



**AFM Board Meeting
Minutes
February 17, 2016**

Place:

**AFM Headquarters
Dallas, Texas**

Participants:

**Mike Browne, Chair (p)
Antonio Villaseñor, Vice Chair (p)
Ricardo Vega, Treasurer (p)
Martin Mendoza, Director (p)
Gary Calaroso, Director (p)
Ramon Paz, Director (p)
Armando Lopez (ex-officio) (p)
Ron Campbell, Secretary (ex officio) (p)
Alvaro Luque, President AFM (p)
Vicky Carpenter, AMS (phone)
Dolora Sillman, MHAIA (p)
Miguel Molina (p)
Kevin Brosch (p)**

Roll Call and Minutes:

Mike Browne called the meeting to order, took the roll call and established a quorum. Gary Calaroso motioned to approve the minutes from the September 29, 2015 meeting and Antonio Villaseñor seconded the motion. Unanimous.

Kevin Brosch read the antitrust policy as amended.

Cash Balance-February 14, 2016

Total bank balance as of 2/14/16 of \$10,790,891

Statement of Activities and Changes in Net assets (July 1-January 31, 2016)

Total Contribution –MHAIA/APEAM - \$30,798,408

Total expenses -\$24,261,432

Breakdown of Expenses:

Marketing - The total YTD AFM spending consists of consumer marketing spending of \$17,991,462. Retail is \$5,424,010 plus Board meeting expenses of \$25,963 and AFM Market reporting or \$171,048 for a total of \$24,261,432 (AFM Market Reporting is paid by APEAM 100% outside of the APEAM / MHAIA MOU)

Net change in assets equals to \$6,536,918.01.

Statement of Financial Position:

Total current assets = \$9,051,240

Total Liabilities =\$2,453,596

Total Equity = \$6,597,645

Cash at the end of the period is \$7,908,928

Ricardo Vega, Treasurer, stated that Miguel Molina should present the Treasurer's report with support from Dolora and the report should be provided to the board ahead of the meeting. The board agreed.

Antonio Villaseño motioned to accept the Treasurers report and the motion was seconded by Ramon Paz without objection.

After a walk through the new proposed space for the new offices and the new Culinary Center, Miguel Molina explained to the Board that AFM explored three options for that Culinary center:

- Retail Location in a separate building: This is the most expensive investment as it will need to comply with full city regulations, similar to a retail restaurant. AFM suggested to exclude this option. The board agreed.**
- AFM Office expansion on the same building: AFM is suggesting a cold kitchen, without an open flame, office expansion at the same office building. A cold kitchen will not require a full restaurant city compliance. The board agreed to explore and calculate the investment for a North Suite and a North Suite plus an East Suite expansion.**
- New large industrial location near DFW airport: This option is no longer available in the market.**

Gary Calaroso motioned to move forward with the Kitchen and initiate a letter of intent and price scenarios for space options. RamonPaz seconded the motion. The motion passed without objection.

Miguel presented the new budget control file. The board agreed with the format. This reports excludes all administrative expenses. Mike Browne requested that the share of the budget for each line item be reflected and cross referencing with contracts be included.

Miguel presented a status on our accounting process cycle. The current process duplicates efforts among team members, with multiple manual processes, and incorporates multiple subsystems, such as Excel, Access and DocuSign. Miguel went over the progress on the ERP/accounting system project with a preliminary investment range between \$117K \$136K for the first year and between \$45K and \$61K yearly investment thereafter. The board approved the project and requested Miguel and Dolora to continue with the discovery process.

Alvaro presented the proposed Seasonal Programs calendar for next fiscal year

2016-2017 Seasonal Shopper Calendar

<p>BACK TO SCHOOL JULY 18 - AUG 28</p>  <p>• Mom & kid-friendly • Health & Wellness halo</p>	<p>SUPER MONTH</p>	<p>TASTIEST TAILGATE SEP 19 - OCT 31</p>  <p>• Football Association • Re-invent Guac via Speed Scratch Cooking</p>	<p>SEASON'S EATINGS NOV 1 - DEC 25</p>  <p>• New Occasions • New Holiday Time Periods</p>
<p>GUAC NATION DEC 26 - FEB 5</p>  <p>• Multi-Guac Solutions • Major "GameDay" Players</p>		<p>FANWICH FEB 13 - MAR 26</p>  <p>• Stand Alone Program • Handheld Opportunity</p>	<p>FIESTA DEL FUEGO APR 3 - MAY 5</p>  <p>• Reinforces Cino • Perfect Guac Complement</p>

We need help to be sure that we are able to sign contracts in this fiscal year to secure our partners and promotions for the first part of the new fiscal year. We especially have an urgency to sign with Nestle.

Kevin Brosch mentioned that AFM is allowed to sign multi-year contracts and that is the way we will try to handle the Nestle situation to get the proper AMS approval.

Based on the previous conversation with the Board during the strategic planning session, AFM will work on develop a Super Month program for September that will reinforce our sales during the fall and create a special initiative that we could develop stronger in time.

Alvaro presented AFM's organizational chart that was introduced to the Board in our meeting in September 2015 and asked to initiate the hiring of the Digital Analyst to support Ivonne Kinser. Board asked to take the position to a manager level based on all incremental digital responsibilities that the area is facing. Alvaro mentioned that we will move Ivonne up in salary sooner than planned and proposed to take her to \$160,000 in a first stage before we level her to the other Directors in the company.

Ramon Paz motioned to accept this direction and the motion was seconded by Gary Calaroso. The motion passed without objection.

There being no other new business, Ricardo Vega motioned to adjourn which was seconded by Ramon Paz. All were in favor.

Respectfully Submitted

**Ron Campbell
Secretary AFM**