



**AFM Board Meeting
Minutes
September 29, 2015**

Place:

**AFM Headquarters
Dallas, Texas**

Participants:

**Adrian Iturbide, Chair (p)
Antonio Villaseñor, Vice Chair (p)
Ed Figueroa, Treasurer (p)
Martin Mendoza, Director (p)
Mike Browne, Director (p)
Ramon Paz, Director (p)
Armando Lopez (ex-officio) (p)
Ron Campbell, Secretary (ex officio) (p)
Alvaro Luque, President AFM (p)
Dolora Sillman, MHAIA (p)
Miguel Molina (p)
Dennis Crowley (p)**

Roll Call and Minutes:

Adrian Iturbide called the meeting to order, took the roll call and established a quorum. Mike Browne motioned to approve the minutes from the May 19, 2015 meeting and Ed Figueroa seconded the motion. Unanimous.

Cash Balance-September 25,2015

Total bank balance as of 9/25/15 of \$5,159,800.55 less outstanding checks/ACH of \$897,946.70 or adjusted balance of \$4,261,853.85

Statement of Activities and Changes in Net assets (July 1-September 30,2015)

Total Contribution -MHAIA/APEAM - \$9,223,980 or 18.5% of total approved contribution.

Total expenses -\$5,489,728 or 10.93% of the FY approved spending of \$50,208,636.

Breakdown of Expenses:

Marketing =96.31% of the total AFM spending or 5,287,238, and consists of consumer marketing spending of \$3,968,336 or 76% of total marketing. Retail is \$1,259,681 or 24% of total marketing expenses.

Net change in assets equals to \$3,804,373.

Statement of Financial Position:

**Total Net assets of \$5,452,510
Total Liabilities and equities =-\$5,452,510.**

Cash at the end of the period is \$4,212,541

Motion Ramon & Toño accept the treasurer's report

Upon conclusion of the treasurer's report, discussion revolved around the increased volume of 1.7 billion lbs..

Mike motioned to increase the AFM budget and add \$4.8 million to retail promotions, \$1.1 million in reserve for added food service promotions and \$700 thousand to be determined. The motion was seconded by Ed Figueroa and carried unanimously.

To activate the reserve AFM needs to present the programs and have Board approval to use those funds.

After the changes within MHAIA as a result of the earlier elections, Adrian Iturbide, Ed Figueroa stepped down and vacant seats were ratified. Antonio Villaseñor as Vice Chair nominated Mike Browne as Chair of AFM and the motion carried without objection.

Mike Browne nominated Ricardo Vega as the new AFM Treasurer and Antonio Villaseñor seconded the nomination. The motion passed unanimously without objection.

Therefore, the Board of Directors for AFM is:

Mike Browne	Chairman
Antonio Villaseñor	Vice Chair
Ricardo Vega	Treasurer

Martin Mendoza	Director
Ramon Paz	Director
Gary Caloroso	Director
Armando Lopez	Director (ex officio)
Ron Campbell	Director (Sec. ex officio)

Administrative:

Miguel Molina presented the status on the Culinary Center:

- **The main use for the facility will be a multi-purpose and multi-use Culinary Innovation Center. We are estimating 2,400 to 3,000 sqf.**
- **AFM contacted their current office building manager and identified a potential space located at the basement of the same building.**
- **The financial analysis required tenant net upfront construction investment of \$567K and a 5 year base rental investment of \$191K.**
- **Based on the financial analysis, AFM is suggesting not to move forward with this investment and to find alternative, less expensive, locations in the area**
- **Board agreed with the financial assessment and conclusion. AFM needs to find an alternative location.**
- **AFM will start working again with CBRE to get new options to present to the Board in the near future.**

Digital Asset Management Tool:

- **AMS must approve all trade and consumer communications prior to launch or in-market date.**
- **AFM is generating a high volume number of Digital Assets, such as Video, images, Word, Power Point and PDF files that require AMS approvals.**
- **The current solution is decentralized, very manual, time consuming and designed on a very basic technology.**
- **AFM is suggesting a Digital Asset Management application to centralize all digital assets with proper back-ups and strong audit trail.**
- **AFM will present final proposal and quotes to the Board.**

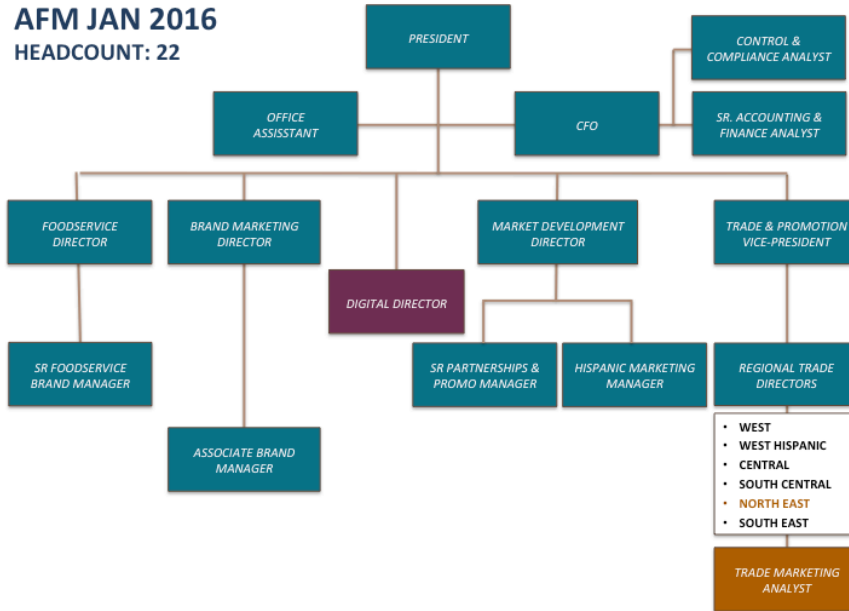
AFM Team Evolution:

Alvaro presented an organizational review and planning for the AFM team in the following two years.

January 2016:

- Hire a new Regional Trade Director to cover the North East market. The new person will report to Maggie, will be based in the NE and needs to come with produce retail experience and good client contacts in the Region. Target salary between \$130,000 and \$145,000.
- Oscar Garcia will remain as our Regional Trade Director for the South East Region taking all the Hispanic accounts of the area. Maggie needs to present a plan to restructure our accounts in the East Coast with the new Director on board.
- Hire a new Trade Marketing Analyst that will support the trade team in supervising analyzing and reporting on the research and shopper programs to create reports and presentations that will help the team develop our main retail accounts. Also will support in some of the administrative processes of the trade team. The position will report to Maggie directly for the first six months and then to Alfonso Delgado, will be based in our Corporate offices in Dallas and will have a target salary of \$70,000 that will come 100% from savings on the contract that we have with Category Partners.
- Integrate our Trade Team into the Foodservice business so they can be in charge of managing and prospecting distributors and wholesalers in each territory and integrating FS programs more efficiently with our importer base. This program will include a flex fund budget a work process that will be agreed and implemented by Maggie Bezart and Mark Garcia. Mark Garcia will remain as our head Director in Foodservice and all trade programs will be reviewed with him.
- Move Ivonne Kinser to a Digital Director role. She will not have an additional compensation for this but will have a salary review with the beginning of our new fiscal year.
- This is the org chart projected for January 2016:

AFM JAN 2016
HEADCOUNT: 22

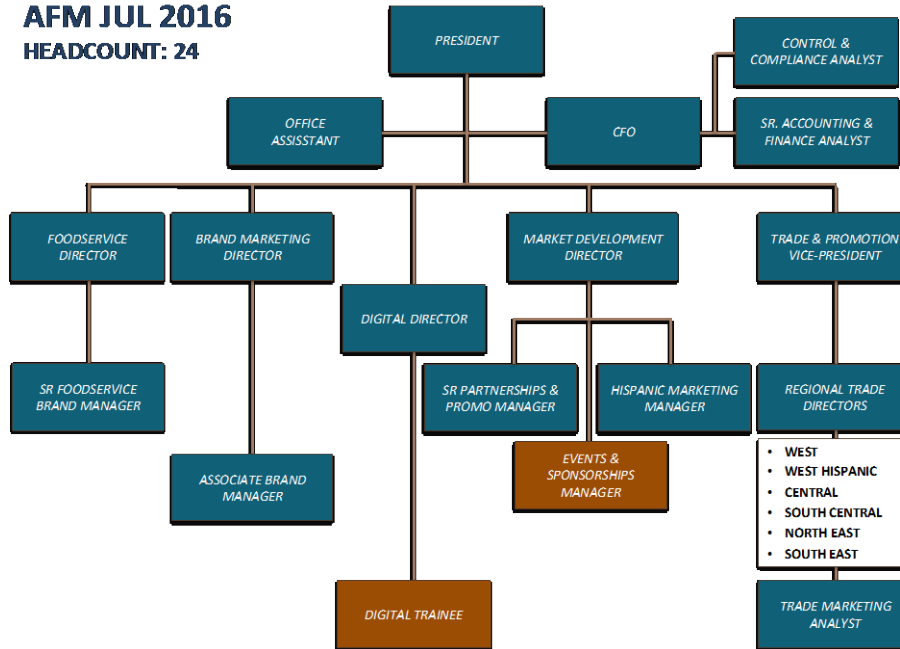


The Board asks AFM to include an HR person in the team that will help us coordinate and manage our personnel. We will start looking for the right candidate and have him/her on board as soon as possible.

July 2016:

- **Based on the amount of shows and events we are participating and the high fees we are paying our agencies for this, AFM wants to hire a new Events and Sponsorships Manager that will be in charge of all marketing, trade and foodservice events. The position will be based in Dallas, will report to Stephanie Bazan and will have a target salary of \$120,000. That cost will need to come 100% from savings in agency fees for shows and event management.**
- **We will include a Digital Analyst to support Ivonne that is the only area missing any kind of entry-level support.**
- **AFM will include these changes in the new plan and budget for 2016- 2017 for final Board approval.**
- **Alvaro presented the planned org chart for July 2016:**

AFM JUL 2016
HEADCOUNT: 24



July 2017:

- **For our fiscal year 2017- 2018 Alvaro presented a final org chart that included moving Alfonso Delgado to a new Trade Marketing Director position reporting to Maggie Bezart to create a clear second in command in our trade structure. To cover Alfonso’s new position we will hire a new Regional Trade Director for the South Central Region.**
- **In order to keep our first line of Directors growing and developing their professional career with the company, Alvaro suggested to explore by 2017 moving Stephanie Bazan, Kevin Hamilton and Mark Garcia to a Sr. Director position.**

The 2016 and 2017 changes will have to be discussed and approved by the Board when the time comes.

AFM Promotions in Canada:

Ramon Paz introduced the idea of expanding the AFM campaign into Canada. Alvaro will come back with a proposal moving forward during the next meeting.

Super Bowl Creative:

Three ideas were presented for board consideration, which will be vetted through consumer focus groups. Data on these findings will be presented to the board in November for final board approval.

There being no other new business, Mike Browne motioned to adjourn which was seconded by Gary Caloroso. All were in favor.

Respectfully Submitted

**Ron Campbell
Secretary AFM**