

**BROTHER'S BROTHER FOUNDATION  
QUARTERLY MEETING OF THE BOARD OF TRUSTEES**

***MINUTES OF July 18, 2017 QUARTERLY MEETING***

The quarterly meeting of the Board of Trustees of Brother's Brother Foundation was held on Tuesday, July 18, 2017 in the conference room on the 2nd floor of the BBF Building, 941 Behan Street Pittsburgh, 15233. The meeting was called to order at 5:00 p.m. by Mr. Charles Stout, Chair.

**PRESENT**

*Twenty-Three members of the Board of Trustees and Officers were present:*

Barry Byer (via phone)	Phillip Jones	Lila Swan
Daniel Delaney	Deborah McMahon	William Swartz
Walter Fowler	Chronis Manolis	Louann Tronsberg-Deihle (via phone)
Gary Garrison (via phone)	Ron Miller	John Tymitz
Drew Harvey	Les Pitton (via phone)	Robert Verscharen
Austin Henry	Joseph Senko	Thomas Wentling
Luke L. Hingson	Charles Stout	James Wolf
Joseph Imbriglia	David Swan	

*One members of the Advisory Board was present:*

Dan Martich

*Nine Staff members of the Foundation were present:*

Sarah Boal	Kevin Meszaros	Carolyn Santora
Karen Dempsey	Erik Ryan	Frank Seanez
David Holdsworth	Ozzy Samad	Neal Walker

**GREETING AND REMARKS BY THE CHAIR**

Mr. Stout welcomed the Trustees and Staff, and introduced Ozzy Samad who started in late June as the Chief Operating Officer for BBF. Mr. Samad gave a detailed background of his employment history. Mr. Hingson mentioned Mr. Samad and Mr. Stout will be traveling to Malawi on Friday, July 21<sup>st</sup> and staying the week of the 24<sup>th</sup>.

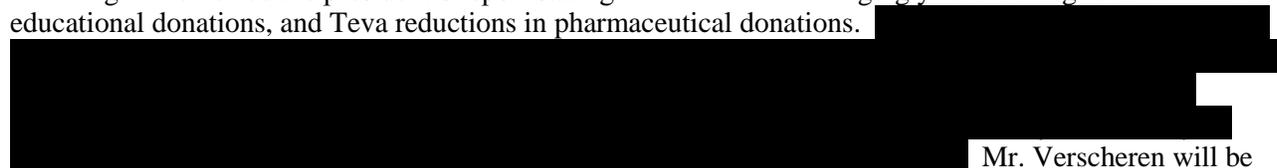
**MINUTES APPROVED**

Mr. Henry presented the Minutes of the April 25, 2017 Quarterly Board meeting. Mr. Garrison requested a correction to the spelling of his name. Mr. Stout suggested that the Minutes be amended to correct the spelling of Mr. Garrison's name.

- **MOTION:** to approve and adopt the minutes as amended. Moved, seconded, passed.

**PRESIDENT'S REPORT**

Mr. Hingson reviewed the president's report stating it has been a challenging year referring to the decline in educational donations, and Teva reductions in pharmaceutical donations.



Mr. Verscharen will be attending a conference August 19<sup>th</sup> through the 22<sup>nd</sup> which will be attended by more than 50 generic pharmaceutical companies. Mr. Verscharen will be on-site for two days and will attempt to schedule some

visits for October, and for those not geographically appropriate to visit, will try to start correspondence. Mr. Stout thanked Mr. Wentling for meeting with Mylan. Mr. Stout announced that Neal Walker, BBF Assistant Director of Medical and Programmatic Initiatives, won an award and recognition from the Pittsburgh Business Times in its annual 30 under 30 presentation. Mr. Walker was appropriately recognized as a young professional making a significant impact on the Pittsburgh community. Mr. Walker stated there will be a celebratory happy hour next week. Mr. Walker also stated the Pittsburgh Business Times will be having their Corporate Citizenship Award gathering that recognizes corporations contributing to non-profits and charities, and BBF is going to nominate Mylan. Mr. Hingson stated that he and Mr. Holdsworth attended the Christian Coalition for International Health where they met with global leaders. BBF met with several African leaders to explore potential opportunities, and hear about challenges on the continent. Chairs of the Continental Health Association will be visiting NCA on Friday. The Liberian Medical Mission in Philadelphia has worked with Bryn Mesko and Ms. Boal on mission trips and wanted to thank BBF by presenting BBF with their service award. Mr. Hingson and Mr. Pesotski, BBF Advisory Trustee, were present to accept the award.

### **PROGRAM REPORTS**

**Education** – Mr. Seanez reviewed the numbers from his report. BBF has received a few small donations of used books. The last donation from Alderodo Inc./Apple Books have come in. BBF is still anticipating an offer of higher education books from McGraw Hill Education, which will hopefully arrive in the third quarter.

**Medical** – Mr. Meszaros stated during the second quarter BBF shipped 29 ocean-going containers and five air shipments consisting of 23 pallets of pharmaceuticals. Air shipments are up due to increased Pharmaceuticals to Africa. In addition to the ocean-going containers BBF had 101 hand carry mission trip groups traveling to 36 countries. BBF continues to work with new partners to distribute pharmaceuticals to Guatemala, Nicaragua, Haiti and Honduras, Sierra Leone and Africa. Mr. Meszaros stated BBF has sent over 400,000 bottles of pharmaceuticals to new partners so far this year and hopes to expand. [REDACTED]

[REDACTED]. Donations of pharmaceuticals are down as we only accept what we can responsibly distribute while we build new partnerships. [REDACTED]

[REDACTED] Mr. Walker stated BBF NCA staff worked to send eight 40-foot ocean-going containers. These went to Sierra Leone with ChildFund International; to Jamaica and Guyana with FFTP; and to Cameroon with Medical Missionaries and Our Lady of Lourdes Catholic Hospital. BBF sent 11 ocean-going containers to partners in Africa during the second quarter of 2017. These included 3 shipments to Zimbabwe, 6 shipments to Cameroon, and shipments to Sierra Leone and Malawi. One of the containers that was sent to new partners in Cameroon contained pharmaceuticals, medical supplies and equipment. This arrangement came about after two physicians from Cameroon visited BBF in May. BBF has started working with ChildFund International and sent an air shipment of seven pallets of pharmaceuticals that have successfully cleared through customs in Sierra Leone.

### **PROGRAM REPORTS**

**Mission Trips** – The hand carry trips saw another strong quarter this spring. In the first half of 2017, Bryn Mesko (PIT) and Dinita Thomas (NCA) supplied 218 trips. Hand carry items have gone to 40 countries this year with a total value of nearly \$2.5 million. Also, this quarter the NCA office rearranged Dinita's warehouse space to allow for a better flow of products and easier interaction with her volunteers. BBF has been working hard to identify what our partners need, and get our system running smoother. **Volunteer Program** - Ms. Boal gave a brief update on the volunteer program, and thanked Paula Harvey and Jean Stout for their continued support on Tuesday mornings. During this second quarter BBF started working with a company called VocWorks which places Giant Eagle employees that are on light duty at BBF to volunteer. Currently BBF has six volunteers from VocWorks. **Internship Program** - In the NCA office Trevor has returned from last year, and Anthony who volunteers through the school year is interning this summer with us as well. In the Pittsburgh office, Jill has returned from last summer. Also, Pittsburgh has four new interns; Sam (WVU), Abby (PITT), Alex (Duquesne of Pittsburgh) and Shoui Weei (Duquesne of Pittsburgh).

Additionally, Pittsburgh is working with the Learn and Earn program through the city once again and Auberle has placed Mario, Maniirah, and Maya with us as they learn beginning job skills. **Young Professional Board** – the Young Professional Board held their first event of the year on April 12<sup>th</sup>. A happy hour was held for National Grilled Cheese Day at The Yard in Market Square. The group is looking to have another event in September at the Hauffbraugh House on the South Side. **Inventory Input Digitalization** – BBF’s biggest accomplishment this quarter has been the implementation of digitizing in-kind donations of medical equipment and medical supplies. This system is currently operational across all BBF locations allowing for quicker, easier entry of donations into the system and streamlined the process. **Instruments** – Ms. Boal thanked Dr. Johnstone for reorganizing the surgical instruments in Pittsburgh. A vast majority of instruments have been cleaned, sorted and labeled for easier access and distribution. **Medicine Destruction** – in the second quarter BBF completed its first 2017 destruction following BBF established procedure as required by our pharmaceutical donors. There will likely be another round made in the third quarter. **WV Flood Recovery** – Ms. Boal worked with several organizations to help rebuild a home that was lost in the historic flooding in 2016. The home is to be dedicated in the coming weeks. **Rays of Hope International** – On June 1<sup>st</sup> Dr. Johnstone was notified that Rays of Hope International (like BBF) was closing its warehouse and notified BBF staff. On June 12<sup>th</sup> through the 14<sup>th</sup> Ms. Boal and Gina Pearson traveled to Rays of Hope International in Grand Rapids, Michigan to assess the situation, palletize, and prepare items for shipment to BBF. On July 19<sup>th</sup> through the 23<sup>rd</sup>, Thad Adkins and Bryn Mesko traveled to Grand Rapids and loaded four tractor loads of items to be recovered. Two trailers were taken to Baltimore, one to Pittsburgh, and the fourth was sent to the Franciscan Mission Warehouse in Kansas City. BBF staff in NCA are sorting through the supplies, and the PIT staff will be getting to them soon. It was a great opportunity and BBF is glad we took it. Mr. Hingson stated that BBF received 5,000 pounds of surgical instruments that need sorted. If any Board members would like to assist in sorting they may contact Ms. Boal. **Bamboo HR** – the Bamboo system is up and running and Ms. Boal thanked Mr. Ryan for assisting her and Antonella Ferraro in Finance with the process. Ms. Dempsey let the Board know that BBF puts out a weekly internal email document called the Friday FYI that contains information on shipping and receiving, vacation requests, events and pickups. Any board member wishing to receive this weekly update should notify Ms. Dempsey, Ms. Boal or Ryan Gindlesperger.

## **FINANCIAL REPORT**

[REDACTED]. Looking at total expenses for year-to-date we are right on budget with our projections. Mr. Senko stated that if you look at specific expenses we are very close to budget and on actual revenue there are some big swings but overall, we are only off \$ [REDACTED]. Mr. Wentling asked why BBF is off by [REDACTED]. Mr. Senko stated BBF has 25 grant requests in, but they take time. Mr. Verscheren asked, referring to the financials, who are we selling donated materials to? Mr. Holdsworth explained the e-Sutures program. Mr. Verscheren asked if we have written consent to do this, and Mr. Holdsworth responded by saying where we have Memorandum of Understanding (MOU’s) we do, others are verbal understandings. The [REDACTED] donated [REDACTED] that will be applied towards a new video for the Gala’s next year. Ms. Dempsey stated BBF is anticipating [REDACTED] from recent bequests by the end of the year. Ms. Dempsey has not heard anything on the [REDACTED] bequest. Mr. Stout asked if the Will for [REDACTED] has been submitted to probate. Ms. Dempsey stated she has not heard anything. Mr. Wentling asked what are the destruction costs. Mr. Ryan stated \$19,454 but is not separated out. Mr. Senko stated we will make that a separate line item. Mr. Jones asked why are pharmaceutical donations down. Mr. Hingson stated BBF is taking less Teva donations until we are sure we can place it, and Actavis has disappeared. Mr. Hingson explained over valuation. CMS new numbers are reduced values. Mr. Henry asked how much is BBF rejecting from Teva versus what we are gaining from Mylan. Mr. Meszaros stated we are rejecting more from Teva than we are gaining from Mylan. Our two largest donors became one, and Mylan’s growth cannot make up for that. Mr. Hingson stated that Teva offered three million units, we accepted 350,000, but if we could place with Food For The Poor we would only take another 100,000 units. Mr. Meszaros stated we are working with a new group that is a large NGO sending pharmaceuticals to Africa with them. BBF is generating program revenue from a new source that pays the fees and would like to work

with BBF more in the future. Mr. Senko stated the 2016 Audit Report is available if anyone would like a copy. Ms. Dempsey stated the 2016 Annual Report is also available.

### **NCA OFFICE REPORT**

Mr. Pitton reported that the NCA Advisory Committee met on July 12<sup>th</sup>. Overall it was a productive meeting, and the planning group has agreed to serve on the Gala Committee. Everyone is encouraged to provide at least 10 names to be included in the invite list. Mr. Holdsworth reviewed the BBF NCA second quarter report and stated the NCA office has had a very busy quarter. NCA is averaging about 40 pickups a month. Top donors of medical supplies and equipment came from Owen's & Minor, Valley Health, and Rays of Hope in Grand Rapids. Owens and Minor, the biggest donor to NCA is opening a warehouse in New Jersey and Mr. Holdsworth is communicating with them to see if that could result in increased donations. Avid is an Owens and Minor company from whom BBF is receiving donations. Inova Fairfax is getting 10 more bins, now collecting from 20 units on the campus, and we're getting high value items off the floors. There have been four Africa shipments and we've had large pickups in last couple of weeks. BBF NCA received mechanical beds, which are hard to find. Ninety went to Baltimore and 40 to Pittsburgh. BBF has a new relationship with SPAN out of Canada. Sklar pickups of over 80 pallets of supplies over last few weeks. Mr. Pitton stated Inova has been big donor, but it's a point of interest that MedStar has 10 hospitals and 6 of them are donating, working to get 100% participations. Mr. Pitton stated David has done a superb job connecting with hospitals and leadership, and making BBF known in the region. Thanks to staff for participating in calls and supporting the work in the region. Dr. Martich asked if any of the military hospitals have been approached by BBF. Mr. Holdsworth stated BBF has an on and off relationships with the military hospitals. We must get permission through USAID because they don't see this as trash, they see it as excess property and the applications for that program haven't been open for several years. Dr. McMahon asked if Mr. Holdsworth is BBF works with George Washington Hospital. Mr. Holdsworth stated we support their mission trip teams, but we haven't found the right person to get in the door on a large scale. Mr. Stout asked if the Baltimore warehouse was up and running. Mr. Holdsworth stated it is running well. We are full and over flowing. The Good Samaritan Hospital will be turning over a floor in the next two weeks, and BBF will be collecting what we can, and it will be a large project. Mr. Hingson noted the NCA office recently lost a truck due to an electrical fire, and will be looking for a new truck once the insurance company settles the claim. Mr. Henry stated we do not have enough information right now to make a decision on whether to buy a new or used vehicle and, since it is not a regular operating expense, we need Board approval for the purchase.

- **MOTION:** Mr. Henry moved that the BBF Executive Committee be delegated with the authority to work with management and to approve the type and the amount to be expended on a replacement truck. Mr. Delaney moved, Mr. Pitton seconded, passed.

Mr. Hingson spoke with several staff members at Children's Hospital of Philadelphia to discuss donation opportunities.

### **EXECUTIVE COMMITTEE REPORT**

Mr. Stout combined the Executive Committee Report with a suggestion for the development of a Strategic Planning Committee. He stated that he feels that BBF currently has the strongest management team ever. Mr. Stout expressed his frustration over issues affecting BBF's growth that we have no control over. BBF needs to reduce the deficit and reexamining its budgeting. Mr. Stout noted the following ideas: 1) BBF has two Gala's coming up next year and needs to dig deep not only with support but with recruiting other partners, 2) explore generic pharmaceutical companies which Mr. Verscheren is working on, 3) pursuing medical suppliers, 4) looking for distribution channels, and 5) working with Charity Navigator and Forbes to enhance relationships. Mr. Stout stated that at the last Executive Committee Meeting the group discussed restructuring the strategic plan. Mr. Stout noted that Mr. Jones will be the new Chair this coming January and he will be forming a Strategic Planning Committee. Mr. Jones will provide a report to the Board at the next meeting. Mr. Jones stated the committee will not be a large one and will look at where BBF has been and where it should be going. The committee will also be looking at cash and particularly cash flow. The cash flow needs to be updated. Anyone wishing to participate in the committee should contact Mr. Jones. Mr. Wentling spoke about his trip to Egypt and his meeting with large business owners and head of the Suez

Canal trade group. After the meeting Mr. Wentling talked to the owner of the largest cement company in Egypt about BBF, and he indicated he would love to work with BBF on charitable endeavors in Egypt. BBF needs long term partners to pay shipping and fees to keep going. The owner said they can do that and is looking to build relationships; and there is a great need in Cairo. Mr. Samad noted he had lunch with the head of Middle Eastern Affairs Council who is willing to work with us and interested in exploring possibilities. The meeting was very positive.

**DEVELOPMENT REPORT**

Ms. Dempsey reported that the donations from bequests are very strong. The Spring solicitation card generated over [REDACTED] from the end of April to the end of June. The 990 needs to be reviewed by the Board and Mr. Ryan is working on it with the staff of Schneider Downs. It is a required document for solicitations in other states and to update our information with other agencies (Charity Navigator, Forbes, etc.). Mr. Senko stated that he and Ms. Dempsey have had good discussions about what the Development Committee does and does not cover. So, in addition to the Strategic plan, we need explanations as to where the money comes from and how we use it. We need to make sure that we have in place better internal controls and vetting to ensure consistency in what goes to the Board. Mr. Senko stated that the Board members need to review the 990, and respond via email that they received and reviewed the document. Mr. Hingson noted that only the voting trustees need to receive this email. If anyone has any questions they may contact Ms. Dempsey or Mr. Ryan. Mr. Senko stated the Development Report does not include cash reporting as it is not the same as cash flow.

Ms. Dempsey suggested that the next Board meeting be held on Saturday, September 30<sup>th</sup> at the Inova Conference Center location in Falls Church, Virginia. Charlie Moore, a BBF Advisory Board member has invited the Board members to his home and will have a crab bake. Mr. Henry asked about the Inova Conference Center location and Ms. Dempsey explained that the 2018 Gala will be held at that location. This is an opportunity for the trustees to review the location and kick off the Gala. Ms. Dempsey is to send out an email to the board members to see who is available.

The meeting adjourned at 7:04p.m.

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Chairperson/Secretary

AH/cs