New Hill Executive Committee Meeting

Quick recap

The meeting covered updates on ongoing negotiations, operational issues, and staffing changes, including a new partnership with Compass Group and plans to expand organizational capacity. Financial matters were discussed, including projections, grant applications, and potential funding opportunities, as well as plans to transition to a fee-for-service model and launch new programs. The team also addressed marketing initiatives, board recruitment, and the need for strategic planning and organizational audits.

Next steps

- Yolunda: Negotiate with Locus regarding the $300,000 cash payment and explore alternative financing options
- Board Members: Identify and recommend potential auditors who can conduct an audit at a reasonable cost
- Yolunda: Follow up with Matt at Chesapeake Equipment regarding additional costs and bills from 1-2-3 Equipment Solutions
- Yolunda: Submit updated scholarship program details to Shawn by end of next week, including business license information and qualification criteria
- Yolunda: Prepare kitchen leasing activity snapshot for the board, including pipeline status and revenue metrics
- David: Work with Sarad to establish criteria and selection process for Food Service Management cohort
- Priscilla: Continue working to meet kitchen membership sales goals and process new applications
- Maisha: Apply for Virginia Housing Tier 2 grant for strategic planning, succession planning, and risk management
- David & Malaika: Create promotional videos for BBI partner sites and pop-up events
- Anne: Resend the board skills matrix template used for Abundant Lives

Summary

BEACON Flavor Catering Branding Update

Yolunda provided an update on the ongoing negotiations with Flavor Exceptional Catering regarding the use of Flavor in our name. While a preliminary agreement was reached, their lawyer did not draft the necessary documents, so Yolunda's attorneys will step in to finalize the agreement. In the meantime, the team has developed a new logo for "BEACON Flavor Catering" to ensure distinction from Flavor Catering's branding. This new name and logo will be used for upcoming marketing efforts and a trial run with Compass Group at the University's hospital.

Chesapeake Equipment Payment Resolution

Yolunda discussed the final payment issues related to Chesapeake equipment, including a $74,000 payment for operational blast chiller and tilt skillet installation. She explained that additional costs were incurred due to coordination issues between contractors and electricians, with a loose wire in a junction box being the main problem. Yolunda mentioned that Chesapeake Equipment would be responsible for some of these additional costs, particularly related to a missing condenser that was not included in the original engineering plans. She also noted that once the final payment is made, Locus would return $318,000 to cover Team Henry's final payments and part of the equipment expenses.

Catering Partnership and Staff Updates

Yolunda announced that LaShana, the catering manager, left the organization due to excessive absences, leaving the position open. She provided updates on new staff, including Caroline and Shelena, who are helping with the increased demand for meals during the summer. Yolunda discussed a new partnership with Compass Group through Food Works, which involves pop-up restaurants at a hospital cafeteria. This collaboration offers a guaranteed daily revenue of $850 and serves as a marketing opportunity for BEACON. Yolunda emphasized the potential for this project to expand and create more job opportunities in the future.

Key Roles for Organizational Growth

Yolunda discussed the need to expand the organization's capacity by adding key roles such as an executive chef, kitchen/production manager, and office manager. She emphasized the importance of these positions in supporting growth, managing operations, and reducing

external costs. Yolunda also mentioned plans to update job descriptions to align with current needs and explore bringing bookkeeping in-house to reduce expenses.

Strategic Plan and Grant Updates

Yolunda discussed the need to update the strategic plan for the second half of the year, as the current plan from 2022 to 2025 is nearing its end. She mentioned that a proposal for the update will be provided by Joshua. The capital needed for the initial run of Beacon Maid is $100,000, with $50,000 covered by a grant and a potential match from the city. Yolunda is awaiting an update on the RFSI grant, which could provide an additional $100,000 for equipment and support storefront development. She plans to finalize these plans by the end of the year to start construction in Q1 2026. Yolunda also highlighted a meeting with the Virginia Economic Development Department and Sean Malik to discuss potential partnerships and the need for more food processing capabilities in Virginia. Additionally, she mentioned working with Aqura and David to build out a new financial program, which includes workshops and one-on-one coaching, supported by a $4,000 grant from CIC.

Fee-for-Service Model and Scholarships

Yolunda outlined plans to transition to a fee-for-service model, including offering CPA services to entrepreneurs at $150-$300 monthly, and discussed a scholarship program to support new business owners with resources like QuickBooks subscriptions, marketing assistance, and kitchen time. The scholarship fund, which would require completion of both the CIC program and Antoine's GO Cook program, was praised by Shawn for its potential to attract donors and provide comprehensive support for entrepreneurs.

Financial Planning and Video Production

Yolunda reported on the status of video production for a hybrid cohort program, which is currently in editing and aims to launch in August. She presented financial projections for the second half of the year, showing an expected operating gap of $300,000, and discussed the decision to delay a planned refinance with Locus due to concerns about losing $300,000 in available cash. The organization currently has $432,000 in the bank, with plans to use $74,000 for a payout while expecting a $318,000 reimbursement from Locus, leaving them with approximately $676,000 total.

Sales, Marketing, and Grant Updates

The team discussed sales tracking and revenue forecasting, with Yolunda confirming they are monitoring performance against $20,000 behind target. They reviewed marketing initiatives

including a new promotional video being produced to showcase community activities and pop-up events, while also noting the need for additional marketing investment. The kitchen membership reached nearly 10 members with several at the $1,200+ tier, generating about $4,000 monthly revenue, though this doesn't yet cover rent. Yolunda reported securing multiple grants including $100,000 from AFID, $50,000 from Section 4 (covering staff salaries), $30,000 from Manning Foundation for BBI training, and a $15,000 CACF renewal grant for staff time off.

Grant Opportunities and Loan Options

Yolunda discussed several grant applications and funding opportunities, including a $50,000 Bank of America Neighborhood Builders grant, a $20,000 economic mobility grant, and a potential $250,000 FARE grant to plan retail storefront space and investigate SNAP implementation for grab-and-go products. She explained plans to explore switching from a higher-interest LOCUS loan to a 3% interest FARE loan, pending grant success. The group also discussed applying for operational funds from the Anne & Gene Worrell Foundation, with Yolunda indicating they would likely request $250,000 but needed to determine the foundation's appetite for support.

Marketing and Board Planning Updates

The team discussed creating a scholarship summary by the end of next week, with Yolunda confirming they would include business license information and qualifications. They agreed to focus on board recruitment in the second half of the year, with Yolunda mentioning a proposal from Lauren to create a board plan and the need to assess current board skills using a skill matrix that Anne offered to share. The group also discussed updating their bylaws, applying for a Virginia housing grant to cover succession planning, strategic planning, and risk management, and the need to find a cost-effective auditor for an organizational audit.