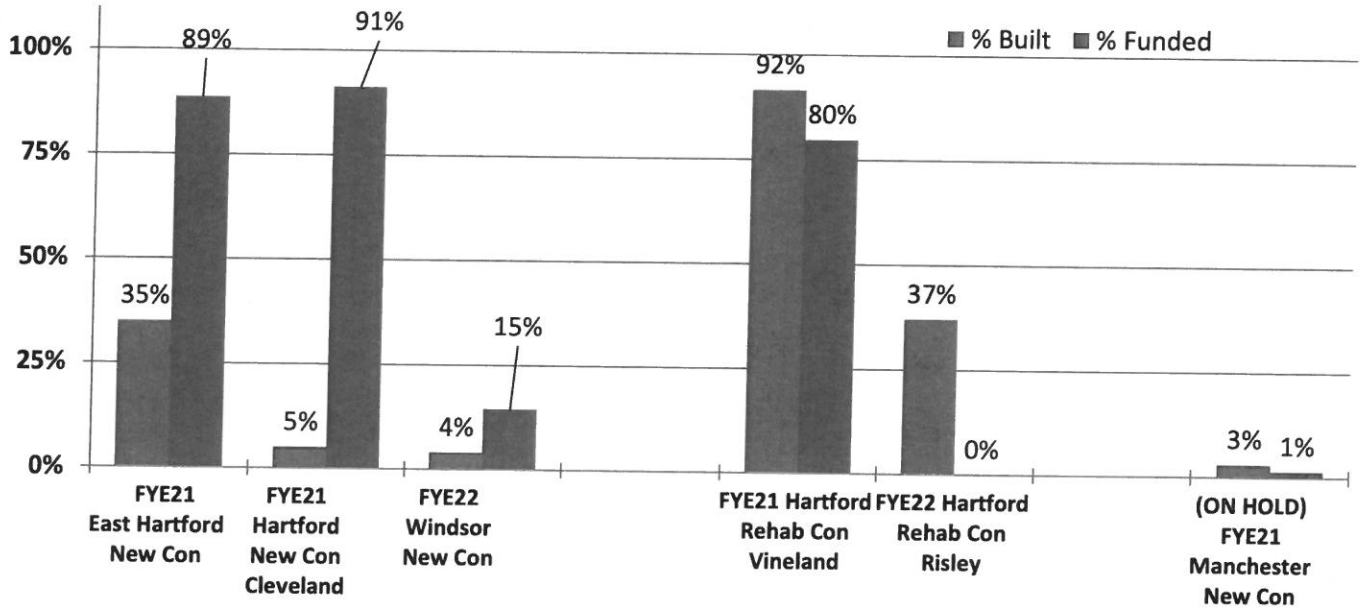
Finance Committee Report
Accrual Basis
Key Indicators for the fiscal Period 7/1/21 to 6/30/22

	YTD Actual	YTD Budget	YTD Variance	Total Budget
Development Income	61,299	103,333	(42,034)	1,715,000
Grant Income	0	0	0	75,000
ReStore Income	110,811	100,000	10,811	1,200,000
CIP Expenditures	94,761	94,500	(261)	1,134,000
Operating Expenses	124,281	136,550	12,269	1,828,808
ReStore Operating Expenses	86,602	82,753	(3,849)	989,041
Mortgage Sales $	0	0	0	521,850

New Homes Closed	0	0	0	3
ReHab Homes Closed	0	0	0	1
Recycle Homes Closed	0	0	0	2
Mortgage Sales #	0	0	0	6
Foreclosed/Taken Back	0	0	0	4
Rehabs Purchased/ Donated	0	0	0	0
Lots Purchased/ Acquired	0	0	0	1

HARTFORD HABITAT FOR HUMANITY - BOARD OF DIRECTORS DASHBOARD

HABITAT HOMES: WORK-IN-PROGRESS BUILT AND FUNDED STATUS



	2 New Con -E. Hartford- Single Family Units (Forbes & Chester)	1 New Con -Hartford- Single Family Unit (Cleveland)	(ON HOLD) 4 New Con -Windsor- Single Family Units (Rainbow)		1 Rehab Con -Hartford- Multi Family Unit (Vineland)	1 Rehab Con -Hartford- Single Family Unit (Risley)		(ON HOLD) 2 New Con -Manchester- Single Family Units (South St)
Primary Sponsor	BOA; GOLF21, CBD21, BAT21, WB21, PBD21, YTH21, NAA21, GOLF22, WEBSTER	SHOP, HOME, TRAVELERS, CITY OF HARTFORD	**FAITH** - HOF; **IND** - PBD22, WB22 **CORP** - BAT22; (WINDSOR CORPS; STDYNE, TLD, WFS) **BOARD** FY20-22		SHOP, HOME, KEYBANK, TBD	Hartford Habitat		EVERSOURCE
Amount Funded	$460,776	$164,200	$116,255		$79,700	$0		$5,500

Assumptions: Based on 2020/2021 Budget Formalized 02/2020

Account Purpose	Operating Accounts	07/30/21	
Current revenue, expenses and payroll	Checking - Windsor Federal & Sweep Acct.	552,148	
Savings	Bank of America	250,500	
Savings	United Bank	30,900	
Shop Loan- immediate EFT to WFS upon receipt	Windsor Federal HUD/SHOP-0429	300	
Current revenue & expenses	ReStore Operating Cash	493,683	
		1,327,531	**Total Cash**
		(283,500)	**3 months Construction Hard Costs Budget**
		(457,200)	**3 months General Operations Budget**
		586,831	**Additional Cash Reserve**

Additional Cash Reserve

June 30, 2021	709,738
May 31, 2021	723,221
April 30, 2021	1,151,847
March 31, 2021	837.660
February 28, 2020	989.159
January 31, 2021	1,115,390
December 31, 2020	970,859
November 30, 2020	1,101,760
October 31, 2020	1,255,260
September 30, 2020	1,264,907
August 31, 2020	1,272,536
July 31, 2020	1,217,172

Minutes for Finance Committee July 20, 2021 8:00am

Attendees: Bildade Augustin, Crystal Floyd, Anne Hamilton, Ellen Below, Karraine Moody, Mike DeRoy

Cash Report:

Total Cash is $1,463,921. At the time of 6-30-22 budgeting process is was projected Total Cash would be $1.26M. The Windsor land purchase is delayed until fiscal year 6-30-21, so we finished 6-30-21 on target.

Key Indicators:

Development Income finished short of the budget by $459K, but we had adjusted our plans mid-year due to lack of funding from Eversource HTCC.

Restore has recovered well from Covid Shutdown/reduced hours. Restore Revenue totaled $1,038,000 for the fiscal year. The budget for 6-30-22 fiscal year is $1.20M.

Total Construction Expenditures were $941,522 slightly more than the $889,350 annual figure revised in March 2021 for ramped-up building.

Operating Costs were kept below budget for the year.

There were six foreclosed/quitclaim mortgages for the fiscal year, and there are 4-5 more anticipated. Since some homeowners were behind before Covid they did not qualify for Cares Act assistance.

A home on Capitol Avenue was purchased on 6/30 and will be rehabbed in 2022

Home Sale and Mortgage Sales will track with the budget. We will have purchased only two building lots (Cleveland Ave for one home & Rainbow Road for four homes) as compared to our budget of 3. We will have purchased two rehabs as comparted to a budget of one if the Capital Ave re hab goes through before 6/30/21. We have had six foreclosures/quitclaims. Three should be sold this month, and three are in the renovation for sale phase.

Green Dashboard:

Bristol was fully funded the homes were sold on 6/30.

East Hartford has been funded. The Vineland rehab is nearly complete.

We will close on Rainbow Road Lan purchase early in the 6/30/22 fiscal year. Windsor does not qualify for federal funding. Construction of concrete homes (as 132 Cleveland Ave in Hartford) is being considered if lumber prices do not decline.

There is possible federal funding for home building in Hartford that could result in a change of our building plans.

Meeting Adjourned at 8:45 am

MONTHLY		July		August		September	
		Date	Initial	Date	Initial	Date	Initial
Bank Reconciliations							
	WFS	8/6	MD JE				
	WFS Sweep	8/6	MD JE				
	WFS HUD/Shop	8/6	MD JE				
	United Bank	8/6	MD JE				
	Liberty Bank	8/6	MD JE				
	Bank of America	8/12	MD				
Payroll and Benefits							
1st Payroll of month	Federal and State taxes Paid	7/12	MD JE				
	401K Transfer made	7/14	MD JE				
2nd Payroll of month	Federal and State taxes Paid	7/26	MD JE				
	401K Transfer made	7/26	MD JE				
3rd Payroll of month	Federal and State taxes Paid	X	X				
	401K Transfer made						
Restore							
	Restore Sales Tax	8/6	MD JE				
	Reconcile Restore Deposits	8/6	MD JE				
Loan Payments							
	WFS	Auto Pay		Auto Pay		Auto Pay	
	CHFA	7/27	MD JE				
	Toyota	Auto Pay		Auto Pay		Auto Pay	
	SBA	NA until May 2021	8/3 MD JE	NA until May 2021		NA until May 2021	
	SHOP	Auto Pay		Auto Pay		Auto Pay	
Quarterly							
	Lockton Insurance Installments	N/A	—				
	Payroll Tax Returns	N/A	—				

RESTORE PROPOSAL

Business Plan

Hartford Area HFH- Additional July 30, 2021

Habitat for Humanity®

Business Plan

HFHI Approval & Next Steps

Re: Hartford Habitat new ReStore site

Tristan Keyser <TKeyser@habitat.org>
Fri 8/6/2021 10:06 AM
To: Kevin Morrison <woodardgroup1@gmail.com>; Karraine Moody <karraine@hartfordhabitat.org>

Hey, Kevin and Karraine!
Thank you so much for submitting the business plan and proforma for review. After review, Habitat for Humanity International has given its approval and permits your affiliate to continue in the process of opening a new Habitat ReStore. (i.e., signing a lease or any other irrevocable commitments needed.)

Kevin, it was a pleasure working with you throughout this part of the review process. I know we talked about several operational best practices, and you were/have brought them to affiliate leaderships attention. The only noteworthy item I wanted to mention in this email is the possibility of signing a 10-year lease. **Please note:** A lease with an initial term of three years is recommended. Any initial term greater than 5 years increases your affiliate's risk and exposure if the location is unprofitable or the areas retail market changes significantly. This is just something to consider while in negotiations.

Next required step:

- **Submit your store's operations manual for review**- For affiliate convenience, ReStore Support has created an operation manual template that can be found at the top of the ReStore Operations and Resources page on MyHabitat. This manual will detail all the policies and procedures specific to your affiliate's retail operation.

Additional requirements remaining:

- Interior and exterior signage review
- Final agreement form submission

Please submit the completed operations manual using the operations manual review form and allow up to ten business days for review. I look forward to working with you through the remaining steps in the new store process.

In Partnership,

Tristan Keyser *(he/him)*
ReStore Quality and Standards Manager, Habitat for Humanity International
285 Peachtree Center Ave. NE Suite 2700, Atlanta, GA 30303-1220 USA
TKeyser@habitat.org • **habitat.org/restores** What will you build?

Habitat for Humanity ReStore 30 YEARS WORLDWIDE. shop. donate. celebrate!

From: Kevin Morrison <woodardgroup1@gmail.com>
Sent: Friday, July 30, 2021 2:26 PM
To: Tristan Keyser <TKeyser@habitat.org>; Karraine Moody <karraine@hartfordhabitat.org>
Subject: Re: Hartford Habitat new ReStore site

CAUTION: This email originated from outside of Habitat.org. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Tristan:

I set up a meeting with you for Monday at 1:00 pm to discuss the business plan.

Business Plan

Hartford Area Habitat for Humanity, Inc.

Business Plan Highlights

PEOPLE

1. How many full-time equivalent staff members do you plan to hire when the ReStore opens?
   Please list the positions of each employee *(Ex: ReStore Manager, full-time)*:

ReStore Manager	full-time
Material Processor	full-time

PLACE

2. How many square feet will the space you plan to use for your ReStore have? Please put an "x" in the appropriate range.

☒ 6,000 sq. ft – 10,000 sq. ft ☐ 10,000 sq. ft – 15,000 sq. ft ☐ 15,000 sq. ft – 20,000 sq. ft ☐ 20,000 sq. ft +

3. What will be your hours of operation? Tues-Sat 9am-5pm; Thurs 10am-7pm

4. What is your occupancy cost (OC) percentage?

   $76,385 (yearly OC) / $350,000 (gross sales in Year 3) = 21.8% (OC %)

PROMOTION-

5. How much have you budgeted for your Marketing and Advertising Plan?
   Year 1 Plan ($): $1,500 **Grand Opening Campaign ($):** $1,000

6. When is your potential Grand Opening date (or approximate time of year)? Soft opening end of January 2022

PRODUCT

7. How many donor interactions will you need each week (estimate)?
   Drop-offs: 50 new **Pick-ups:** 10 new. Pick-ups will be handled by existing store

PERFORMANCE MANAGEMENT

8. What are your gross sales projections in Year 1, Year 2, and Year 3?
   Y1: $250,000 **Y2:$300,000** **Y3:$350,000**

9. What is your projected SPSF (sales per square foot) in Year 1, Year 2, and Year 3?
   Y1:$50 **Y2:$60** **Y3:** $70

10. What is your projected net profit in Year 3? $78,454

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Table of Contents to be updated when business plan is complete.

1. Executive Summary

Hartford Habitat is a successful affiliate having served over 400 families since its inception in 1987. It has a wide variety of effective programs and has built or rehabilitated 300 houses. Hartford Habitat recently expanded its territory to include Tolland County.

Hartford Habitat has profitably operated a large ReStore in western Hartford County for seven years. Revenue at the store has expanded each year for the existing store. There is no ReStore to serve the eastern portion of Hartford County and Tolland County (new territory). There is a favorable demographic in the new territory. The proposed store location is central to the new territory. The facility is a quarter the size of the existing store and well suited for a branch location. The rental terms are favorable and capital investment small. The proforma financials show the store is profitable in year one with profits increasing in future years.

Donations are the life blood of any ReStore. Current successful marketing programs to individual households will be expanded to the new territory to bring in donations. The existing store has developed an extensive list of business donors and will seek out and develop potential donors in the new territory. Habitat has found that there is significant brand loyalty to the Habitat name and donors regularly choose it first, so any competitors in the area have not presented an issue for securing donations.

Existing store personnel will pick up donations in the new territory as well as donations dropped off at the new store using existing equipment. Donation pickups will be expanded to five days per week from the current four-day per week schedule. All donations will be processed at the existing store. Merchandise for sale at the new store will be delivered to the store from the existing store. In addition to expanding ads in local newspapers to the new territory, current marketing programs using social media will pick up donors in the new territory once the store opens.

The new store will be staffed with a manager and supported by a great group of experienced volunteers. Hartford Habitat has a large number of volunteers already living in the new territory who volunteer at the existing store. The new store will operate five days per week on the same hours as the existing store. Merchandise carried by the new store will be limited to high turnover, new and like-new items suited to the more affluent demographic of households in the new territory. Merchandise for sale will include lighting, tools, paint, appliances, dining sets, wall art, windows and flooring.

2. Background

Hartford Habitat is a Connecticut corporation founded in 1987 that operates in Hartford and Tolland County. Hartford Habitat has constructed or rehabilitated 300 houses since its inception and typically builds or rehabilitates 8-10 houses per year. CY2020 was an exception due to the COVID-19 pandemic. Hartford Habitat sponsors many events to raise funds for its mission including Women Build, Corporate builds, a golf tournament, a Build-a-thon and Building on Faith.

Hartford Habitat implemented a Build Green program in 2019 that maximizes energy efficiency, ensures indoor air quality and conserves natural resources. New houses will be Zero Energy Ready Homes as certified by the Department of Energy. This will include healthy indoor air quality, extremely efficient heating and cooling systems, low utility bills, reduced environmental impact and safety and durability.

Hartford Habitat also runs a program called A Brush with Kindness (ABWK) that assists low-income families in repairing and renovating their homes so they can continue to live in safe, decent homes. The focus is on assisting elderly, veteran families and those with limited mobility. Habitat has served nearly forty families since its inception.

In addition to its building ministry, Hartford Habitat operates a ReStore and a Financial Freedom Center. The ReStore takes in donations of primarily furniture, appliances and construction supplies and sells them to the general public. Earnings from the ReStore are used to further Habitat's mission with most of the funds used to rehabilitate blighted and abandoned houses. The Financial Freedom Center provides classes at no charge to Habitat homeowners and the wider community in budgeting and financial planning. Since its inception over thirty individuals have taken classes at the Center not including Habitat family members. The Center is also used by the community for other educational functions.

Hartford Habitat relies on over 9,000 volunteers to accomplish its mission. Total revenue per the audited financial statements for the fiscal year ended June 30, 2020 was $4,683,774 Hartford Habitat has twenty-four employees including those that work in its ReStore.

Hartford Habitat opened its ReStore in October 2014. The store grossed $1,040,000 in FY2021 while operating only 215 days. Sales in FY2021 and FY2020 were significantly reduced due to the closure of the store for a period of time due to the pandemic. Sales (represented by sales per day) have grown every year. Sales per square foot adjusted for the number of days the store was closed due to the COVID-19 pandemic was $52 in FY2021. Net profit from the ReStore supplements amounts raised from other sources to provide the funds necessary to construct new houses and to rehabilitate existing houses.

Background of Habitat ReStores:

Habitat ReStores are retail stores that sell new and gently used donated goods from individuals, distributors, manufacturers, and dealers, which are then sold to the public. Most stores sell home improvement goods such as furniture, home accessories, building materials of all types and appliances.

The first ReStore opened in 1991 by the affiliate in Winnipeg, Canada. A student who partnered with the affiliate developed the concept of a Habitat ReStore.

The mission of a Habitat ReStore is to further the ministry of Habitat for Humanity by providing additional funding through the sale of merchandise so that a local Habitat affiliate can help more families build, renovate or repair their homes.

Additionally, Habitat ReStores benefit local communities by providing affordable merchandise to low-income families, by diverting waste from landfills, and by adding employment & volunteer opportunities to members in the community.

This Habitat ReStore will be owned and operated by the parent Habitat affiliate Hartford Area Habitat for Humanity. The net profits earned by the store are undesignated funds that can be used for anything the affiliate leadership deems fit, including both program and administrative expenses. As with other social enterprises, Habitat ReStores are designed to make a profit; however, they are considered a "non-profit" business because all ReStore "profit" goes towards the Habitat mission of eliminating poverty housing. For a full list of the items our ReStore will sell, please see the Operations section on page __.

3. Real Estate

Hartford Habitat has identified a 5,600 square foot section of an existing warehouse in Vernon, CT for its ReStore expansion.

- Vernon is central to Tolland County and the portion of Hartford County east of the Connecticut River.
- Location is on a main road proximate to a signaled intersection.
- Rent is $12.85 per square foot gross with a 3% annual escalator with an initial term of ten years.
- The ReStore floor space will be 5,000 square feet with 11.5-foot ceilings.
- There are two handicapped-accessible rest rooms located in the back of the showroom floor.
- There is an existing office accessed through the front door that will provide the Family

Services department with a base east of the Connecticut River.

- There is parking for twenty cars in the front of the building and ample, secure lot space behind the building for storage trailers and box trucks.
- The space is climate controlled.
- A portion of the front of the building will be removed and a large access, breakaway four-panel door installed. This will provide a secure entrance to the building for donation drop-offs and the transfer of product in and out of the showroom floor.
- Owner will install a sign to Habitat's specifications on the front of the building. Tear drop banners will be purchased and installed in the front of the building near the road.
- All renovations will be completed in the fourth quarter of 2021 in preparation for a soft opening at the end of January 2022.

4. Financial Planning / Capital Acquisitions Plan

Hartford Habitat is well capitalized. The current ReStore is profitable with FY2022 cash flow estimated at 24% of sales. The three-year projection for the ReStore expansion to a new site shows cash flow increasing each of the first three years reaching 23% of sales in year three. The attached pro-forma plan best estimates the financial results of the proposed ReStore. See Appendix A

Financial Planning Documents- Appendix A

1. Three Year Projections
2. Salaries and Benefits
3. Insurance
4. Capital Expenses
5. Demographic Analysis

Capital Acquisition Plan –The Capital Acquisition plan is based on the projected numbers contained in the Financial Pro-forma (Appendix A). Habitat expects to fund any initial opening costs internally from its cash flow. This includes construction of the new entrance and signage as well as operating costs for several months until the store breaks even. Much of the construction of the new entrance will come from donations of time and materials. Construction of the counter in the store which will contain the POS system will be constructed by volunteers. The purchase of the two budgeted storage trailers will be on an as needed basis using store cash flow.

5. Donations

The lifeblood of any ReStore is a steady flow of quality donations. Hartford Habitat has seven

years of experience running a successful ReStore and a successful record of securing donations. Initially, the new store will be stocked with merchandise from the existing store. As donation activity expands in Tolland County and also with the move to donation pick up five days per week system-wide from the current four-day schedule, the new store will have an ample amount of product to sell.

How many donations do we need?

- Sales consists of donated items and purchased product. Excluding purchased product, for the existing ReStore the source of donations is split 55% from businesses and 45% from individuals.
- It is expected that donations dropped off at the new store will amount to 50 per week. The existing store takes in about 85 drop-off donations per week. Of this amount about 10 drop-off donations come from east of the Connecticut River.
- The presence of a store east of the Connecticut River and the ease of local donation should make this figure attainable. Using a sales value of $100 per donation (Habitat International estimate) yields $5,000 per week ($250,000 annually). About 80% of these donations will represent donations from new donors.
- All donations will be processed at the Bloomfield store. Donations both picked-up from households east of the Connecticut River and dropped off at the new store, will be delivered to the Bloomfield store. Product designated for the Vernon store will then be transported there.

Competitors –

- Savers, Goodwill and Salvation Army operate in Tolland County.
- Goodwill and Salvation Army pick up donations.
- For the most part they do not sell the same merchandise as the ReStore and for similar items, their product is well used.
- Habitat has found that there is significant brand loyalty to the Habitat name and donors regularly choose it first.
- Most towns in Tolland County pick up bulk trash for free.

Potential Partners –

- Habitat currently partners with many partners for its existing ReStore.
- Home Depot and Lowe's are valued partners. There are two Home Depot's and one

Lowe's in the Vernon service area.

- There are a number of hotels and large service businesses in the Vernon service area that ill be contacted. Such businesses have historically provided large donations to the ReStore.
- Lumber yards have been a great source of building materials including windows, doors and flooring. There are a number of large lumber yards in Tolland County. These will be solicited for donations.

Market Potential-

- There are eight counties in the state of Connecticut. There are currently ReStores in all counties except Tolland County. The Vernon ReStore will service the eastern part of Hartford County (East of the Connecticut River) and all of Tolland County. It is believed that given the demographics of the State and the location of the existing and contemplated ReStores, that the market potential will be satisfied.

Potential Residential Donors

- Studies have shown that households with higher Area Median Income who own their own homes not only donate more product, but donate higher value product.
- As indicated in the attached table of selected demographics for the service area of the new store, the area median income and percentage of residents owning their own homes is very solid.
- A large number of residential donations come from the unsold items from estate sales. As noted earlier, the well-recognized and respected Habitat name often leads to the ReStore receiving the first call.

Potential Business Donors

- As noted above, Hartford Habitat currently partners with a number of businesses that provide significant continuing donations.
- Since the existing ReStore has been open, marketing programs to businesses have concentrated west of the Connecticut River. Prior to and after the Vernon ReStore opens, marketing emphasis will shift to east of the River.
- Donors to be targeted include manufacturers and distributors of lighting, tools, paint, windows, appliances and flooring.
- In addition to the above, businesses that use products suitable for donation such as hotels and service businesses will be targeted for desks, tables, chairs and sofas.

- While some donated items such as tables, chairs and sofas may not be sold in the Vernon, store, they will provide valuable product for the existing store.
- The fact that the Restore offers free pick up of donations is a valuable service to most businesses.
- The ReStore provides a valuable service to businesses by giving them an outlet to dispose of unwanted and excess inventory and the knowledge that their product will be recycled and not discarded into a land fill.

Donation Procurement

- The ReStore director and select volunteers will be tasked with identifying and soliciting donations from potential business donors in the Vernon service area.
- Weekly targets will be set by the director.
- Existing marketing programs will be expanded to include residents and businesses
- Word of mouth into the Vernon service area from new store volunteers and drop off donors will help to promote the new Restore and encourage donations.

Donation Pickups

- All donation pickups will be handled by the existing store's trucks and subcontractors.
- The existing store has an established donor contact person who answers the phone, vets the donations and schedules the pick-ups. The Restore has a direct phone number for donations.
- Currently donations are picked up four days per week. Once the new store opens the plan is to expand the number of pick-up days to five.
- All personnel who make pickups and come in direct contact with donors receive training by experienced Hartford Habitat staff in basic customer service and Habitat 101.

Donation Drop-off Area

- The donation drop-off area in the new store will be staffed by trained volunteers.
- It will be open for donations during normal store operating hours.
- The drop off area will be well marked and there is ample parking close to the donor entrance.

Donations prior to opening

- The new store will be stocked with merchandise from the existing store.
- There is currently on hand enough merchandise to stock the new store with the designated product categories.
- The move to a five-day pick-up schedule combined with the number of drop-offs expected once the store opens will provide for a store fully stocked with merchandise.

6. PR and Marketing plan

Like any small business, a ReStore needs to promote itself to the public to be recognized and drive donations. Leveraging the well-respected Habitat brand, mission and reputation through public relations will help increase awareness in the community.

- The new Vernon store plans to invest $2,500 in the first year in marketing and advertising. The majority of the ReStore promotion will be done through public relations and supplemented with paid advertising to maximize the advertising dollars.
- Given the recognition of the Habitat ReStore brand has already achieved by seven years of marketing in Hartford County and to a lesser degree in Tolland County, it is anticipated that expenditures for advertising in local papers and social media will be sufficient to drive the level of donations and sales necessary to meet the budget.
- There will be a modest grand opening campaign mostly centered on social media and local newspapers as well as signage at the new store.
- The current ReStore has made extensive use of social media platforms including Facebook and Instagram to promote the store and to showcase new products. The new Vernon store will be added to these platforms.
- The existing ReStore has made use of radio spots, attended local home and car shows and other events, printed t-shirts and other marketing techniques to gain name recognition and explain the Habitat mission. These will be used when thought beneficial.

7. Staff

Paid staff are essential to the direction and sustainability of a ReStore.

- Hartford Habitat plans to promote a staff member for its existing store to be the new manager at the Vernon ReStore. This individual has been with the ReStore since its inception seven years ago and is thoroughly familiar with all aspects of managing the day-to-day operations of a successful ReStore and the Habitat mission.

- The Vernon store manager will report to the ReStore director.
- The ReStore director will devote half of his time to the new ReStore for the first year of its operation.
- The manager will be the only paid staff person at the new store.
- The opening of the new store will require the hiring of an additional material processor at the existing location. This person will handle the increased donation activity occasioned by the move to five-day pick-ups and drop off donations at the new store.
- In the first year of operation, the new ReStore manager will be expected to get the store up and running as quickly and efficiently as possible. The balance of the year he will spend managing the store operations to maximize customer and volunteer satisfaction and work with the director to produce the budgeted profit.
- Since the Vernon store is essentially a branch location of the main store and of a much smaller size, no competition between stores is expected.

The manager hired will attend the first available Restore University 201: ReStore Fundamentals and complete ReStore 101: Introduction to the ReStore, trainings and resources by Habitat International that teach skills specific to ReStore. He will continue to attend additional training offered by HFHI as he continues in his ReStore career.

8. Volunteers

The best Habitat ReStores find that volunteers can be the driving force behind creating an engaging, enthusiastic and fun culture; building community; and building on the core Habitat mission within the Habitat ReStore.

- The existing ReStore has built an extensive network of volunteers during its seven years in existence. Many of these volunteers at the existing ReStore reside east of the Connecticut River and will be thrilled to have a new store in their area.
- Hartford Habitat has a Volunteer Coordinator and an online volunteer system for managing the volunteer experience from sign up to scheduling. The Volunteer Coordinator manages both construction and ReStore volunteers.
- Volunteers at the new ReStore will handle loading and unloading merchandise going to and from he existing ReStore, moving merchandise around the sales floor, greeting customers, taking in drop-off donations and cashing out customers.
- Hartford Habitat has a volunteer hub as mentioned earlier. The hub data base manages information and scheduling of all volunteers including ReStore volunteers. Among other activities, the hub keeps track of volunteer hours for those that require it including students and those working off court ordered community service.
- Hartford Habitat has an extensive data base of ReStore volunteers built up over the last seven years. Many of the volunteers currently working at the existing store live east of

the River and are looking forward to volunteering at the new store.

- The everyday activities of the store volunteers will be supervised by the store manager and by experienced volunteers.
- The ReStore appreciates its volunteers and regularly holds activities to show its appreciation. These include individual recognition for jobs well done, cookouts, holiday parties and the presentation of gifs including Habitat T-shirs and hats.

9. Operations:

Hours or Operation:

Monday:	Closed		
Tuesday:	9:00 am to 5:00 pm	Friday:	9:00 am to 5:00 pm
Wednesday:	9:00 am to 5:00 pm	Saturday:	9:00 am to 5:00 pm
Thursday:	10:00 am to 7:00 pm	Sunday:	Closed

In a normal year, allowing for holidays and employee development, the ReStore will be open 240 days.

Merchandise

ReStores are unique in that every store does not necessarily carry the same merchandise. The merchandise mix of a ReStore is mainly dictated by customer demand and also by what materials are readily available and what the local laws dictate as far as resale materials. The following categories represent the merchandise mix selected for the Vernon ReStore. The mix will necessarily evolve over time as customer wants and needs are recognized. All items will be new or like-new.

☐ Building Materials	☒ Tools / Hardware	☐ Home Goods
☒ High quality dining sets	☒ Paint – new and recycled	☒ Windows
☒ Light fixtures and bulbs	☒ Appliances	☐ Doors
☐ Home Décor	☐ Plumbing	☐ Cabinets
	☐ Clothing	☒ Wall art
		☒ Flooring

A complete list of items accepted and not accepted by the Restore will be compiled and reside in the Operations Manual. The limitations of what a Restore cannot sell are limited to those things that are illegal, immoral or dangerous. Immoral items include all forms of pornography and weapons. Dangerous items include baby toys, cribs, toxic chemicals, unframed glass and unframed mirrors. Questionable items will be checked against the Consumer Product Safety Commission.

Pricing

For pricing of merchandise, the Restore rule of thumb for pricing is simple: sell the merchandise as fast as you can while getting as much money for it as you can in your market. There are many variables that will be taken into consideration when pricing merchandise. Some of those variables are: current supply, size of the store, empty space on the sales floor, how much national retailers are selling similar items for and income of shoppers. A lot of ReStore pricing in the first few months is established through trial and error. The measurement as to the accuracy of pricing will be how long merchandise stays in the store. If the merchandise sells as soon as it arrives on the sales floor, it was too cheaply priced. If it stays on the sales floor for more than three weeks, in most cases, it was priced too high or no longer holds value. A price can always be dropped, but usually cannot be raised, so it is best to start higher and drop the price as the market demands.

Negotiating

Negotiating prices is a common practice in other resale stores, but it is the collective opinion of most Habitat ReStores that negotiating prices is a waste of the manager's and staffs' time. If the proper research was done during the pricing process, the staff and volunteers should feel confident that the price on the item is fair market value. Possibly over priced items will be identified through a regular markdown process.

Markdowns

Markdowns will be done on a regular basis to ensure that merchandise is turning and the square footage that it takes up is being fully used. A complete description of the markdown process will be included in the operations manual.

The ReStore Brand:

By operating a retail store as part of the Habitat for Humanity International organization, affiliates are required to use the registered trademark Habitat ReStore brand name. The Habitat ReStore brand is not limited to the identifier and colors but also includes a shopping experience that is safe and enjoyable to customers. Using the ReStore brand allows Habitat ReStores to be part of collective advertising, increase their recognition in the market and using existing marketing materials that other affiliates have found effective.

The ReStore Customer:

There are three different customers to Habitat ReStores: donors, shoppers and volunteers. Each have their own needs and desires that must be thought about. For the donor, a ReStore is a place that will help them solve their problem. Convenience and ease of use are the most important things to donors. Restore shoppers cannot be narrowed down into any specific, age, gender, race or income level. Store shoppers are "treasure hunters." They want to find a good deal, a unique item or an alternative shopping experience. Shoppers come from hours away to visit Restores that have reputations of having great merchandise. Volunteers are also a ReStore customer, but instead of the merchandise, they are there for the experience. Learning the

motivations of volunteers and matching them with jobs that match those needs is essential to the volunteer customer satisfaction.

Secondary Services

We do not plan to offer the following secondary services.

- Online Sales
- Delivery Services
- Deconstruction
- Consignment
- Electronics Recycling

Operations Manual:
In addition to the above outlined operations, Hartford Habitat maintains an Operations Manual as a reference document for all staff and volunteers. In conjunction with Habitat for Humanity International's best practices and guidance documents, the operations manual includes the following:

- **Core Values**
  - ✓ Core Values
  - ✓ Code of Conduct
- **Safety and Security**
  - ✓ General
  - ✓ Trainings and Equipment
  - ✓ Emergency Procedures
  - ✓ SDS Sheets
  - ✓ Opening and Closing Procedures
- **Financial Management**
  - ✓ Cash Handling Procedures
  - ✓ Register Operations
  - ✓ Bank Deposits
  - ✓ Check and Balances
- **Human Resources & Training**
  - ✓
- **Volunteers**
  - ✓ Requirements
  - ✓ Code of Conduct
  - ✓ Attendance
  - ✓ Dress Code
  - ✓ Recognition
  - ✓ Specific Volunteer Duties
  - ✓ Court Ordered CS
- **Facility**
  - ✓
- **Donations**
  - ✓ Unacceptable Donation List
  - ✓ Alternative Resource list
  - ✓ Donation Pick-up Information
  - ✓ Acknowledgement of Donors
  - ✓ Processing Procedures
  - ✓ Monetary donations
  - ✓ Non-sellable materials procedures

- **Merchandising & Sales**
  - ✓ General Guidelines
  - ✓ Sold Policies
  - ✓ Hold Policies
  - ✓ Item Delivery Policy
  - ✓ Staff & Volunteer Purchases
  - ✓ Returns & Refunds Policies
  - ✓ Negotiating Policy
  - ✓ Markdown System
  - ✓ Pricing Procedures & Resources
  - ✓ Purchased Product Guidelines
- **Customer Service**
  - ✓ Customer Service Culture
  - ✓ Customer Complaint Guidelines
- **Integrated Marketing**
  - ✓ Marketing Plan
  - ✓ Online Presence
  - ✓ Media Relations Policy
- **Collaborations and Partnerships**
  - ✓ Other Habitat ReStores
  - ✓ Other Local Organizations
- **Other Policies & Procedures**

10. Conclusion-

Siting a new ReStore branch east of the Connecticut River will enable Hartford Habitat to expand its mission into an underserved area. The ReStore will bring increased awareness of Hartford Habitat's many services to these communities as well as earn a profit to be reinvested in new housing opportunities for low- and moderate-income families in the area. It will also, provide new avenues to expand its A Brush With Kindness program to serve even more families.

The central location and the building are ideal for the new store. The lease parameters are favorable and the landlord is supportive of the Habitat mission. Hartford Habitat's seven-year experience running a thriving and profitable ReStore will go a long way toward ensuring the success of the new store. The store will be managed by an experienced current-store employee who will be supported by a group of skilled and knowledgeable local volunteers many of whom currently work at the existing store. The current ReStore director will devote half of his time the first year in support of the new manager to further ensure the success of the new store.

The new store will be stocked with higher end merchandise selected to sell well to the demographic of the area. Donations are expected to increase significantly as the ReStore expands its pick-up schedule to five days per week, leverages it existing business contacts and expands its marketing program relying on print ads and social media into the new territory.

everyone

needs a place to call home

Habitat for Humanity®

INTERNATIONAL HEADQUARTERS
322 W. Lamar St., Americus, GA 31709-3543 USA (800) 422-4828 fax (229) 924-6541
publicinfo@habitat.org habitat.org

18-62085/100/CT/06-2018

Lease Agreement

Habitat for Humanity
ReStore

June 28,2021

VIA EMAIL

Andrew Hale
O,R&L Commercial
2340 Silas Deane Highway
Rocky Hill, CT 06067

RE: 369 Talcottville Road, Vernon CT 06066 – ~~Proposal to Lease~~ Landlord's Counter Proposal to Lease

Dear Andrew:

Habitat for Humanity, DBA ReStore would like to present the following Proposal to Lease at 369 Talcottville Road, Vernon CT 06066 consisting of approximately 5,600 square feet of improved commercial premises located at this address.

1.	**TENANT:**	**Habitat for Humanity, DBA ReStore** **Hartford Area Habitat for Humanity** **75 Charter Oak Avenue, Bldg #2** **Hartford, CT 06106**
2.	**LANDLORD:**	**Marco Enterprise Management, ~~LLC~~ LLLP** **367 Talcottville Road** **Vernon, CT 06066**
3.	**PREMISES / PROPERTY / BUILDING:**	369 Talcottville Road Vernon CT 06066
4.	**SPACE**	Approximately 5,600 square feet of demised and improved commercial premises located in the office / industrial building at the above referenced address. See attached "Exhibit A" representing the demised premises.
5.	**INITIAL LEASE TERM:**	The initial term of the lease shall be ten (10) years, following Commencement of Lease.
6.	**COMMENCEMENT OF LEASE AND OCCUPANCY BUILD OUT:**	September 1, 2021.
7.	**RENT COMMENCEMENT AND OCCUPANCY:**	Rent Commencement shall be on January 1, 2022. This is the date the Tenant intends to occupy the premises as well.

8. INITIAL LEASE TERM BASE RENT:

~~Months 1 through 4 "Occupancy Build Out": No Rent Due~~
~~Months 5 through 12: Monthly Rent: $6,000 Modified Gross~~
~~Year 2: Monthly Rent: $6,000 Modified Gross~~
~~Year 3: Monthly Rent: $6,120 Modified Gross (2% increase included)~~
~~Year 4: Monthly Rent: $6,242 Modified Gross (2% increase included)~~
~~Year 5: Monthly Rent: $6,367 Modified Gross (2% increase included)~~
~~Year 6: Monthly Rent: $6,464 Modified Gross (2% increase included)~~
~~Year 7: Monthly Rent: $6,624 Modified Gross (2% increase included)~~
~~Year 8: Monthly Rent: $6,756 Modified Gross (2% increase included)~~
~~Year 9: Monthly Rent: $6,892 Modified Gross (2% increase included)~~
~~Year 10: Monthly Rent: $7,029 Modified Gross (2% increase included)~~

~~Revised Lease Terms:~~
The building is not separately metered at this time, the Gross Lease will include electricity, gas, and property taxes, making the yearly escalator 3% (not 2%). Tenant will be responsible for dumpster and janitorial.

	# Months				Rent Amount
	4	September 01 2021 to December 31, 2021 (4 months)			No Rent Due
		Rental Period			
Year 1	12	1/1/2022	to	12/31/2022	$ 6,000.00
Year 2	12	1/1/2023	to	12/31/2023	$ 6,180.00
Year 3	12	1/1/2024	to	12/31/2024	$ 6,365.40
Year 4	12	1/1/2025	to	12/31/2025	$ 6,556.36
Year 5	12	1/1/2026	to	12/31/2026	$ 6,753.05
Year 6	12	1/1/2027	to	12/31/2027	$ 6,955.64
Year 7	12	1/1/2028	to	12/31/2028	$ 7,164.31
Year 8	12	1/1/2029	to	12/31/2029	$ 7,379.24
Year 9	12	1/1/2030	to	12/31/2030	$ 7,600.62
Year 10	12	1/1/2031	to	12/31/2031	$ 7,828.64
Total # Months	124 Months				

As of the Commencement of Lease, the Tenant shall be responsible for the monthly rent as shown above in addition to ~~separately metered utilities to include electricity and gas,~~ dumpster, and janitorial expenses. Tenant shall carry and have in force for the duration of the lease a commercial insurance policy with coverage to include liability and its personal property.

9. OBLIGATIONS OF LANDLORD:

The Landlord shall be responsible for real estate taxes (based on both land valuation and building valuation) and commercial property, liability and casualty insurance. Landlord is responsible for parking lot and walkway snow & ice removal, landscaping, and water & sewer charges. Landlord also responsible for the maintenance and/or capital replacement of the roof, building structure, paved parking lot and in building mechanical systems. Landlord will represent that as of the Lease Commencement, the roof will be watertight, and all building systems will be in good working order. Landlord further agrees to have the HVAC units serviced and ductwork cleaned prior to Tenant's occupancy.

Landlord, at their own cost and expense shall maintain the exterior landscaping and grass areas on the property ie: grass cutting, trimming of shrubbery, bushes and trees in a frequent manner so as to maintain the professional appearance of the property and building.

10. RIGHT OF 1ST REFUSAL:

Tenant shall have a Right of First Refusal on adjacent space in the building that may come available during the period Tenant has a lease in effect or any extension thereof. The rate on the adjacent space shall be at the same per square foot rate as the current rate in effect on Tenant's lease.

11. PREPARATION OF PREMISES PRIOR TO COMMENCEMENT OF LEASE:

Prior to "Commencement of Lease and Occupancy Build Out", Landlord, at their sole cost and expense shall deliver the premises to Tenant as follows:

1. Remove all existing platforms, floor covering and cap plumbing below floor level and patch flush to the existing concrete slab. Provide Tenant with a level and broom clean concrete slab.
2. Landlord to replace missing glass panels on existing glass canopy on exterior of building and clean remaining panels.

12. TENANT IMPROVEMENTS: To efficiently run their business, Tenant requires an exterior sliding double door and concrete slab to be installed at the exterior of the north-east corner of the building facing the parking lot, this to provide additional exterior access to their premises. Tenant will have a sliding double door with frame donated to them for installation. Tenant will hire a licensed and bonded Contractor and Landlord, Tenant and Contractor will coordinate their efforts and work closely with each other to design and engineer the reconfiguration of the area where the installation will take place and together will work to obtain the necessary approvals from the town planning and zoning department and will continue to work closely throughout the construction process to completion. This will include the design and town approval of reconfiguration of the parking in front of the new sliding double door entry. ~~Tenant proposes Tenant and Landlord share in the design and construction of the double door entry project.~~ Tenant will be responsible for all design, materials and construction costs of the double door entry project. Tenant will be responsible for the costs related to permitting approval. Tenant's priority is to maintain the architectural integrity and continuity of the exterior of the building throughout the design and construction of this project.

13. PARKING: The Tenant and their clients and vendors shall be entitled to the unrestricted use of the front parking lot.

14. RENEWAL LEASE TERM: Tenant shall have the right to renew the Lease for (1) additional term of five (5) years, with at least six months prior written notice delivered to the Landlord. If the renewal option is exercised, the Rent shall be with ~~two~~ three percent ~~(2%)~~ annual increases commencing in year eleven (11). KM
KM

15. SIGNAGE: Prior to Lease Commencement, Landlord at their own cost and expense shall remove the existing "Shepard Supply Co." signage on building fascia and repair any damage to fascia.
Tenant, at their own cost and expense will be intitled to install signage in the same area on the fascia as the "Shepard Supply Co." signage.
In addition, Landlord will allow Tenant, if Tenant chooses to do so to install a monument sign on the grassy area in front of the building.

Note: All Tenant signage will comply with the town zoning regulations and will be subject to approval by Landlord prior to installation.
The Tenant agrees, at their own cost and expense to remove their fascia and / or monument signs at the end of the lease term and vacating the premises.

16. SUBLEASE / ASSIGNMENT: Tenant requires typical subleasing and assignment rights under the lease. Subleasing or assignment to affiliate companies and/or successors (by merger, acquisition, consolidation, etc.) will be without Landlord's approval. Subleasing to third parties will be subject to Landlord approval that shall not be unreasonably conditioned, withheld or delayed.

17. ACCESS: Landlord shall allow Tenant to place 5-8 storage containers in the fenced and locked gated rear yard area of the building for storage / product staging.

Landlord shall provide and maintain in good working order throughout the term of this lease and any extension security measures to include sufficient nighttime lighting, and sturdy fencing and a locking gate.
Tenant shall have access to this yard area and their interior premises twenty-four (24) hours per day, seven (7) days a week, three hundred sixty-five (365) days per year.

18. SECURITY DEPOSIT: One month's rent

19. LEASE CONTINGENCIES:

a. Approval of Tenant's intended use and receipt of a Certificate of Occupancy (if required) by the governing departments and agencies of the Town of Vernon, CT.
b. Approval of Tenant's proposed interior construction and improvements in the premises including the proposed installation of a sliding double door and exterior concrete slab by the local government agencies. Any expenses related to applications and permits required by any governing agencies will be at Tenant's sole cost and expense.

20. ADDITIONAL: **Note:** Tenant can give the owner a tax donation for the September – December time period.

21. BROKER REPRESENTATION: Real Estate Brokerage: O, R & L Commercial is the only Brokerage company to be compensated for the lease term, as indicated in a separate agreement.

22. CONFIDENTIALITY: Both Landlord and Tenant agree to keep this Letter of Intent confidential and all information and negotiations between the parties shall be kept in strict confidence, subject to making such information available to those persons who must reasonably and necessarily be advised, so long as such information is provided in a confidential manner. Landlord agrees not to disclose this Letter of Intent, or any agreement referred to herein or the fact that it has been entered into or is being contemplated, to any other parties who are not involved in this transaction.

This Proposal is not intended to articulate every detail of the proposed transaction and shall not create nor constitute an enforceable agreement between the parties (except for Paragraph 24 "Confidentiality") unless and until its provisions are incorporated into a Lease Agreement and such Lease Agreement is executed by the Landlord and Tenant.

** Signature page and Exhibit A on the following pages **

Sincerely,

Andrew Hale
OR&L Commercial LLC
2340 Silas Deane Highway
Rocky Hill, CT 06067
860-761-6005
ahale@orlcommercial.com

Agreed and Accepted:

Tenant:

Karraine Moody
Chief Executive Officer
Hartford Area Habitat for Humanity
75 Charter Oak Avenue, Bldg #2
Hartford, CT 06106

Signed:

Karraine Moody
Duly Authorized

Jul 6, 2021
Date

Landlord: Barbara D. Bizier

~~Eric Liebeskind~~ ~~Angel C. Fillmore~~
~~Chief Operating Officer~~ General Manager KM
Marco Enterprise Management ~~LLC~~ ~~LLLC~~ LLLP
Talcottville Road
Vernon, CT 06066

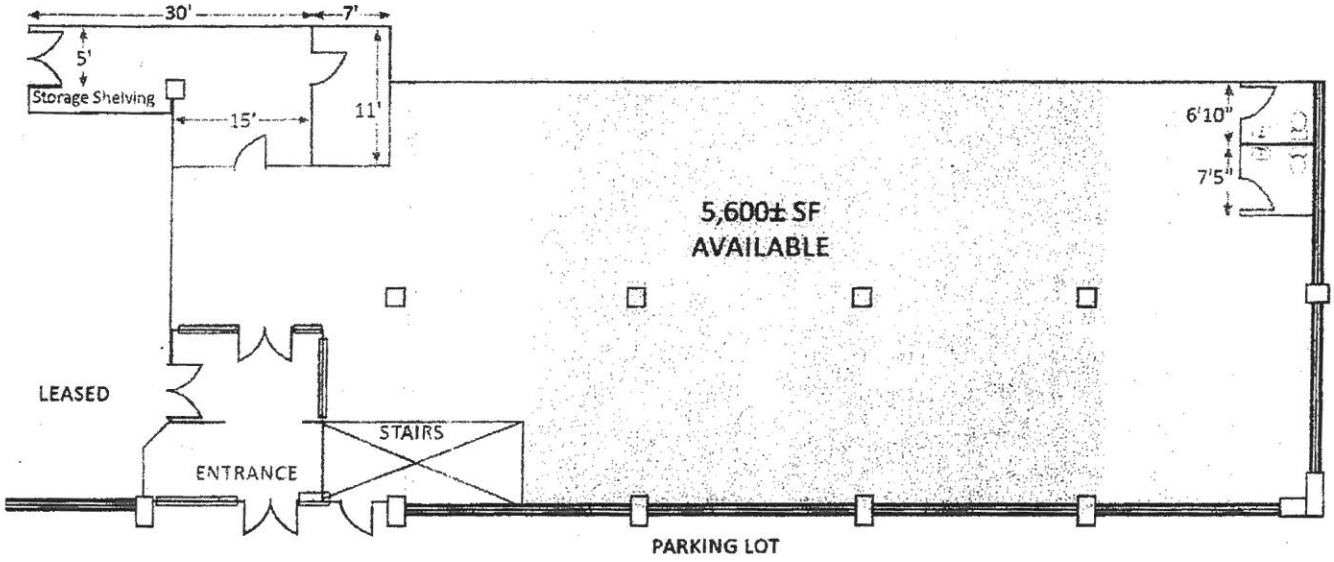
Signed:

~~Eric Liebeskind~~ ~~Angel C. Fillmore~~
Duly Authorized Barbara D. Bizier

7/9/21
Date

Exhibit "A"

Floor Plan



Hartford Area Habitat for Humanity

NEW RESTORE - Budget Year 1 through Year 3 Version 2.0

PRELIMINARY

	FYE 2022 500 CGR		Year 1		Year 2		Year 3	
Sales	$ 1,200,000		$ 250,000		$ 300,000		$ 350,000	
Expenses								
Items Purchased for Resale	$ 50,000	4.2%	$ 4,000	1.6%	$ 8,000	2.7%	$ 12,000	3.4%
Salaries & Wages	355,998	29.7%	73,000	29.2%	78,840	26.3%	81,205	23.2%
Payroll Taxes	35,600	3.0%	7,812	3.1%	8,369	2.8%	8,595	2.5%
Employee Benefits	7,420	0.6%	2,120	0.8%	2,120	0.7%	2,120	0.6%
Pension Expense	9,509	0.8%	1,800	0.7%	3,154	1.1%	3,248	0.9%
Health Insurance	78,158	6.5%	12,000	4.8%	13,000	4.3%	14,000	4.0%
Workers'Comp Insurance	11,321	0.9%	3,365	1.3%	3,557	1.2%	3,664	1.0%
Auto Insurance	3,421	0.3%	713	0.3%	855	0.3%	998	0.3%
Liability and Other Insurance	12,018	1.0%	2,230	0.9%	2,631	0.9%	3,032	0.9%
Moving & Storage	154,370	12.9%	32,160	12.9%	38,593	12.9%	45,025	12.9%
Auto/Travel/Mile Exp	2,000	0.2%	417	0.2%	500	0.2%	583	0.2%
Staff Training	5,000	0.4%	1,042	0.4%	1,250	0.4%	1,458	0.4%
Bank Credit Card Fees	19,514	1.6%	4,065	1.6%	4,878	1.6%	5,692	1.6%
Utilities (Incl. in rent)	24,000	2.0%	-	0.0%	-	0.0%	-	0.0%
Trash/Recycling	20,000	1.7%	4,200	1.7%	4,200	1.4%	4,200	1.2%
Repairs & Maintenance	28,000	2.3%	2,500	1.0%	3,000	1.0%	3,500	1.0%
Rent	84,000	7.0%	72,000	28.8%	74,160	24.7%	76,385	21.8%
Office Expenses	8,000	0.7%	1,667	0.7%	2,000	0.7%	2,333	0.7%
Technology	5,000	0.4%	1,042	0.4%	1,250	0.4%	1,458	0.4%
Promotion Exp/ Advertising	2,500	0.2%	2,500	1.0%	1,500	0.5%	1,050	0.3%
Depreciation Expense	73,212	6.1%	1,000	0.4%	1,000	0.3%	1,000	0.3%
Total Expenses	$ 989,041		$ 229,632		$ 252,857		$ 271,546	
Net Profit	$ 210,959		$ 20,368		$ 47,143		$ 78,454	
Cash flow	$ 284,171	23.7%	$ 21,368	8.5%	$ 48,143	16.0%	$ 79,454	22.7%

17

CYBERSECURITY/ DATA BACKUP

	Autoback up	Status	Comments from Directors/CEO		
ReStore- "General Store"	Y	Green	Finance report generated and submitted to QB automatically. Paper copy used as back up.Paper backups are saved as a PDF and saved to external hard drive attached to main register system. We complete a manual back up of the system on a monthly basis on same external hard drive. Attached is a PDF walkthrough of the procedure which we will		
Donor Database-Neon	Y	Green	Per NEON: "All data is encrypted during transmission using SSL (HTTPS). NEON partners with Amazon Web Services. We also back up our entire database bi-annually.		
Volunteer Hub	Y	Green	Monthly data export backed up monthly saved in the cloud and on internal sharepoint site. Last download 07/29/2021		
Finance-Quickbooks	Y	Green	Quickbooks is hosted in their/Amazon cloud. Details of security are here: https://quickbooks.intuit.com/za/security/		
Sharepoint and Email-Operations	Y	Green	Appriver encrypts and backups Sharepoint/Email/Office 365 daily		
Family Services and Construction	N	Red	Currently in process of selecting online system to support both departments, allow applications to be submitted electronically and manage mortgage /construction/repair process		

OPERATIONS UPDATE

Habitat Operations Update for July 2022

Karraine Moody <karraine@hartfordhabitat.org>

Wed 7/28/2021 6:29 PM

To: Abhist Dwivedi <adwivedi83@yahoo.com>; Anne Hamilton <ahamilton105@gmail.com>; Billie Augustin <billie@btaconsultingservices.com>; Crystal Floyd <cfloyd@fairviewcapital.com>; David Symonette <david.symonette@uhc.com>; Don Bates <donald.k.bates@bofa.com>; Ellen Below <ellen.below@talcottresolution.com>; Jennifer Guidry <guidryemba@hotmail.com>; Jesse Carabase <jesse.carabase@meritain.com>; Monica Blanco <mblanco@travelers.com>; Sharon Cheeks <sharonmcheeks@gmail.com>; Steven Hernandez <Steven.Hernandez@cga.ct.gov>

Dear Board Members,

We've been extremely busy for the past few months and juggling multiple opportunities. ***Thank you to the board members that attended the tour yesterday at the proposed satellite office/ReStore in Vernon.*** I will be sending out the full proposal next week but here is the operations summary for July.

Construction:

We will continue to press forward with our builds in August and September. We are going to host Build A Thon in September and we are 90% booked. Due to an increase in covid infections, we closed registration last week. We will host 2-3 groups per day in September and opted to isolate teams by site and not mix different corporate teams. BAT will be held on Forbes in East Hartford, Risley-Hartford, and Vineland Street in Hartford. We are making strides to submit permits for Windsor Rainbow Road before the end of the year. Also negotiating with the City of Hartford for the conveyance of 4 city lots along with funding with no strings attached. In the fall, we will be hosting a Faith Build in conjunction with Thrivent. Thankfully, we have teams registered for the remainder of the year. New Americorps members will start next week.

Family Services:

Closed 5 homes in June and preparing to close another 4 homes before December 1st. Financial Freedom classes will be held virtually again in the fall (October and November). We currently have 3 repair projects in the pipeline (one in Tolland County- funded by Home Depot Veteran grant). Family Services is maintaining an open application process in compliance with covid-social distancing guidelines. FS will continue the virtual open application process until we reach herd immunity.

Finance/Development:

Our audit will begin the week of August 23rd, finance team is currently in the process of submitting documents and authorizations to the audit firm. Makenzie Bahr will join our team on August 3rd as our corporate engagement manager. Makenzie joins us from Houston Texas and worked with the Houston affiliate as a development officer. The development team is working to submitting as many grants as possible as we rally for 2022-2023 funding (1.8M). We will be hosting 4 new businesses from Tolland County during BAT.

ReStore:

Continues to meet monthly revenue goals along with maintaining expenses according to budget. Staff is excited about the new store and the opportunity for career/responsibility growth within the team. ReStore secured a major hotel (500 room) cleanout along with a corporate office clean-out for September. Bob Bolgna, ReStore Manager, continues to bring value to operations allowing Matt to focus on procurement. ReStore currently hosting two youth from Capital Workforce Partners-Summer Employment.

Events:

Board Nominations

Gary Jalbert

175 Noah Lane
Tolland, CT 06084

860.798.8036 • GaryJalbert@gmail.com • https://www.linkedin.com/in/garyjalbert/

CEO / COO / VP of Sales – Turnaround Executive for Underperforming and/or Early-Stage Brands

Highly Accomplished Sales & Operations Executive optimizing profitability across diverse business environments within the consumer goods industry. Led teams to deliver exceptional profit performance and aggressive revenue growth through intensive focus on reducing COGS, development of new products, expansion into new sales channels, and the implementation of creative marketing strategies. Directed up to $75MM P&L and up to 125 associates for underperforming and financially distressed private equity/family-owned companies with annual sales ranging from $2MM to $75MM.

Strategy Design and Implementation • New Product Innovation & Channel Expansion • e-Commerce Development
Natural and Conventional Channel Development • Club Store Development • Convenience Store Development
Private Label Development • Contract Negotiations • Amazon Development • Digital Marketing
Lean / JIT / Demand Flow Management • Financial Modeling • P&L Management
Cost, Margin & Pricing Optimization • Budgeting & Forecasting

Professional Experience

THE LYMAN FARM, INC., Middlefield, CT • 11/18 to Present
President & CEO

General Management of one of America's oldest family-owned businesses, and the State of Connecticut's fifth largest tourist destination, including 36 holes of championship golf, a 9-hole executive golf course, a full-service restaurant, a specialty retail store, a 300-acre PYO orchard, and a wholesale bakery operation manufacturing both branded and private label baked goods for retailers throughout the east coast.

- Restructured the management team to increase focus on specific areas of responsibility and eliminate unnecessary positions within the company.
- Renegotiated three strategic vendor and customer agreements that were unfavorable to the company.
- Increased focus on driving revenues within the individual operating units, which has led to a 38% improvement in consolidated revenue over the past two years and a 533% improvement in EBITDA.
- Developed two new branded line extensions, including frozen pies and hard cider.
- Converted an outdated clubhouse into a modern full-service restaurant generating annual revenues of more than $1MM annually.
- Took over direct management of the marketing strategy in 2020, which led to a 39% increase in web traffic and a 100% increase in Instagram followers.

LAMSON PRODUCTS, LLC., Westfield, MA • 8/17 to 9/18
President & CEO

General Management of this financially distressed manufacturer of cutlery and kitchen tools that was purchased out of bankruptcy in 2016. Directly managed all sales related activities for our multi-channel strategy, including e-commerce, housewares, trade tools, food service and our retail outlet store.

- Improved sales performance from <10%> to +30% in the TTM ending 8/31/18.
- Reduced direct labor by 30% and SG&A by 44%, saving more than $335K annually.
- Interviewed and hired a manufacturer rep network for the specialty retail and trade tool channels where none had previously existed.
- Developed sales programs for a multi-channel strategy that grew Amazon.com sales by 253% versus prior year, sales through the company website were up 143% versus prior year, private label / OEM sales up more than 80% versus prior year, and business with the specialty kitchen store operators up more than 20%.
- Improved operating cash flow by more than $560K annually.

UNCLE HARRY'S, INC., Virginia Beach, VA • 01/12 to 11/16
Chief Operating Officer / Vice President of Sales
Overall management of all sales, marketing and operation activities for this small, privately owned manufacturer of premium ice cream cakes and desserts. Through the implementation of traditional marketing methods, combined with a creative sales process, grew sales by more than 200% during the five years of employment.

- Negotiated a multi-year manufacturing agreement with the existing co-packer, a first of its kind for the company, which included a 24% reduction in food costs above those generated in 2012, saving the company almost $500K annually.
- Secured full chain roll out for a private label ice cream cake program with BJ's Wholesale Club, adding more than $2MM in wholesale sales.
- Implemented an aggressive marketing and promotional campaign making Uncle Harry's the fastest growing brand of ice cream cakes in the United States, in addition to being either the #1 or #2 brand of ice cream cakes in the markets where they operate.

NEW DESSERTS, INC. d/b/a JUST DESSERTS, Oakland, CA • 11/07 to 07/11
President • 06/08 to 07/11
General Management of this $20MM+ private equity owned bakery producing an assortment of all-natural desserts. Through effective sales, marketing, and operations management, improved EBITDA by more than $1 million in the first eighteen months as President. Final decision maker for all corporate procedures. Oversaw all aspects of the company from strategy development and implementation, to plant operations, and personnel selection and training.

- Improved gross profit margins by almost 50% through a combination of greater focus on plant operating metrics that led to a 25% reduction in plant labor, and renegotiated vendor supply agreements, saving more than $250K annually on packaging material.
- Reduced weekly fixed operating costs by more than 15% through a reorganization of the general and administrative staff, along with increased focus on controlling everyday costs.
- Grew revenues by more than 100% over the last 36 months through expanded distribution and increased SKU assortment with limited capital expenditures.

Vice President of Sales • 11/07 to 06/08
Management of all sales activities within the club, retail and convenience store channels; responsible for setting sales strategies for both existing business and new business development. Expanded the branded product line into all Whole Foods divisions throughout the United States in the first six months of employment.

THE STEAK-UMM COMPANY, INC., Pomfret Center, CT • 01/03 to 08/06
Vice President of Sales / Chief Operating Officer

CARVEL ICE CREAM CORPORATION, Rocky Hill, CT • 10/98 to 08/02
Vice President of Sales • 02/01 to 08/02

Regional Vice President of Sales • 10/98 to 02/01

DREYER'S / EDY'S GRAND ICE CREAM, Oakland, CA • 04/92 to 10/98
District Manager – Upstate New York • 09/95 to 10/98

Business Development Manager, New England • 04/94 to 9/95

Account Executive, Gaithersburg, MD • 04/92 to 04/94

Education

Master of Business Administration (Distinction / Graduated in the Top 10%)
Bentley University's McCallum Graduate School of Business, Waltham, Massachusetts
Bachelor of Science in Business Management
Fitchburg State College, Fitchburg, Massachusetts