



2016 Business Plan

*Exceeding Strategic Goals
and
Planning for Future Growth*

June 10, 2015

FY16 Organizational Goals

In FY15, City Harvest continued to focus on alignment across the organization to support greater operational coordination and consolidation of functions as we positioned the organization for continued growth in the final year of the strategic plan.

In FY16, City Harvest will continue to amplify its international, national and local visibility as a recognized leader in the complex business of food rescue and delivery. City Harvest will continue to build and highlight our *Healthy Neighborhoods* Initiative (HNI), with a focus on preparing to develop the next generation of multi-year programs designed to address the issue of hunger and its related health disparities. The final year of our strategic plan will see us reach and exceed our strategic goals. Specifically:

- Exceeding our strategic goal for FY16, we will rescue and deliver 55 million pounds of **good quality, nutrient-dense food**, 51% of which will be produce.
- Raise and manage **\$123.2 million in total revenue**, including in-kind donations, representing an 8% growth over FY15 reforecast*.
 - Exceed our strategic plan target with a FY16 cash revenue goal of \$28.6 million (excluding in-kinds).
 - Secure some \$5 million in closing commitments to complete the 30-30-30 Campaign, with \$30 million raised over four years, and a plan in place to recognize all commitments and close out the Campaign.
- In line with our strategic goal for FY16, we will continue to carefully manage expenses with an **expense budget of \$28.6 million**, which is compared to a strategic plan target of \$28.1 million.
 - Our cost per pound is projected to be 25 cents, compared to our strategic plan target of 27 cents.
- Continue to **expand *Healthy Neighborhoods* programming** in line with the strategic plan.
- Continue to foster a **positive and meaningful working environment**. Optimize individual and organizational strengths by utilizing our new performance management system, emPerform, to cultivate talent, culture and leadership.
- Host 250 high-level thought leaders, innovators, philanthropists, policy-makers and practitioners at **City Harvest's Leadership Summit, *Beyond Hunger: The City of Tomorrow***, to imagine and debate the possibilities of a hunger-free city of tomorrow.
- Actively **manage organizational risk** as City Harvest continues to grow, including projects to improve business continuity, insurance costs and claims management, and driver safety.
- **Position City Harvest for future growth**, beyond FY16 and in response to the ongoing need for emergency food and creative programming to improve the food environment in New York City by:
 - Completing the development of a basic and straightforward approach to measuring Return on Investment for *Healthy Neighborhoods*, which will help to guide future strategy development;
 - Developing a Theory of Change for *Healthy Neighborhoods*; a specific and measurable description of a social change initiative to form the basis for strategic planning;
 - With the advisement of a Board work group, developing a future fundraising strategy that creates an alternative path for substantial revenue growth;
 - Investing in our information and logistics systems to enhance operational efficiency and distribute increased pounds; and
 - Convening a Strategic Planning Committee to guide the development of a new strategic plan in FY17.

*All FY16 data compared against FY15 reforecast, unless otherwise noted.

FY16 Financial Objectives

- Raise **\$28.6 million in total revenue** excluding in-kind donations, representing a 4.9% growth over FY15 reforecast.
- **4.4% increase in expenses** over FY15 reforecast, which is below expected revenue growth. Anticipated increases in personnel and VAP & Freight costs drove budget growth.
- Deliver **55 million pounds** of food of which 51% will be produce, representing a 10% growth in total pounds over 2015 reforecast. VAP & Freight expenses increased from \$3.27 million in FY15 reforecast to \$3.92 million in FY16, representing an 19.9% increase over FY15 reforecast.
- **\$377k projected capital spending** includes \$196K in fleet expansion.
 - \$196k to purchase two new trucks.
 - \$80k to purchase software for Finance, for the purpose of budgeting and other general ledger enhancements.
 - \$76k in IT related costs for Cisco firewall, switches for ports and a server.
 - \$25K in additional costs for a clipping machine, FRF upgrades and equipment.
- End 2016 with **\$12.6 million in cash** (*\$10 million in operating cash and \$2.6 million in the Green Fleet Fund.*)
- Manage to a “break-even” budget, while maintaining a strong cash reserve.
- Retain our Charity Navigator **Four Star Rating**.

FY15 Expected Results

- Reach **\$27.3 million in revenue** or 7.46% increase over FY14.
- Distribute **50.2 million pounds of food** representing a 9% increase over 2014.
- Total cash at year-end is forecasted to be \$12.5 million.

FY16 Budget vs. Prior Years

Excludes In-Kinds <i>(in thousands)</i>	FY16 Budget	FY15 Reforecast	FY14 Actual	FY13 Actual	FY13 - Core Excluding Sandy
Revenue (Before Green Fleet & Perm. Restricted)	\$ 28,574	\$ 27,200	\$ 25,263	\$ 32,025	\$ 25,259
Investment and Other Income	30	60	104	88	88
Total Revenue (before Green Fleet & Perm. Restricted)	28,604	27,260	25,367	32,113	25,347
Expenses					
Program Services					
Emergency Food Operations	16,375	15,352	14,086	16,592	12,551
Healthy Neighborhoods and Other Programming	4,091	4,326	4,313	3,991	2,896
Total Program Services	20,466	19,678	18,399	20,583	15,447
Supporting Services					
Managerial and General	920	963	1,049	795	780
Development - <i>Less Net Direct Benefit To Donors</i>	7,218	6,756	6,171	6,016	5,996
Hurricane Sandy Incremental Spending					
Total Supporting Services	8,138	7,719	7,220	6,811	6,776
Total Expenses (excluding Move Related Expenses)	28,604	27,397	25,619	27,394	22,223
Surplus (Deficit)	-	(137)	(252)	4,719	3,124
Depreciation & Amortization	(935)	(837)	(865)	(657)	(657)
Strategic Expenses	-	-	-	(223)	(223)
Green Fleet Fund Revenue	-	-	-	105	105
Change in Net Assets	\$ (935)	\$ (974)	\$ (1,117)	\$ 3,944	\$ 2,349
Other Highlights					
Total Pounds Delivered	55,263	50,233	46,075	52,262	45,294
Capital Expenditures	\$ 377	\$ 336	\$ 925	\$ 2,428	\$ 2,428
Cash Balances (End of Year)					
General Operating Cash	\$ 10,001	\$ 9,900	\$ 11,918	\$ 12,498	\$ 12,498
Green Fleet Fund	2,580	2,580	2,497	2,497	2,497
Restricted Investments	310	325	327	328	328

- We will manage to a “break-even” budget, while maintaining a strong cash reserve.
- Budget does not include a bonus accrual of \$343K. Staff and Management will be eligible for bonuses when the organization exceeds \$28.6 million in revenue (excluding in-kind donations) and rescues and delivers 55 million pounds.

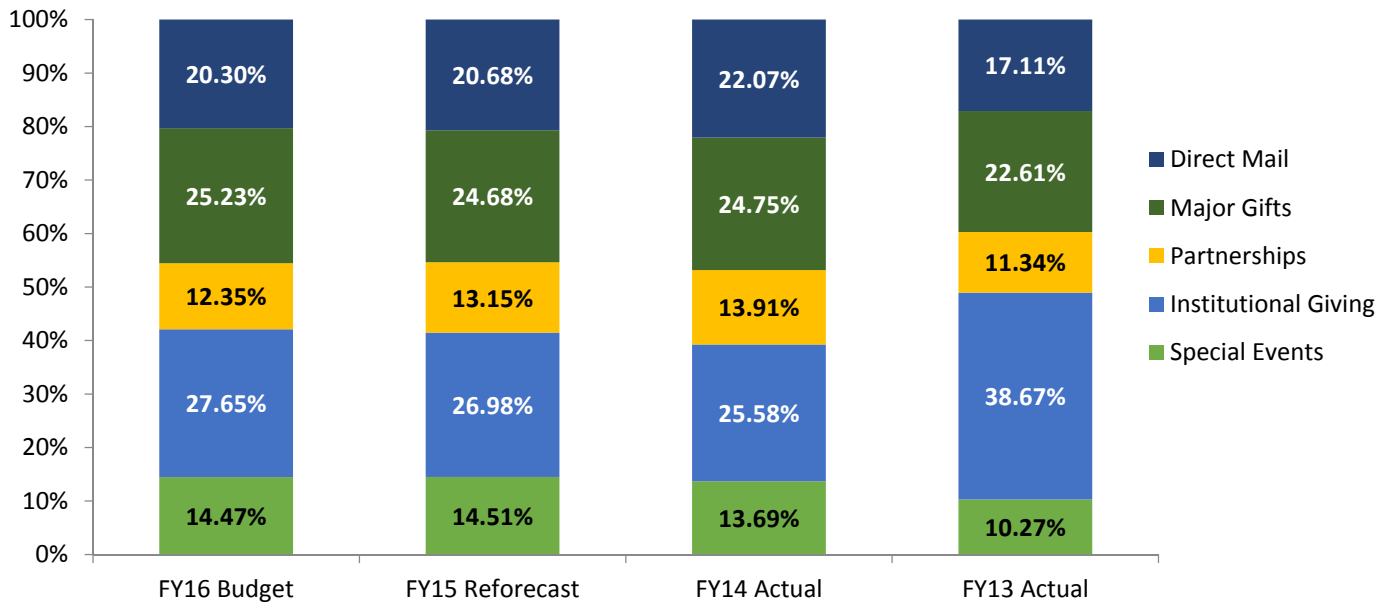
Opportunities

- With **increased public interest in the issue of food waste**, we will look for opportunities to bring City Harvest into media discussions around excess food in the supply chain and the food rescue model we pioneered.
- Our **first Leadership Summit**, Beyond Hunger: The City of Tomorrow, will broaden our network of multi-disciplinary thought leaders, expand our internal knowledge base to guide strategic thinking, generate cross-sector partners in planning for a hunger-free city, and build local and national recognition of City Harvest as an organization working beyond emergency food.
- We launched the **Feed Our Kids campaign** to raise visibility, fundraising and advocacy opportunities around child hunger, and engage the public in supporting the passage of a strong Child Nutrition Act which expires September 30. City Harvest's **role with NYC4CNR** is positioned to ensure that NYC policy priorities are communicated to Congress and championed by local elected officials.
- Through the HNI, we have developed **relationships with strategic partners**, such as Wholesome Wave, the Department for Youth and Community Development (DYCD), Jetro Cash n Carry, AARP, and GrowNYC, to leverage our programs throughout the five boroughs.
- With the current Healthy Neighborhoods four-year plan in its final year, we have an opportunity to share **innovative, well-regarded HNI programming and results** nationwide.
- The possibility of **replicating last year's success** with the Gala, a major 30-30-30 Campaign request to an individual donor, and the potential for a decision from the Starr Foundation represent windfall opportunities to significantly exceed our initial revenue assumptions.
- **Recently restructured fundraising departments** will allow for greater collaboration across areas, including Special Events, Major Gifts, Institutional Giving, and Corporate Partnerships.
- With support of the Helmsley Trust and the Mayor's Office, **a collaboration plan is being developed for City Harvest, United Way NYC, and Food Bank for NYC** to ensure increased pounds go to the highest-need neighborhoods.
- **A new local agreement with the Food Bank for NYC (FBNYC)** goes into effect on May 1, 2015, with a new allocation of shares effective on July 1, 2015. City Harvest's shares have increased 66% to a total of 50% of Feeding America shares, which can open up additional channels for food sourcing.

Risks

- Current cost assumption for **38.2MM pounds from national sources** was compiled based on historical 12 month data through March 2015. VAP & Freight costs could fluctuate due to harvest conditions, weather, labor costs, transportation regulations, and availability of trucking.
- In order to lower costs under National Procurement, we've budgeted for **1.5MM pounds to be free/free** (no VAP, no freight). Sources of free food are varied and uncontrolled.
- **Fundraising has become more reliant on large gifts and initiatives** as we've grown. More than one-third of FY16 revenue, \$9.6 million, will come from *An Evening of Practical Magic*, *Bid Against Hunger*, *Skip Lunch Fight Hunger*, and six individuals and foundations expected to give at least \$500K each. The reliance on larger gifts can be both high-reward and high-risk as shortfalls of this size are much more challenging to overcome in a single year.
- The **potential sale of longtime partner NY Daily News** may affect the future of the *Daily News Food Drive*, which could impact end-of-year fundraising.
- **Expected increase in severe weather** may lead to Mobile Market closings and the occasional need to halt operations during the winter months resulting in cancelled food donor stops and agency drop offs.
- As we increase the amount of emergency food rescued and delivered year over year, our **expense base continues to grow**, and managing to a "break-even" budget becomes more challenging as personnel and VAP & Freight costs increase.

Revenues by Campaign

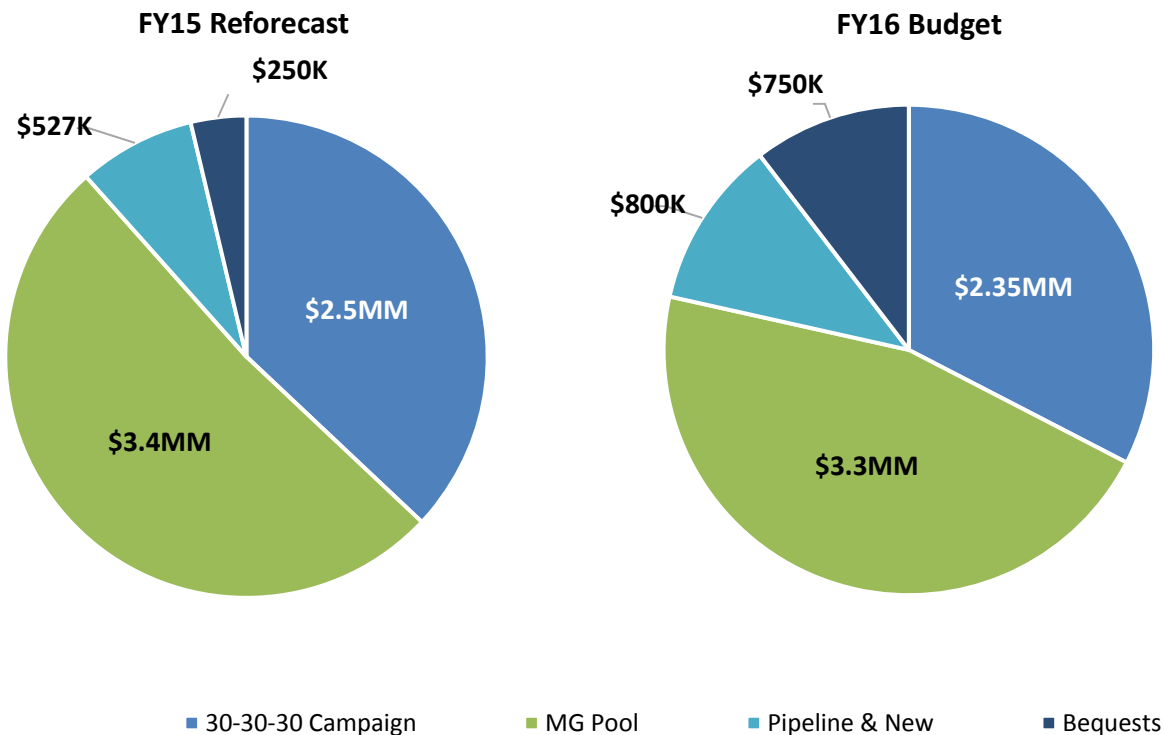


Total by Campaign <i>(in thousands)</i>	FY16 Budget	FY15 Reforecast	FY14 Actual	FY13 Actual*
Direct Mail	5,800	5,626	5,576	5,480
Major Gifts	7,209	6,713	6,252	7,241
Partnerships	3,530	3,577	3,513	3,631
Institutional Giving	7,901	7,338	6,463	12,385
Special Events:				
Gross Revenue	4,751	4,729	3,964	3,799
Donor Benefit	(617)	(783)	(505)	(512)
Special Events, Net Revenue (before Green Fleet, Perm. Rest., Investment & Other)	4,134	3,946	3,459	3,287
Investment & Other Income	30	60	104	88
Total Revenue (ex GFF & PERM. Rest.)	28,604	27,260	25,367	32,113
Green Fleet Fund				105
Permanently Restricted Gifts				
Total Revenues (ex in-kinds)	28,604	27,260	25,367	32,218
% Change over Prior Year	4.93%	7.46%	-21.26%	30.12%

*Revenue includes \$6.8MM in donations raised for Hurricane Sandy relief.

- Raise \$28.6 million in total revenue excluding in-kind donations, representing a 4.9% growth over 2015 reforecast.
- Growth is projected in all revenue areas, with the exception of Partnerships.
- Institutional Giving and Major Gifts represent 52.8% of our 2016 budget. A reliance on large, multi-year gifts may create increased risk of revenue variability.

Development – Major Gifts



- FY15: raised \$6.7MM.
- FY16: will increase to \$7.2MM.
- FY16: have one-on-one contact with at least 60% of the Major Donor Pool and at least 35% of Pipeline & New donors.
- FY16: donations from Pipeline & New donors will increase as a result of FY14 and FY15 cultivation activities. Bequests increase due to a \$500K gift expected in late FY16.
- Campaign commitments will primarily come from Pipeline donors, as well as \$512K from Board members and a potential \$1MM commitment.

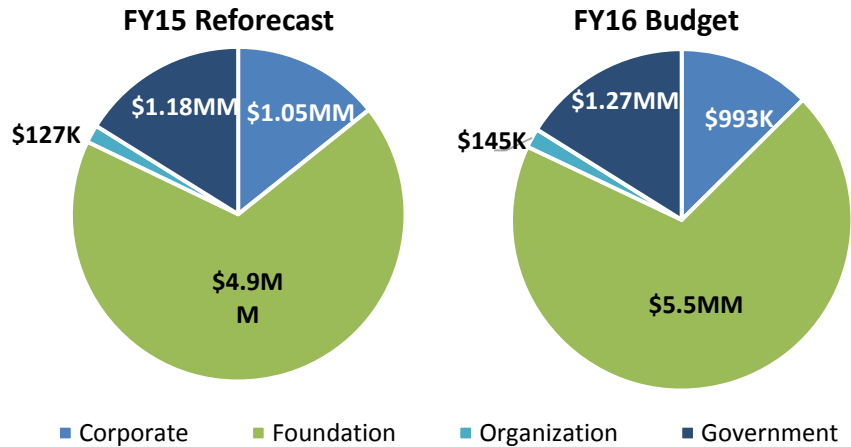
Key FY16 Strategies

- Capitalize on synergies between a newly aligned Major Gift/Special Events department with a comprehensive strategy for engaging high potential donors after events.
- Through the Future Fundraising Work Group, solidify a plan to secure elevated major gifts in the years ahead.
- Offer a broad spectrum of cultivation activities to increase interactions with donors.

Development – Corporate and Foundation Relations

Institutional Giving

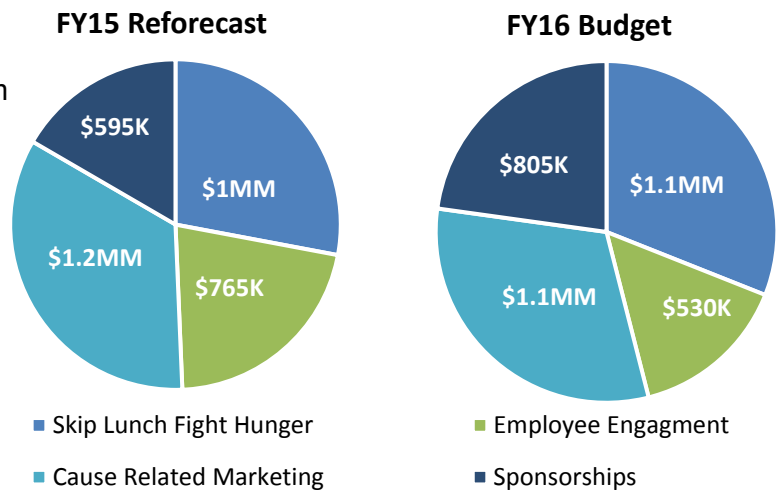
- FY15: raised \$7.3MM.
- FY16: will increase to \$7.9MM.
- FY16: secure multi-year grants from strong supporters totaling \$1.2MM.
- Realize \$790K in revenue from Helmsley Trust and \$470K from SNAP-Ed.



■ Corporate ■ Foundation ■ Organization ■ Government

Partnerships

- FY15: raised \$3.58MM.
- FY16: will raise \$3.53MM. Decline from FY15 revenue is a result of lowered expectations for the Duane Reade promotion (-\$300K) and the Credit Suisse Holiday Charity Initiative (-\$225K), which alternates participating charities each year.
- FY16: continued growth in *Skip Lunch Fight Hunger*, further development of sponsorship opportunities, and continued employment engagement opportunities to maintain relationships throughout the year.



■ Skip Lunch Fight Hunger ■ Cause Related Marketing ■ Employee Engagement ■ Sponsorships

Key FY16 Strategies

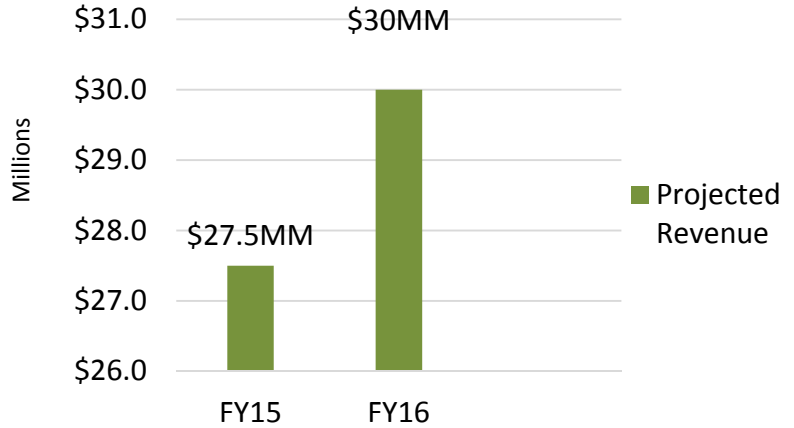
With the consolidation of Corporate Partnerships and Institutional Giving, we will integrate fundraising strategies more closely and maximize giving levels of key partners on the corporate foundation, sponsorship, and workplace giving fronts. The Leadership Summit is an important testing ground for this strategy.

- **Institutional Giving:** Increase giving levels of strong multi-year donors that are up for renewal, including Booth Ferris Foundation, Stavros Niarchos Foundation, and Fan Fox and Samuels Foundation.
- **Partnerships:** Continue to grow *Skip Lunch Fight Hunger* by further developing structured competition and utilizing special opportunities (e.g. food truck), increase sponsorship of *Daily News Food Drive*, and increase communications around employee engagement opportunities.

30-30-30 Campaign

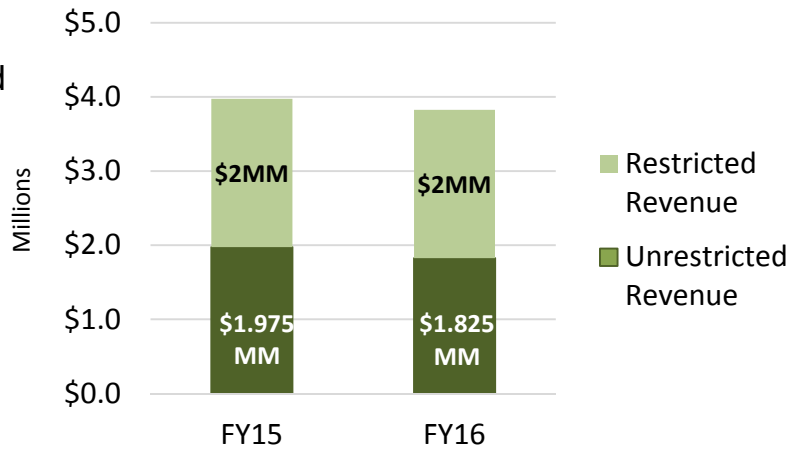
Total Projected Campaign Revenue

- City Harvest launched the 30-30-30 campaign in April 2012, with the goal of raising an additional \$30 million dollars by 2016 to support our planned growth.
- By close of FY15: \$27.5MM total projected campaign revenue.
- By the close of FY16: \$30MM total projected campaign revenue.



30-30-30 Campaign: FY15 - FY16

- FY15: \$3.975MM combined revenue from Major Gifts and Corporate & Foundation Relations (\$2MM restricted for future years).
- FY16: \$3.825MM expected combined revenue (\$2MM restricted for future years).



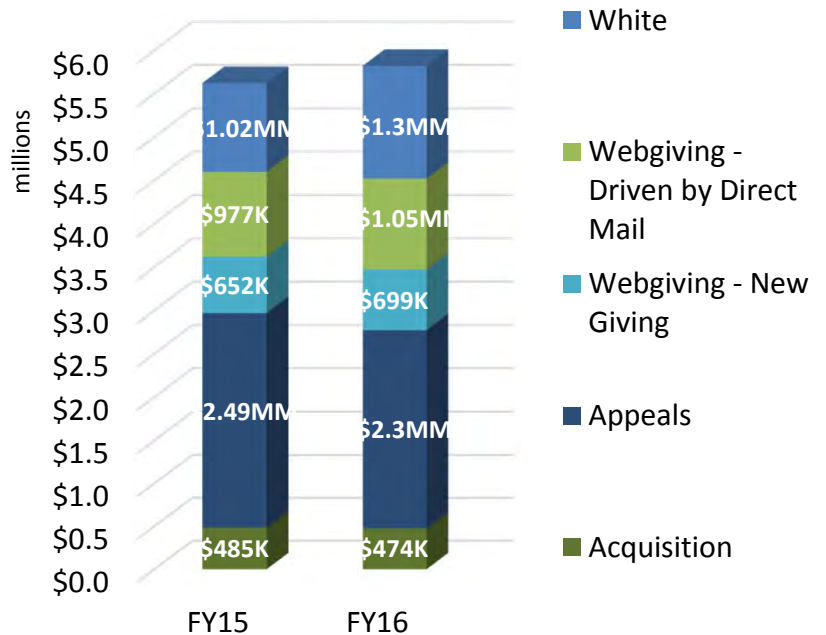
Key FY16 Strategies

- Focus on closing campaign with refreshed case statement and marketing strategy to raise visibility in last 12 months.
- Employ Challenge Grant to increase lower level donor participation.
- Create a plan to formally recognize the successful close of the 30-30-30 Campaign.

Direct Mail & Special Events

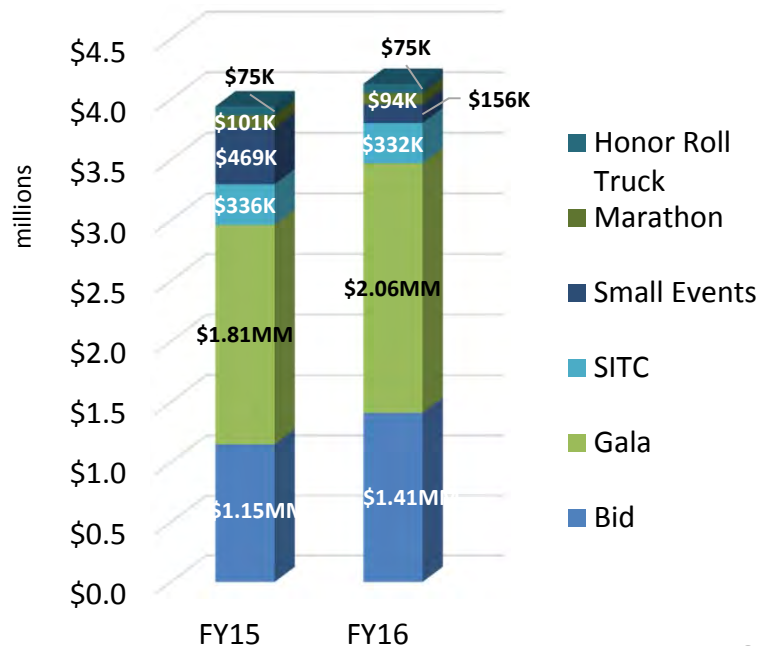
Direct Mail

- FY16 income goal is \$5.8MM, a 3% increase over FY15 reforecast.
- We will focus on testing creative, messaging, list selection, and the development of a low dollar track as a way to continue to grow our file and increase revenue.
- More donors are giving online, with 60% driven there by mail. Average revenue for online gifts is 22% higher than gifts given through the mail. We will continue testing strategies to capitalize on this trend and drive revenue up. We are projecting web income will rise to \$1.7MM in FY16, a nearly 7% increase over FY15.



Special Events

- FY16 income is projected at \$4.75MM gross (\$4.1MM net).
- We see opportunities to increase sales of higher ticket packages and provide for more sponsorship activation following *Bid Against Hunger's* move to a new location in FY15.
- Increasing collaboration between Special Events and Major Gifts will be integral to the continued growth of *An Evening of Practical Magic*. We are projecting an 11% increase in revenue and will focus increasingly on securing larger table purchases to hit this target.

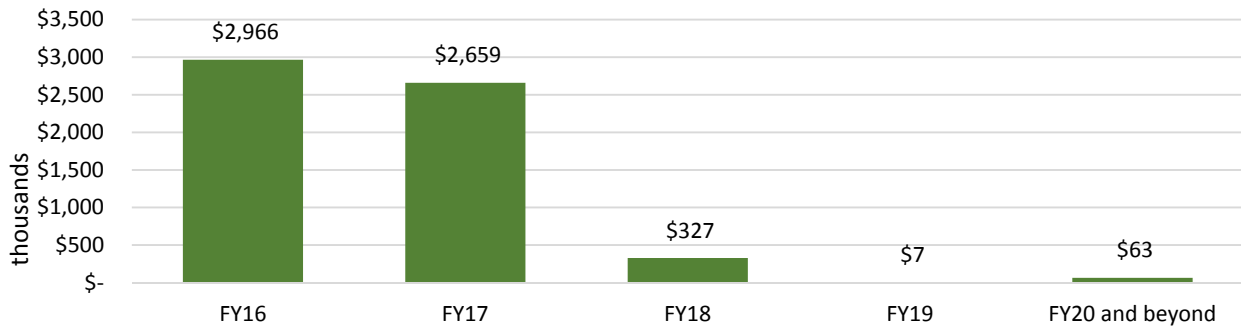


Unrestricted Revenue

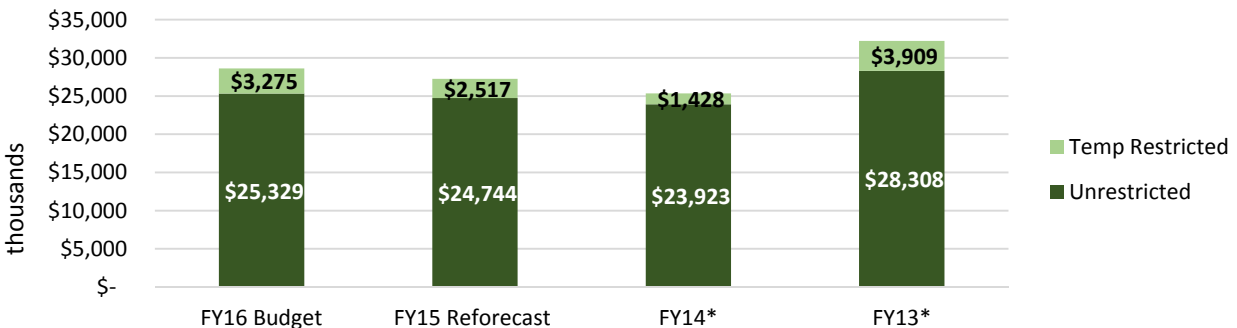
<i>(in thousands)</i>	FY15				
	FY16 Budget	Reforecast	FY15 Budget	FY14 Actual	FY13 Actual
Unrestricted Revenue					
Current Year	\$ 25,329	\$ 24,744	\$ 25,425	\$ 23,923	\$ 28,308
Net Assets Released from Prior Year	2,966	1,571	2,403	2,805	1,291
Total	28,295	26,315	27,828	26,728	29,599
Total Expenses (excluding In-Kinds)	28,604	27,397	27,374	25,619	27,394
Surplus/(Deficit)	(309)	(1,082)	454	1,109	2,205
Depreciation & Amortization	(935)	(837)	(825)	(865)	(657)
Strategic/Move Expenses	-	-	-	-	(223)
Change in Unrestricted Net Assets	\$ (1,244)	\$ (1,918)	\$ (371)	\$ 244	\$ 1,325

- Temporarily restricted revenue is expected to total \$3.3 million in 2016 which represents 11.5% of revenue.
- \$28.3 million of unrestricted funds available in 2016.
- Deficit of \$0.3 million in unrestricted revenue (before depreciation & amortization) projected.
- After depreciation & amortization, planned deficit of \$1.24 million is projected.

Prior Year Revenues to be Released



Annual Revenue by Restriction



*Does not include \$1K in permanently restricted net assets for FY13 and \$16K in permanently restricted net assets for FY14.

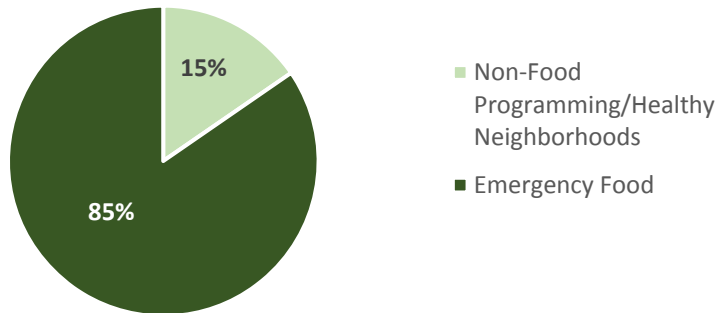
Pounds Rescued and Delivered

<u>Core Pounds:</u>	<u>FY16 Budget</u>	<u>FY15 Reforecast</u>	<u>FY14 Actual</u>	<u>FY13 Actual</u>
National Pounds	34,200,000	29,500,000	24,588,168	21,815,561
Local Farm Pounds	4,000,000	3,000,000	4,095,017	3,392,582
Local Pounds	16,800,000	17,500,000	17,136,278	19,055,162
Total Donated Food	55,000,000	50,000,000	45,819,463	44,263,305
Purchased Pounds	263,000	233,350	255,178	219,252
Total Core Food Distributed	55,263,000	50,233,350	46,074,641	44,482,557
<u>Sandy Pounds:</u>				
Donated Food	-	-	-	4,127,336
Purchased Food	-	-	-	3,651,986
Total Sandy Pounds	-	-	-	7,779,322
Total Pounds Rescued	55,263,000	50,233,350	46,074,641	52,261,879
<u>Core Pounds:</u>				
<u>Donated (Non-Cash Value)</u>				
Total Core	\$ 94,600,000	\$ 84,500,000	\$ 77,434,892	\$ 73,477,086
per Pound	\$ 1.72	\$ 1.69	\$ 1.69	\$ 1.66
<u>Cost of Purchased Food</u>				
Total Core	\$ 356,000	\$ 300,853	\$ 313,468	\$ 339,826
Per Pound	\$ 1.35	\$ 1.29	\$ 1.23	\$ 1.55

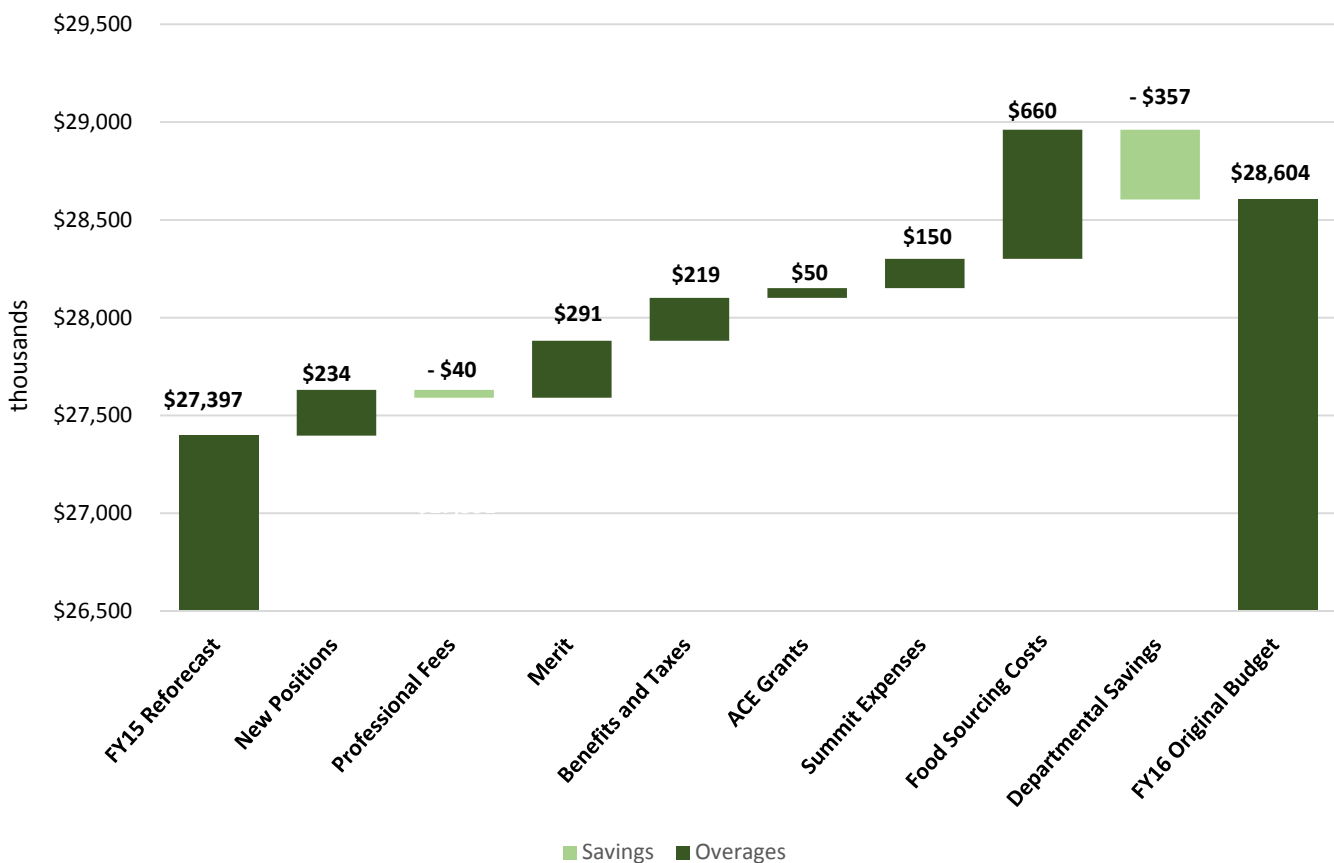
- FY15: expect to deliver 50.2 million pounds of food representing an 8.6% growth over FY14. 53% will be produce, and 85% will be nutrient dense*.
- FY16: will grow to 55 million pounds representing a 10% growth over FY15. 51% will be produce, and 85% will be nutrient dense.*

* Produce, meat, dairy, assorted whole grains, canned, packaged and prepared.

Expenses by Major Programs

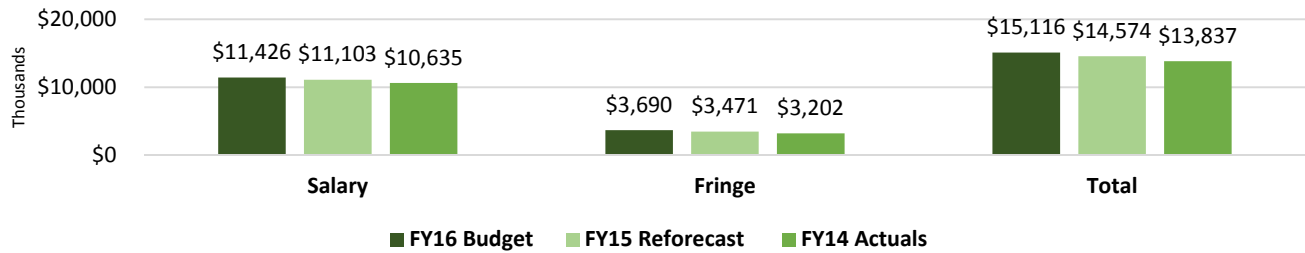


Incremental Expenses



- In FY16, 85% of spending will go toward emergency food and 15% toward non-food programming (below the previously agreed upon 25% threshold).
- 4.4% increase in expenses over FY15 reforecast, which is even with expected revenue growth.

Total Personnel Costs



Annual Personnel Increases

FY 15 Reforecast - Personnel, Benefits and Taxes

\$ 14,574

Thousands		
	Promotions	185
	Costs of Annualized Open Positions	180
	New Positions in FY16	234
	Savings from Reduced or Eliminated Positions	(567)
	CBA Annual Increase	43
	Annual Merit Increases	248
	Increase in Benefits and Taxes	219

FY16 Budget - Personnel, Benefits & Taxes

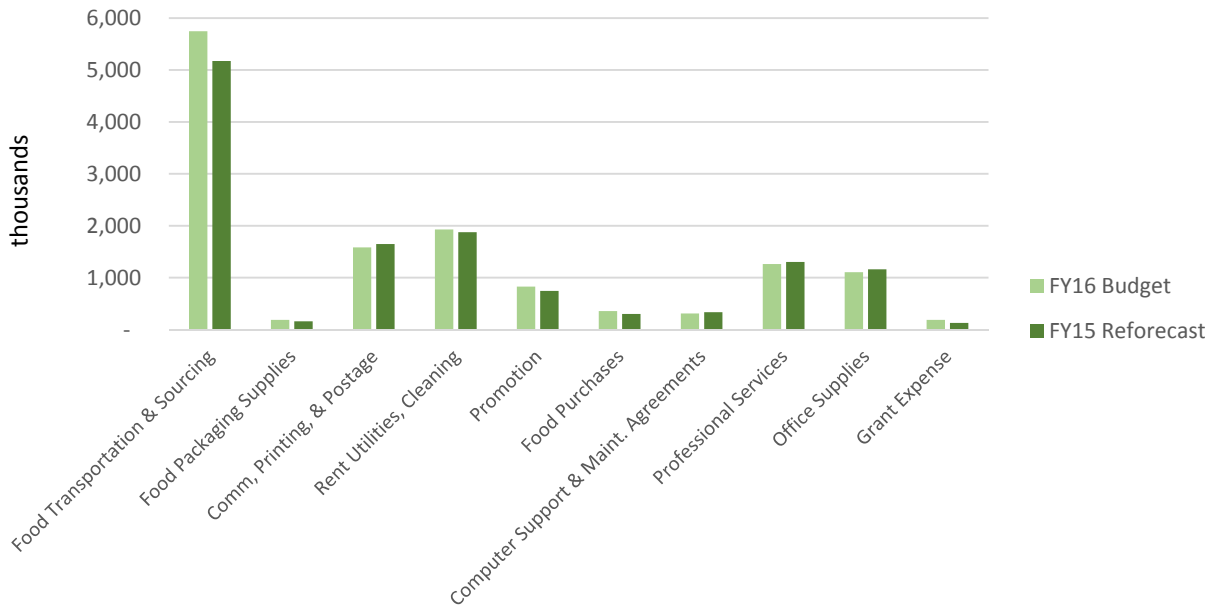
\$ 15,116

Positions by Functional Areas

	Budgeted Positions			VAR-FY16 vs. FY15
	FY14	FY15	FY16	
Community Impact	36.0	35.0	34.0	-1.0
Operations	60.0	62.0	62.0	0.0
Food Sourcing	6.0	6.0	8.0	2.0
Marketing & Development	33.0	34.0	34.0	0.0
Management & General	26.0	23.0	24.0	1.0
Total F/T positions	161.0 *	160.0	162.0	2.0
Total P/T positions	2.0	3.0	10.0	7.0
Total	163.0	163.0	172.0	9.0

- 9 total positions will be added in FY16.
- Personnel costs are projected to increase by \$542K over the FY15 reforecast primarily due to increased health insurance, worker's compensation, merit increases, and promotions.
- Budget does not include a bonus accrual of \$343K. Staff and Management will be eligible for bonuses when the organization exceeds total revenue of \$28.6 million (excluding in-kind donations) and rescues and delivers 55 million pounds.

OTPS Costs Increases by Area



Direct Food Costs

	FY16 Budget	FY15 Reforecast	FY14 Actual	FY13 Actual
Freight Costs	\$ 1,766,298	\$ 1,401,112	\$ 996,663	\$ 700,000
VAP	<u>\$ 2,157,096</u>	<u>\$ 1,864,019</u>	<u>\$ 1,507,270</u>	<u>\$ 1,403,370</u>
Total VAP & Freight	3,923,394	3,265,131	2,503,933	2,103,370
National Pounds	34,200,000	29,500,000	24,588,168	21,815,561
Local Pounds that carry VAP & Freight	<u>4,000,000</u>	<u>3,000,000</u>	<u>4,095,017</u>	<u>3,392,582</u>
Pounds with VAP & Freight	38,200,000	32,500,000	28,683,185	25,208,143
Cost Per Pound	\$ 0.103	\$ 0.100	\$ 0.087	\$ 0.083
% Change	2.2%	15.1%	4.6%	7.2%

- Net OTPS costs will increase by \$665K over FY15 reforecast.
- Significant increased spending is seen in Food Transportation & Sourcing due to VAP & Freight. Increase in promotion and grant expenses is due to Leadership Summit and ACE grants.
- During FY15, we saw an increase in VAP & Freight costs of 15.1%, to 10 cents per pound. The cost per pound for FY16 is expected to increase by only 2.2%, to 10.3 cents per pound.

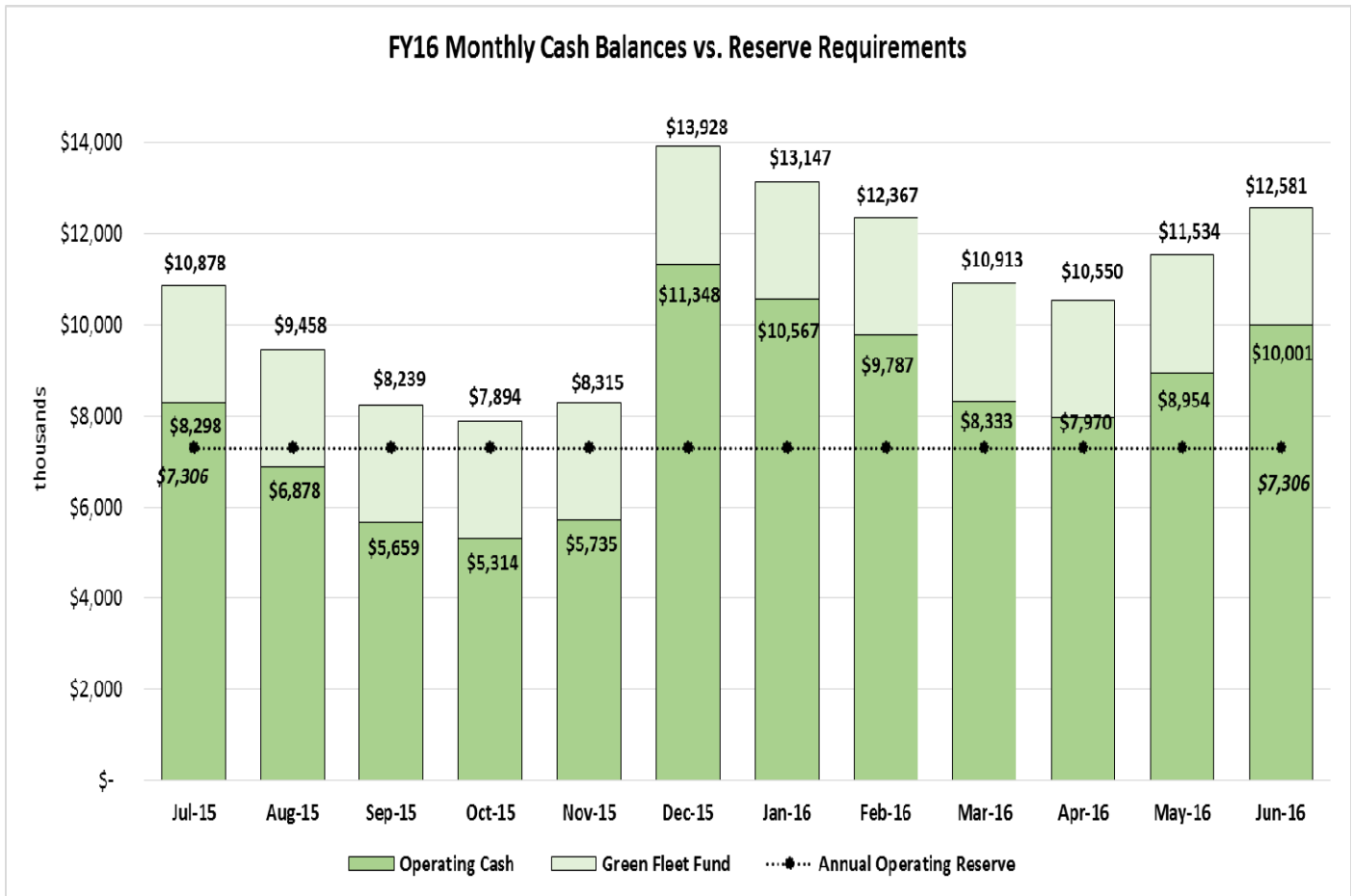
Capital Spending

(in thousands)

Capital Spending	FY16 Budget	FY15 Reforecast
Fleet Vehicles	\$ 196	\$ 170
FRF Upgrades	-	53
IT Related Costs	156	44
FRF Equipment	13	32
Other Small Purchases	12	37
Total	\$ 377	\$ 336

- \$377K projected capital spending in FY16 includes \$196K for fleet expansion.
- IT related costs of \$39.4K includes Cisco firewall products to ensure intrusion detection and prevention and \$80K for budget software for Finance, for the purpose of budget and other general ledger enhancements.
- Remaining \$36.5K of IT related costs includes \$18K for switches and \$18.5K for a server.
- Remaining \$25K includes a clipping machine and FRF upgrades and equipment.

Monthly Cash Balances vs. Reserve Requirements

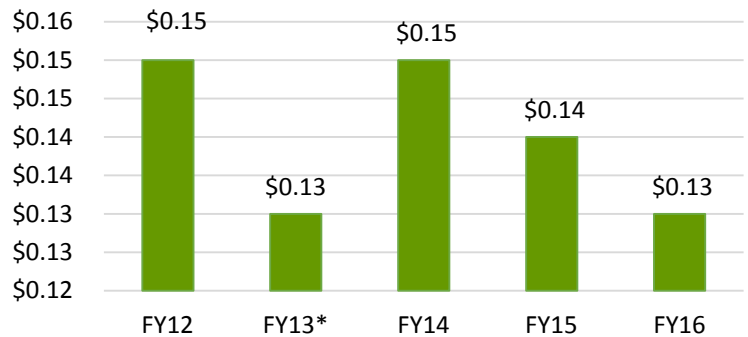


- According to the cash reserve policy, City Harvest should maintain 25% of its annual operating expense budget in cash, cash equivalents and/or high quality short term investments at all times. At no time will City Harvest have less than two months of operating cash on hand (which represents 17% of the annual operating budget). During FY16, the reserve requirement would be \$7.3MM.
- Expect to end FY16 with cash of \$12.6 million (\$10 million in operating cash and \$2.6 million in the Green Fleet Fund).
- Total beginning cash in FY16 is forecasted to be \$12.5 million (\$10 million in operating cash and \$2.5 million in the Green Fleet Fund.)
- No need to incur debt or curtail normal activity.
- Will maintain working capital line of \$2.5 million throughout the year.

Emergency Food Operations: *Transportation & Warehousing*

Transportation & Warehousing Cost per Pound

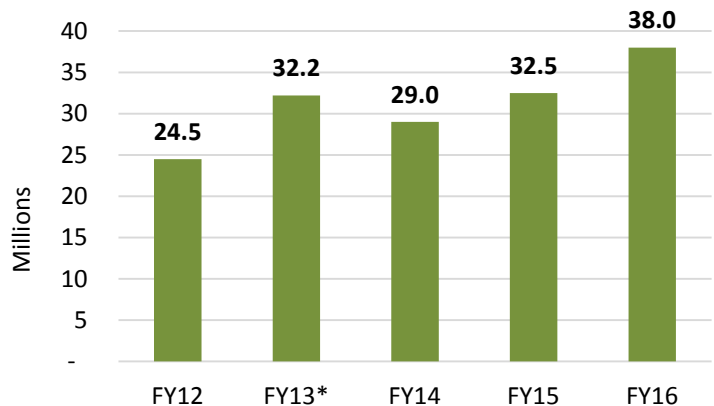
- Cost per pound measures how efficient we are at moving emergency food.
- Expect 7% improvement from \$0.14 in FY15 to \$0.13 in FY16.



*Includes Hurricane Sandy pounds

Pounds Distributed from FRF per Year

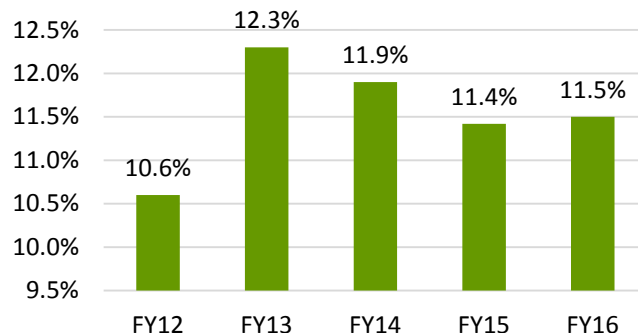
- FY15: our trend is to distribute over 32.5 million pounds from FRF.
- FY16: expect to distribute 38 million from FRF.



*Includes Hurricane Sandy pounds

Overtime

- FY15: overtime is 11.42% of total hours worked.
 - When adjusted for headcount deficit, overtime is trending under 10%.
- FY16: overtime will increase slightly to 11.5% of total hours worked due to a decrease in headcount from 41 drivers to 39.



Emergency Food Operations: *Transportation & Warehousing*

Key FY16 Strategies

Warehouse

- Our warehouse will expand its throughput capabilities to 38 million pounds from a 32 million pound environment. We will also be working to ensure we have a scalable model that can get us to 60 million pounds and beyond, with attention to waste reduction and food quality as guiding principles.

Transportation

- Implement a new and streamlined route structure intended to enhance overall productivity while continuing to meet the needs of agencies and donors. Food variety will be improved while reducing overall operational personnel costs. We will do this by:
 - Fully integrating our 2nd tractor trailer into the operation.
 - Addressing underperforming donors by removing them from routes or switching them to “call-in” donors.
 - Addressing underperforming agency stops by removing them from the routes. Migrating a select group of high-performing, high-poundage agencies from our routes to scheduled pick-ups at our facility.
 - Reducing routes from 22 to 20, and removing three trike routes completely. Relocating high-performing donors and agencies onto existing routes.
 - Adjusting truck loading and agency allocations to improve on-road efficiencies for drivers and better alignment of our distribution operation.

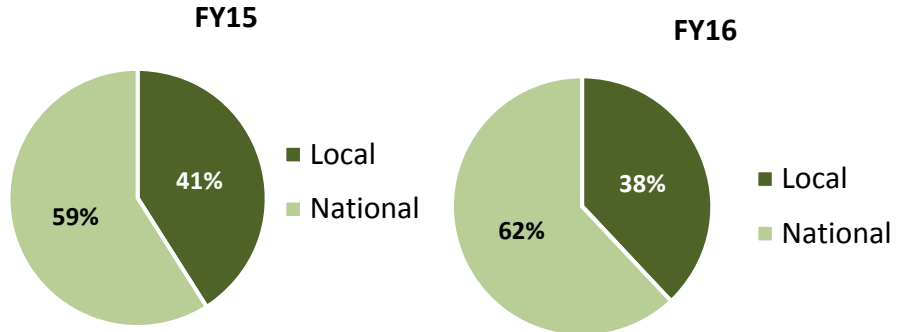
Employees

- Negotiate a new Collective Bargaining Agreement (CBA). Current CBA expires June 10, 2016.
- Continue to focus on employee engagement and ensuring that every staff member feels valued and heard. Many of the great ideas our employees have recommended have been implemented and we will continue to emphasize a collaborative work environment, which has a direct correlation to improved processes, improved morale, and identifying future leaders of City Harvest.
- Invest in American Institute of Baking (AIB) audit compliance, OSHA, and analytics, as well as management and leadership courses for our management staff.
- Add tools to continue to improve our warehouse and on-road safety initiatives, including GEOTAB to manage on-road behavior and safety of fleet and our field staff and ProTred for training of drivers and warehouse employees.

Emergency Food Operations: *Rescue*

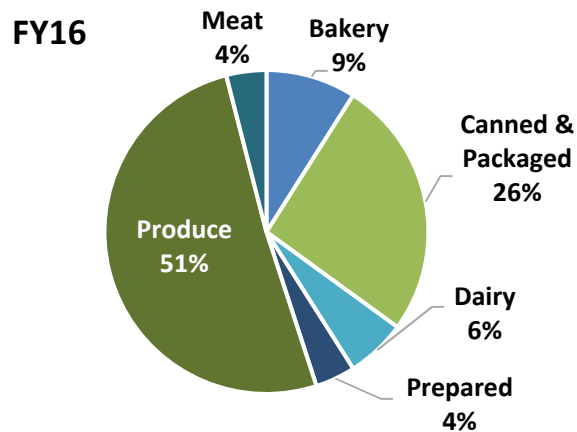
National and Local Sources

- FY16: total pounds growth of 10% over FY15.
- FY16: national sources will increase to 62%.
- Procuring additional national pounds is most cost-effective.

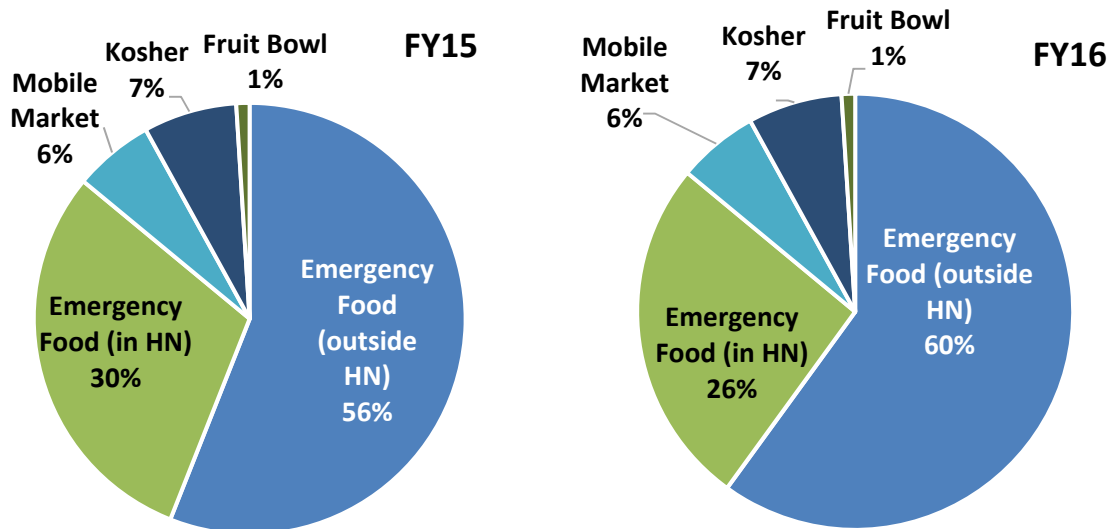


Food by Type

- FY15: produce made up 53% of total food sourced.
- FY16: produce will make up 51% of total food sourced.



Distribution by Program



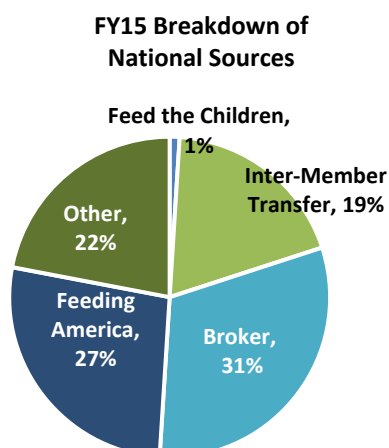
Emergency Food Operations: *Rescue*

Local and National Sources

Top Local Donors	FY14 FINAL	FY15 Final*	FY16
Goal	20,050,000	17,500,000	16,800,000
Actual	17,136,278	17,000,000	
Donor Name			
Hunts Point Total	3,675,902	2,855,901	2,600,000
FreshDirect	998,021	1,443,041	1,500,000
GrowNYC Greenmarket Total	819,646	758,943	800,000
Pret A Manger Total	575,290	688,142	700,000
Whole Foods Market Total	555,705	558,390	600,000
Trader Joe's Total	500,790	553,618	600,000
Baldor Specialty Foods	488,301	492,500	500,000
Food Emporium Total	434,007	458,202	450,000
Tom Cat Bakery	371,464	308,486	300,000
Jetro Cash & Carry/Restaurant Depot Total	337,192	275,139	275,000
BJ's Wholesale Club Total	251,620	349,935	350,000
D'Agostino Supermarkets Inc. Total	221,550	313,096	300,000
Food Bazaar Total	213,354	182,275	190,000
Le Pain Quotidien Total	197,615	275,870	275,000
Amy's Bread Total	178,648	134,186	135,000
Fairway Market Total	164,012	197,270	200,000
Total Top Donors	9,983,117	9,844,994	9,775,000
Other Donors	7,153,161	7,155,006	7,025,000

*estimated year end

- 16.8 million pounds will come from local sources in FY16.
- 38.2 million pounds will come from national sources in FY16.



Key FY16 Strategies

- **The Local Procurement team** will continue to cultivate and maintain the highest producing donors while ensuring smaller local donors meet our minimum donation of 50+ lbs per pick up. Our average retail pick up amount will remain constant at 250 lbs.
- **The National Procurement team** has worked to diversify sourcing channels, by growing Inter-Member relationships to procure items not available in our service area at our budgeted cost per pound (i.e. chicken, yogurt and grapes). We also work with produce brokers to meet demand for a variety of high quality produce. Current negotiating strategies with produce brokers allow us to maintain a low cost per pound and increase efficiencies in scheduling and warehousing.

Emergency Food Operations: *Agency Relations*

Agency Capacity Expansion (ACE)

- FY15: a total of \$100,000 will be distributed to agencies through a grant review process.
- FY16: \$150,000 in ACE grants will be given to a minimum of 10 agencies.

FY15

- ❖ \$20,000 was distributed to 3 agencies for the purchase of capital equipment.
- ❖ \$80,000 will be distributed to agencies in high-need areas¹ who are designated to receive poundage increases of 50% or greater in FY16.

Agency Relations

	FY15	FY16
Provide Quality Customer Service		
Star Agency Delivery Time Windows Met ²	79%	81%
Core Agency Delivery Time Windows Met	74%	76%
Match Food Resources to Community Need		
Star Agency Lbs. Targets Met ³	54%	75%
Core Agency Lbs. Targets Met	57%	75%
Kosher Delivery	3.4MM	3.7MM
Deliver Food Efficiently		
Star Lbs. Per Agency Delivery	2,071	2,200
Core Lbs. per Agency Delivery	820	900
Agency Pickups from FRF	4 MM	6MM
Community Partner Run Mobile Markets	~50,000 lbs.	170,000 lbs.

¹ High need areas are identified based on the number of food insecure people, food need, satisfied demand and the number of meals per person per week in a specific public use microdata area (PUMA).

² Due to challenges in working with agencies staffed by volunteer, traffic delays and call in donations, meeting 100% of delivery windows is prohibitively difficult.

³ Only food routed through the FRF is allocated, 80% is a reasonable target at this time.

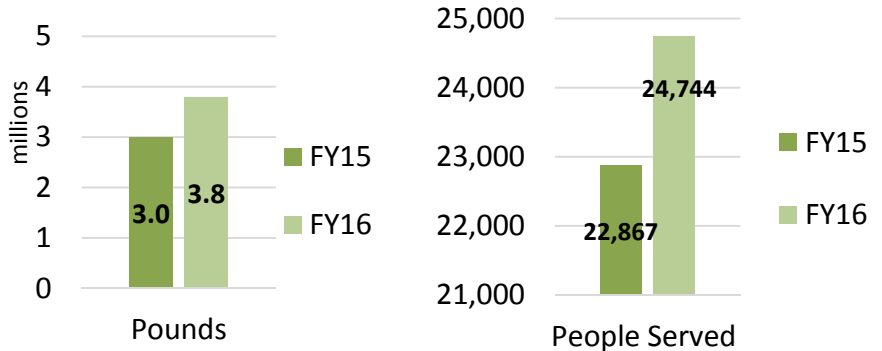
Key FY16 Strategies

- **Leverage alternative distribution methods** resulting in increased poundage to the agency network with minimal use of City Harvest resources, including community partner-run Mobile Markets, Agency FRF pickups and Hub & Spoke events.
- **Utilize Helmsley NYC Food Assistance Collaborative** to increase and enhance service to underserved, high-need areas throughout New York City.
- **Implement star routes** which will allow agencies to select the appropriate product for their program, increase poundage delivered per stop and provide enhanced customer service.
- **Implementation of performance management** to provide enhanced customer service to the agency network, track trends and make necessary adjustments to meet agency and neighborhood targets.²²

Healthy Neighborhoods Initiative

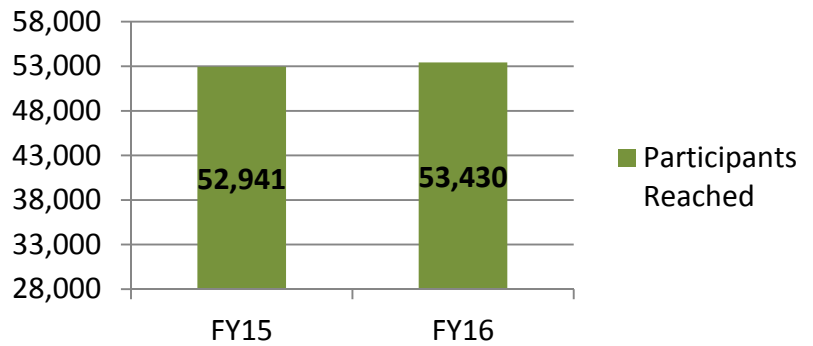
Mobile Markets

- FY15: 182 Mobile Market events across 9 market sites delivering 3MM lbs. to ≈22,867 people.
- FY16: will increase to 222 events across 10 market sites delivering 3.8MM lbs. to ≈24,744 people.



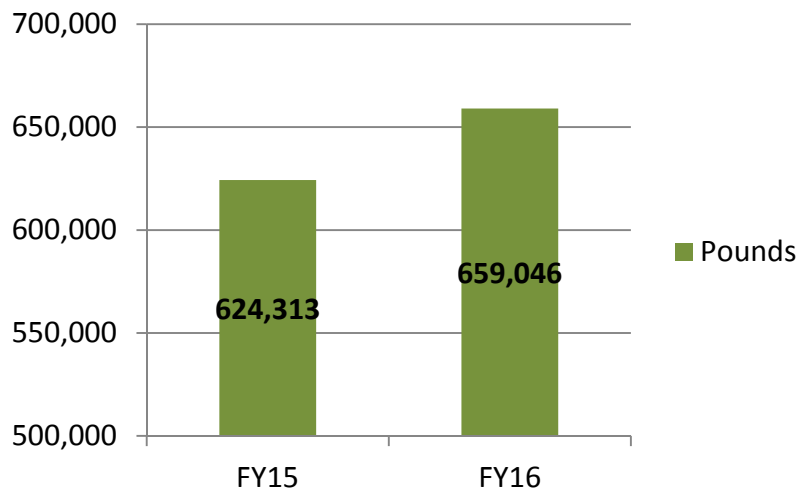
Nutritional Interventions

- FY15: 52,941 participants will be reached with nutritional interventions, 66% more than our original FY15 target.
- FY16: 53,430 participants will be reached with nutritional interventions.



Fruit Bowl

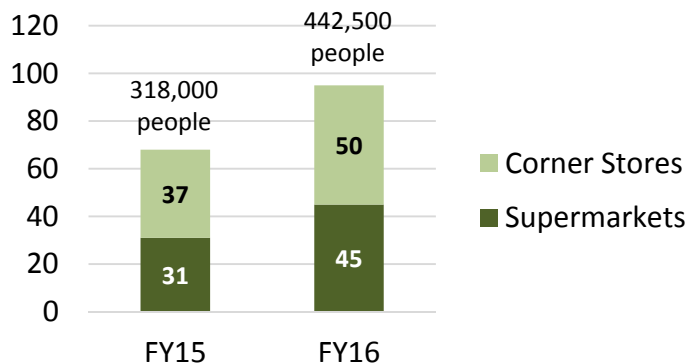
- FY15: plan to deliver 624,313 lbs. to 82 sites reaching 6,956 children.
- FY16: plan to deliver 659,046 lbs. to 87 sites reaching 7,381 children.



Healthy Neighborhoods Initiative – Continued

Retail Interventions

- FY15: worked with 31 Healthy Supermarkets and 37 Healthy Corner Stores improving access to 318,000 people.
- FY16: will work with 45 Healthy Supermarkets, and 50 Healthy Corner Stores improving access to 442,500 people.



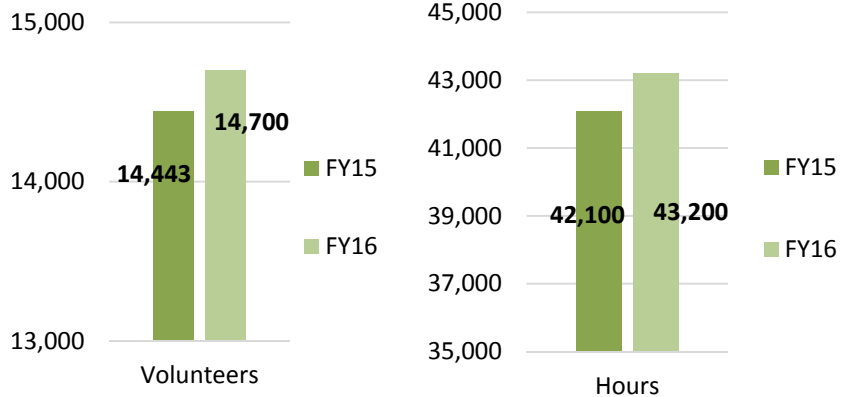
Key FY16 Strategies

- **Mobile Markets:**
 - Increase from 9 to 10 markets, reaching 22% more people, for a total of 24,744.
- **Healthy Retail:**
 - Work with 45 supermarkets to implement or maintain produce department makeovers and seasonal merchandising campaigns, including development of a new Healthy Deli component and significant expansion of nutrition education and awareness activities.
 - Work with 50 Healthy Corner Stores to significantly expand fresh produce.
 - Transitioned one existing staff member to the Healthy Retail team, as a Retail Business Manager, with the goal of implementing tailored business improvement strategies for increased produce sales in corner stores and supermarkets.
 - Explore new ways to supply stores with more affordable and locally-sourced produce.
- **Nutrition Education:**
 - With SNAP-Ed funds, we will be able to continue increased program delivery and offer new evidence-based curricula: CATCH (which focuses on school children) and Just Say Yes (one-hour modules). These will allow us to reach a broader segment of our target population.
 - Our expanded portfolio of nutrition curricula will also include four kinds of shopping tours: regular tours, senior tours, event days, and off-site shopping tours at senior centers, clinics, and other community sites.
- **Community Engagement:**
 - Continue to work closely with community partners to increase consumption of produce in our neighborhoods. Partners include urban farms, settlement houses, clinics, leadership volunteers in our Community Action Networks (CANs), and local elected officials.
 - Explore new ways to collaborate with larger partners such as DYCD, NYCHA and the NYC Economic Development Corporation, using their infrastructure and networks to systematically expand local access to nutritional information and affordable quality produce.

External Outreach: *Volunteers*

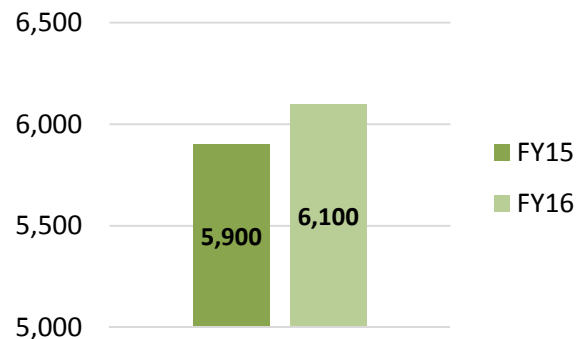
Volunteer Services

- FY15: worked with 14,443 volunteers on 2,144 events, for a total of ≈42,100 hours, the equivalent of 23 full time employees.
- FY16: will work with 14,700 volunteers on 2,200 events, for a total of ≈43,200 hours, the equivalent of 24 full time employees.



Corporate Volunteers

- FY15: worked with ≈5,900 corporate volunteers, with the greatest participation (3,200 volunteers) in our Food Repack program.
- FY16: we will work with ≈6,100 corporate volunteers. This increase is anticipated due to the addition of the ninth and tenth Mobile Markets.



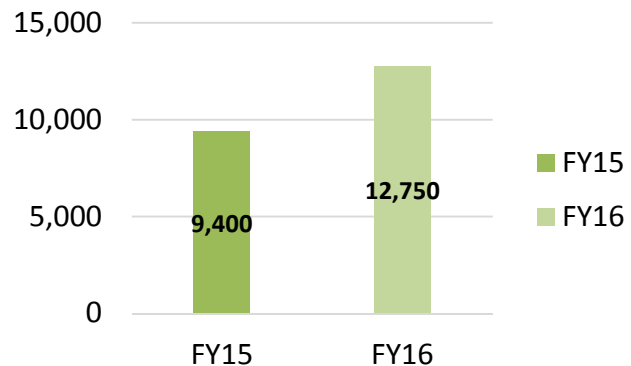
Key FY16 Strategies

- **Develop simplified volunteer projects messaging** for staff and all communications on our website, social media, and other marketing collateral, enabling new volunteers to clearly understand ways to get involved and giving City Harvest clear and concise ways to message our volunteer program.
- **Develop dashboards** from our Volunteer Management Software that highlights corporate involvement, volunteer retention, Nutrition Education volunteer recruitment, and other data to better understand how the volunteer program is meeting the organization's needs, to establish patterns, and to identify areas for improvement.
- **Utilize new survey data** from our Volunteer Management Software to make improvements to volunteer orientation, trainings and the overall volunteer experience.
- **Grow the leadership volunteer program** at Mobile Markets, Nutrition Education Trainings, and Volunteer Orientations to lessen volunteer coordination time by staff and to create opportunities for volunteers to grow with City Harvest.

External Outreach: *Policy and Government Relations*

Advocacy Contacts

- FY15: 9,400 contacts with supporters of Policy Chow, our advocacy e-newsletter.
- FY16: increase reach to 12,750 contacts with 12 monthly emails.



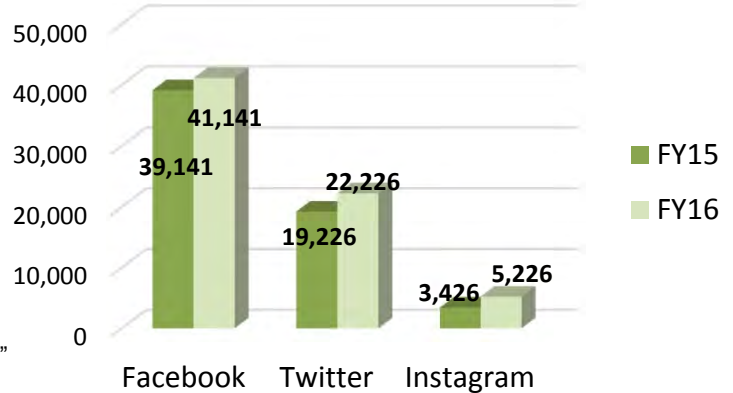
Key FY16 Strategies

- Create a comprehensive two year plan that highlights upcoming legislative issues that impact our work and the people we serve. Develop proactive strategies that promote City Harvest's programmatic work to key elected officials and find alignment with City, State, and Federal-planned actions.
- Build on momentum of organizing for Child Nutrition Reauthorization. Identify opportunities to engage elected officials, the public and City Harvest supporters to influence and strengthen policies that impact food insecure New Yorkers (SNAP, WIC, School meals).
- Take a leadership role on issues involving local/regional food and food waste. Develop relationships and actions that establish City Harvest as a voice of influence on related legislation.

Marketing

Social Media

- Growth for Facebook*, Twitter and Instagram exceeded FY15 goals.
- In FY16, we will increase Facebook audience by 2,000 to a total of 41,141.
- In FY16, we will increase Twitter audience by 3,000 to a total of 22,226.
- In FY16, we will increase Instagram audience by 1,800 to a total of 5,226.

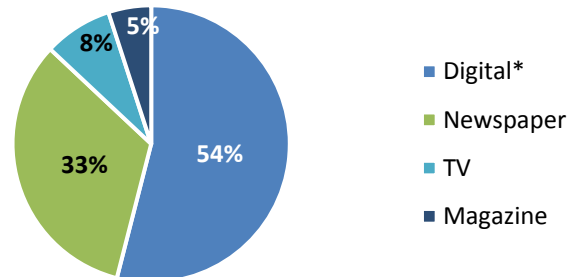


*In March, Facebook purged 1,000 inactive or spam “likes” from our page, an action taken with many profiles.

Public Relations

- Majority of media placements continue to be through online outlets (54%).
- Placement of an AP story around the launch of the *Feed Our Kids* campaign in April generated nearly 70 placements, including newspapers and online outlets across the country.
- We will soon sign a contract extension with Edelman Communications and solidify our FY16 PR strategic outlook.

FY15 Coverage Across Press Outlets



* Reflects organic digital pieces and print stories that ran online.

Key FY16 Strategies

- **Direct Mail:** capitalize on excellent donor loyalty by growing the Rescue Partners program and reactivating lapsed donors, leverage success in driving online revenue by expanding appeals, and continue our focus on upgrading donors.
- **Social Media:** create new content for Instagram, Twitter, and Facebook, which supports campaigns like *Feed Our Kids*. Develop new ways to promote fundraising events and integrate social media into the attendee experience. Further develop relationships with Food Council members, corporate partners and food donors to increase impressions through shared messaging. Look to engage volunteers to contribute to our social media content and conversation and further develop marketing relationships with our partner community food programs. Use social media to engage our followers in taking action on behalf of anti-hunger legislation.
- **PR:** develop campaigns like *Feed Our Kids*, targeting local and national media placements which increase visibility for City Harvest, Jilly, *Healthy Neighborhoods* programming, and public can take to support anti-hunger legislation such as the passage of a strong Child Nutrition increased interest in the issue of food waste. Explore special projects, such as the City Harvest audiences. Seek out media opportunities which highlight new corporate and community

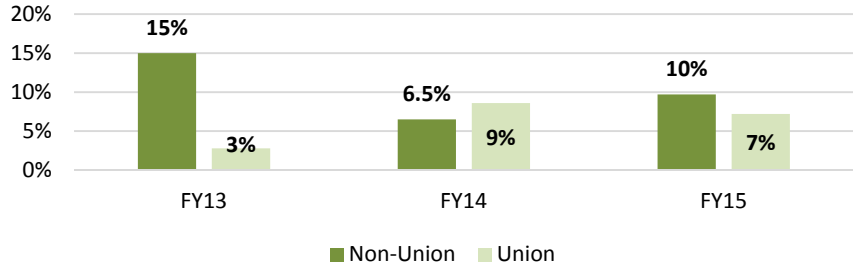
Human Resources

Retention

- Total turnover increased by 1.5% in FY15.

Staff Turnover by Fiscal Year

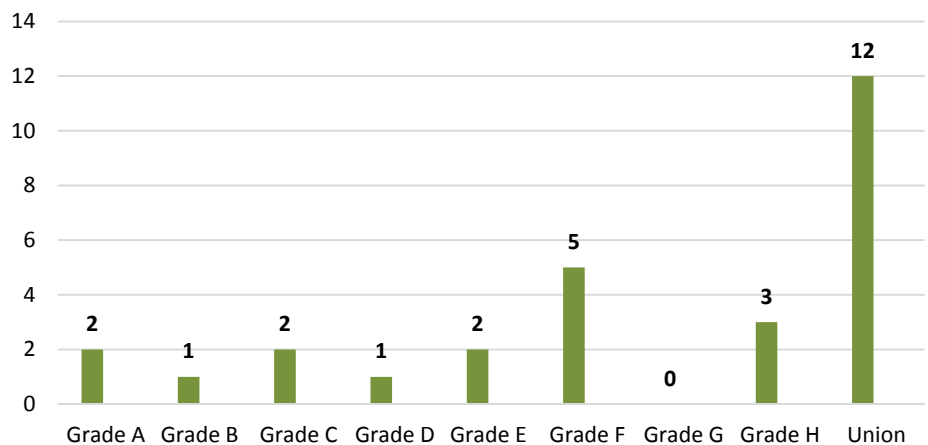
as of 3/31/2015



FY15 Staff Turnover by Grade

as of 3/31/2015

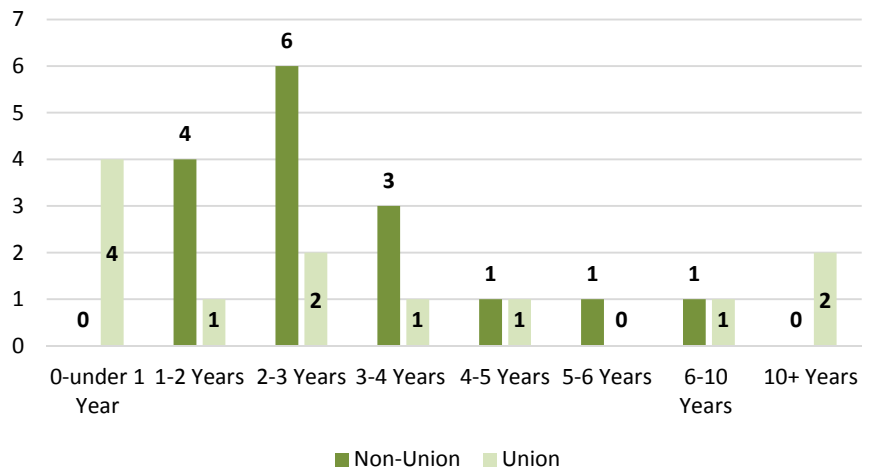
- Grade defined by salary range from grade A for Executive level through grade H for Administrative level.
- Union Staff includes drivers, cargo bikers and helpers.
- 28 exiting staff in FY15, compared to 25 in FY14.



FY15 Staff Turnover by Tenure

as of 3/31/15

- Union Staff turnover is higher within the first year of employment.
- Non-union staff turnover is higher within the first 2-3 years of employment.

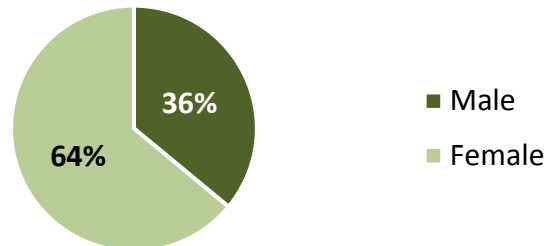


Human Resources – Continued

Diversity

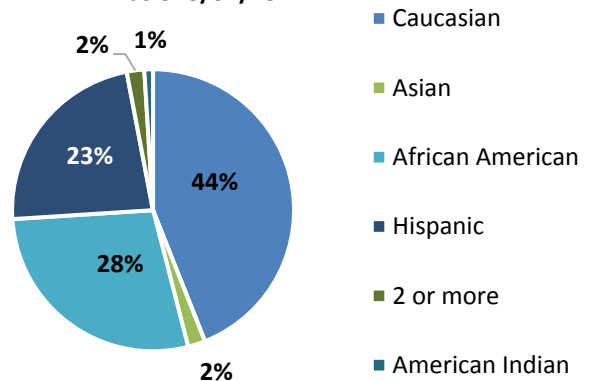
- The majority of staff (excluding drivers) of City Harvest are women, at 64%.

Gender Breakdown
as of 3/31/15



- City Harvest is proud to have an ethnically diverse staff that closely mirrors the population of New York City.

City Harvest by Ethnicity
as of 3/31/15



Key FY16 Strategies

Employee Engagement:

- Lead City Harvest's efforts to foster a positive, meaningful and inclusive work environment by assessing our progress since the 2013 Employee Engagement survey and reinforcing the Diversity & Inclusion Council initiatives.

Compliance:

- Ensure compliance with all legal regulating authorities and limit potential liability.
- Execute a collective bargaining agreement that is fair, values the employees and aligns with City Harvest strategic goals and mission.

Culture:

- Utilize the new performance management system, emPerform, to create metrics that allow us to optimize individual's strengths in order to cultivate talent, culture and leadership:
 - Create targeted development opportunities for staff;
 - Develop cross-functional self-managed teams for decision making;
 - Facilitate a continuous coaching environment, where high quality discussions between managers and staff are the norm; and
 - Identify and reward top talent for succession planning.