

Tom:

Okay, there we go. So, we'll start the webinar. Open the link. Pull up the agenda. Pause that and we'll start the screen capture. Okay, so I'll save that. March 2020 AHC Board meeting. Okay, that's the recording here. Check one, two. Check one, two, one, two, check, one, two. There we go, we got the audio. All right, audio's good for that. All right, that's good. Camera off and I'll capture the screen. Record. All right, we are running.

Tom:

Okay, time is 4:21 and we are looking at getting the board meeting started. See my resources performance, CPU is running at 90, 37, 50%. Okay. (silence). Okay [inaudible 00:04:21]. Hey Bud.

Bud Mertz:

How's it going?

Tom:

Pretty good. How about on your end?

Bud Mertz:

It's unbelievable, the work. I've put in the minimum of 12-hour days since probably going back to six, maybe even before that.

Tom:

Right.

Bud Mertz:

Every avenue you [inaudible 00:04:50], because the unique thing about all this is, all these secondary effects from these closures and reduced staff and all that, I mean, that has a tremendous effect on responses.

Tom:

Oh, yeah.

Bud Mertz:

When the Department of Transportation goes to skeleton crew or the water authority goes to a skeleton crew, there wasn't a lot of thought but into that.

Tom:

Yep.

Bud Mertz:

As you can tell, I'm a bit concerned.

Tom:

Yeah. I wonder if you planned all the time, if you could capture everything. You know what I mean? It's just one of these things, there's just so much that is [crosstalk 00:05:44].

Bud Mertz:

Everybody says well why didn't you have a pandemic plan? And you do, but the thing is, your concept of operation is molded by basically on the needs and the response. So, you can have a plan and you can have all these things lined up, but... I used to always say that every snowstorm was different.

Carmela Hinderaker:

Carmela [crosstalk 00:06:10] Grocers.

Tom:

Right. Hi, Carmela. You were saying, Bud. Go on.

Carmela Hinderaker:

Hey, Tom. How's it going?

Tom:

Very good. Very good. Bud, you still there?

Bud Mertz:

Yes.

Tom:

Oh, okay. You were saying?

Bud Mertz:

Well, I mean, it's like every snowstorm's different. One snowstorm, you may be worried about traffic on the highway.

Tom:

Right.

Bud Mertz:

But the next snowstorm, your larger concerns is tree limbs falling down on electrical lines and so your concept of operation is basically built based on the needs that are in front of you right now.

Tom:

Right.

Bud Mertz:

And you just can't capture that. You can't sit on a blue-sky day and capture everything that's going on right now, that's for sure.

Tom:

Yeah, sure.

Bud Mertz:

It has to be done now.

Tom:

Yeah.

Joe Picciano:

Joe Picciano.

Tom:

Hey, Joe.

Bud Mertz:

Welcome, Joe.

Joe Picciano:

How you doing, Tom?

Tom:

Bud Mertz is on and Carmela Hinderaker's on as well.

Joe Picciano:

Great. Well, every time I'm involved in one of these things, Bud, I'm just reminded of, okay, could I have prepared better? I don't know, these things are so big and so dynamic, it's just hard, especially for a county or [crosstalk 00:08:01]-

Mike Ambrosio:

Mike Ambrosio.

Joe Picciano:

... big organization.

Tom:

Hey, Mike. Good afternoon.

Mike Ambrosio:

Hi, Tom.

Tom:

Hey, Joe or Mike, did you guys know Carmela from the catastrophic planning efforts? She's on the phone.

Carmela Hinderaker:

Yeah, I met Joe Picciano when we first [inaudible 00:08:31] grant, when I was in [crosstalk 00:08:35].

Tom:

I thought so.

Joe Picciano:

Yeah, I remember.

Tom:

I thought you might know each other.

Carmela Hinderaker:

Emergency managements a small world.

Joe Picciano:

Indeed.

Tom:

All right we'll give it a... We're still a little bit early here.

Mike Ambrosio:

Crazy times, Tom. If it's not a hurricane [crosstalk 00:09:08].

Bud Mertz:

I was just going to say.

Tom:

Yeah, this is interesting because you have a lot of states that don't activate as often.

Chris Eisenbrey:

Chris Eisenbrey.

Tom:

Hey, Chris.

Chris Eisenbrey:

Top of the morning.

Tom:

[inaudible 00:09:29] indeed. And this event...

John Molnar:

John Molnar.

Jim Sheehan:

Jim Sheehan.

Tom:

Hey Jim, how are you? Hey John. This event is taxing all the states that don't activate regularly. Like North Carolina, they're just taking it in stride, they're running in Florida a little bit, but a lot of the other states, this is a big one and they're just not ready. I don't know how you could get ready.

Mike Ambrosio:

Hey, Tom. I'm going to grab a coffee and call right back in.

Tom:

Sure. Sure.

Tom Hyde:

Hey, Tom, it's Hyde on.

Tom:

Hey Tom Hyde, how are you?

Tom Hyde:

I'm well. How are you?

Tom:

I'm doing well.

Tom Hyde:

Good.

Tom:

Doing well. One more board member and we have a quorum. Carmela Hinderaker's on with us which is great.

Tom Hyde:

Great.

Tom:

It will be a great call. Hey Chris Eisenbrey, when I saw your text, I guess you were talking about being on the ESCT call, right?

Chris Eisenbrey:

That's correct. The Supply Chain Tiger team call.

Tom:

Right. I still couldn't get a clear handle on their mission. I think I know what it is, but it was a lot of data they're throwing around.

Chris Eisenbrey:

Yeah, a lot of it has to do with PPE and getting the PPE need for utility workers to do their job, especially if they go into compromised areas.

Tom:

Right.

Chris Eisenbrey:

Also, we're working on mutual systems, and how do you take a full [conts 00:11:23] export and now operate in a non-full contact sport type of area. So, there's just lots going on. We are COVID-19 all day, all night, 24/7.

Tom:

I'll bet. I'll bet. Hi, who just joined?

Mike Ambrosio:

It's me, Tom. Mike Ambrosio. I'm back.

Tom:

Okay, Mike. Okay. Very good. Yeah, I was talking with some of the comms and electric and I guess, for those utilities, you'd have to actually go to houses and make repairs and stuff like that. I guess it puts them in contact with...

Chris Eisenbrey:

Especially the gas side of the business, because they got to go in and light pilot lights or stuff like that.

Tom:

Oh yeah, didn't think about that. Mike Ambrosia, what are you wrestling with at Wakefern? Or are you [inaudible 00:12:40]?

Mike Ambrosio:

Oh, yeah, still in [inaudible 00:12:42]. Just keeping stuff on the shelf. I mean, there's just so many limits on stuff now and originally there wasn't limits, then it was two, now it's one. Wanted it paper, so it's a real strain, especially on meat and poultry and household goods, and it's just tough. We don't have any

problems with stuff coming in, thankfully, with that relaxation in the logs and stuff and trucks are moving so there's no problem with that, and we don't have any shortages on the supply side right now, but I think with everybody saying how the food sectors so important, I don't think and everybody's hoping that we don't have a problem in the near future. Again, it's just people hoarding stuff and we have police, there's some civil disobedience at some stores. We've had some police called in, fighting over some paper towels and toilet paper. I mean, of all things. It's all the stuff you see on TV right now. And that's it. I mean, like everybody else, the volume is astronomical. Astronomical.

Tom:

Yeah. Mike, how do you train your people in the stores to do rationing, in a sense? Do you train them? Is that part of the playbook?

Mike Ambrosio:

Well, it's almost... The stores are ordering, we send out information from a communication department, the post at point of sale and then there's also the same thing that's posted at the registers. I think, for the most part, people are obedient, and they really pay attention to it, but some people just go above and beyond and think it doesn't apply to them. But we don't want any of our folks to get into any problems with them and that's why the police are at the stores. We have cops just in the front end now. It was bad, I think, from a standpoint of the most problems is on the weekend when everybody was home, but now that the schools are closed in the state of New Jersey and mostly of course the [inaudible 00:15:12] area, it's almost every day.

Mike Ambrosio:

And there's some price gouging. Not us, but I noticed some other stores are price gouging, so it's interesting how this is all going to play out, now that Murphy ordered that all malls close, the retail sector is taking it pretty hard on that end, on non-essentials.

Tom:

Yeah. Wow.

Mike Ambrosio:

But Tom, they do their best. I mean, the biggest problem we're going to have is, and we're holding on and just hoping, it's not if, it's when, it's pretty much if someone in the store, one of the employees' comes down with it after these testing kits go out. How do we react to that? And I think that's what the retailers are going to be facing. If somebody in the store, one of your associates get sick, now how do you handle that? People don't want to come to work.

Jim Sheehan:

Well, if they handed out the kits tomorrow, Mike, you're going to have people that are working in the stores test positive because this is pretty widespread.

Mike Ambrosio:

Absolutely. Absolutely. So, that's the other shoe that hasn't dropped yet, but definitely will drop.

Jim Sheehan:

Yeah, so I mean, it's like, my sisters a court officer in the city and they went to half shifts in Manhattan and 100 [inaudible 00:16:40], they have 20 court officers working at a time. The assignment judges came out with a rule that if any of those 20 test positive, then all 20 go home for 14 days and bring another 20 in. They won't have any court officers in three weeks.

Mike Ambrosio:

Yeah.

Tom:

Wow.

Jim Sheehan:

I mean, it's serious stuff but I think there's a lot more people carrying it around out there and probably have been for a while, than we know of.

Tom:

Yeah.

Mike Ambrosio:

Oh, I couldn't agree with you more. There's a lot of asymptomatic people out there. And now there's a big fight in New York City about them locking the entire city down, so [crosstalk 00:17:28]. We'll see.

Jim Sheehan:

As long you've got enough toilet paper and paper towels, you're good.

Tom:

I can't figure that one out. I can't figure that one out. That's funny.

Jim Sheehan:

Yeah, I love the media, wondering how it happened when they're the ones that spread it.

Mike Ambrosio:

Well, we can't even get [inaudible 00:17:59]. Borox is backed up, between the orders that are being pulled. Some of the stuff is impossible to get, impossible.

Jim Sheehan:

Been a massive amount of hoarding. I don't know, Mike, if you saw that this morning, they were showing that Stop & Shops are opening an hour earlier and allowing only seniors in.

Mike Ambrosio:

Yeah, between six and 7:30.

Jim Sheehan:



Yeah, so they had a correspondent there and I saw all these... Now, I'm over 60, but I mean, I saw people that I hope I don't look like them, but anyway, they were going up and down the aisles, filling their carts with toilet paper and paper towels. Like, what the hell is wrong with them?

Tom:

Yeah.

Mike Ambrosio:

There's stuff that they couldn't... I was in the store the other day and we put out two, the guy came out of the back room, put out two pallets of paper towels in the bulk area, and it looked like the Cabbage Patch frenzy. If you guys can remember the Cabbage Patch frenzy with Cabbage Patch dolls? Where people were just all over the place. I could not believe what was happening. People diving onto the pallet, ripping stuff. And you know what? When you got to the front-end, you're only allowed one packet, so I don't know what you're doing.

Tom:

Wow.

Mike Ambrosio:

And you can't... You know what we're getting a shortage on? Peanut butter. Peanut butter, jelly, stuff that you would never think, but you would think now, with people being home, the kids can make a fast lunch [inaudible 00:19:42] with peanut butter and jelly. And then bread, we can't keep bread. Bread flies out.

Tom:

Wow.

Mike Ambrosio:

It's only getting worse.

Tom:

Well, I tell you what. Chris Geldart's going to be late and Christy Morris also. Let's go ahead and get started. So, Mike, as Vice Chair, I guess you'll run the meeting here, I'll run the agenda here for you. So, we don't have a quorum, so today we have to approve minutes from December and September and the five-year strategic plan, so I shut those out, but we can come back to those.

Mike Ambrosio:

Okay.

Tom:

So, given our coronavirus discussion, Carmela Hinderaker and I have been talking and I invited Carmela to join us from the food distribution side of this to have a discussion on some of the things that they are planning on impacting what they've seen and what they expect to see in the future. So, Carmela, welcome. I really appreciate you taking time. I know things are busy for you all and I know we wanted to get your perspective on a couple of things. Maybe you could just first introduce yourself, a little bit of your background and then your role there at C&S Wholesale Grocers.

Carmela Hinderaker:

Yeah, so hi, Carmela Hinderaker. I'm the Senior Director of Business Continuity and Customer Support. I've been at C&S for about five and a half years now. Previous to joining C&S, I actually worked in government, particularly Emergency Management Agencies, so I was in New York City and I was also in Boston, and that's kind of my background.

Tom:

Okay. And can you tell us a little bit about C&S?

Carmela Hinderaker:

So, C&S is the largest wholesale company in the U.S. So, we deliver groceries to grocery stores. We're based all along the east coast really, towards [inaudible 00:21:43] all the way to L.A. Pennsylvania and then if you go down to the south east, we cover most of the south all the way into Texas, and then we hop over to California and we've got the west coast. We go into Alaska; we also deliver into Hawaii as well as some territories like Guan and Puerto Rico.

Carmela Hinderaker:

And so, we also deliver everything that you see in a grocery store. So, that's perishable, non-perishable and the seasonal items that you'll see in the middle of the store depending on the holiday.

Tom:

Okay, very good. So, Carmela, I had three phases for you to maybe discuss, before, during and after. So, as you were coming up to this, what did you all look at in the planning phase, as best as you could. Maybe you could talk about some of the challenges you saw there from your members.

Carmela Hinderaker:

So, before, there's only two people in this company that actually do business continuity. It's me and then I have someone under me, Katy Murphy, who's also from New York City, LEM, who's only been at C&S for less than a year. So, we're the only ones that watch the entire country that I just mentioned. So, we had seen the muse around Wuhan, and we have certain contacts within critical departments, and so when we started seeing this, we sent out emails and said hey, we're watching this. We might want to dust off some old plans. We did have a pandemic plan. That pandemic plan was created way before I actually got to C&S and then we also had an infectious disease plan which was mainly based off of the Ebola scare that we had a few years ago.

Carmela Hinderaker:

So, we gave that to our partners. Obviously at the time, we were just thinking it was going to be more of an HR issue, but then as this rolled out, it was probably in the last three to four weeks when it started ramping up and we had to actually get more people focused on this on a day to day basis. So, we had, because we started seeing that it was affecting the whole country, we had to create an advisory group, because our regions run separate on a daily basis, and most of the decisions end up happening there and it's quicker for them to react if the decisions are made there as well. But we wanted to make sure that a lot of these decisions were going to be standard across the whole company and so we created what we call an advisory group where everything goes through them, and if we needed a final decision, where the final decision really means are you going to give us more money to go do this, is more at the Executive Committee level which is our Chiefs and our President as well.

Carmela Hinderaker:

So, we've actually been quote, activated, enduring this event for the past two and a half weeks straight. So, two and a half weeks straight, we've seen volume from 200 to 400% every single day in every single building that we have. So, we're tired. It's probably within the past five days where all these states are doing states are doing states of emergencies. They started closing schools, where everything's just moving so fast, but because the scare that happened with banning travel from China and then hearing about these one-off individuals coming over or being left on that one cruise ship, that was what triggered us a little more and then we started seeing volume increase from there. And then every single day when a governor or a mayor or the President gets on and doesn't give good news, it causes the demand to keep going.

Carmela Hinderaker:

so we anticipate, I think Mikey had mentioned it, with schools closing, with restaurants and bars closing the last day or so, it just turns out that the grocery store is the only place you can get food, which is why we anticipate this volume to continue going until essentially these lock downs or cancellations are done. But like I said, we've been seeing about 200 to 400% volume every single day. Our warehouse employees are getting fatigued, they're really tired. It's also a moral issue, in the sense that when we go into hurricanes or we go into blizzards, we know it ends, we can see the recovery coming, but in this particular event, there does not seem to be an end in sight, it actually seems like it could get worse.

Carmela Hinderaker:

So, with the school cancellations, we're trying to really monitor absenteeism. So, far they're pretty good, but I anticipate as we go through this week and most of schools are closing for two to six weeks, that come next week, that the attendance will drop and then we'll run into more of a problem of just getting the food out the door and into the stores. But as Mike mentioned, there's not an issue with the pipeline. The pipeline exists, it's just by the time that we deliver the load and the store puts it up, it's done by the time we come back, which most stores get deliveries multiple times in a week. I would say the smaller ones maybe get two to three times, but that's where again, by the time we come back to them, it's already been stripped. So, it really is this idea of people are panic buying, they're hoarding, and I mentioned it, just every day, if you hear more governors and uncertainty, it will not stop. It just continues to have this mentality of I need to stockpile.

Carmela Hinderaker:

The other interesting thing I guess, with this event is that in a lot of our plans, and I think every company can think this, is that usually we have contingency backups to your main, and you can go down three-

fold if you need to. The fact that this whole country is suffering the same thing, there is no more backup. You're essentially just straining the whole network. So, I can't really get selectors or drivers from another region or even a third party or even two or three layers down from that. We're all just in the same boat. There's not one area in this country that's not hoarding food, I guess.

Mike Ambrosio:

Wow. Even areas of Florida where it was pretty steady down south west Florida, now it's crazy. Plus now down there, it's mostly season, the Canadians have to be out by Friday. So, they're all heading back home which is going to cause a big problem with restaurants down there as well. I know Naples, because I have a place down there, they just put in an emergency order now with [inaudible 00:29:09] limit supplies of stuff.

Tom:

Crazy. Carmela, can you talk for a minute about the triggers, some of the triggers. You said you heard about it in China. What were some of the key triggers that you know, oh oh, this is going to happen and it's going to be bad.

Carmela Hinderaker:

I'm trying to think, it's been a month and a half.

Tom:

It has. You mentioned the cruise ships, right?

Carmela Hinderaker:

I think what really, for me and Katy, because even for some of our internal partners, it's not something that should get their ears perked up, but I think it was the fact that we started seeing that Wuhan was really locking down the city. Where I would say, that is not a normal thing that you would do. Where they had already set the precedent for every other country in this world to do a complete lockdown.

Tom:

Right, okay.

Carmela Hinderaker:

So, as it just got more media attention, we're just like, okay, we might want to just dust things off and then again, with these travel bans or telling some of those Americans that they need to go for quarantine, it was definitely apparent that it was going to continue to do more in America unless we had more containment measures put into place.

Tom:

Yeah. Okay.

Jim Sheehan:

You know, Tom, I think one of the other things, at least, and I know I tend to be a little bit of a skeptic or naysayer on this is, but I think it was apparent to everyone that we weren't prepared. I mean, the messaging... People are blaming the federal government for bad messaging, but state, county, local

health departments, were not ready for this and I think once you portray to the public that we're scared, then everybody's scared.

Tom:

Yeah, I mean, this has been something I've never seen in my lifetime. Nothing like this.

Carmela Hinderaker:

And I think, jumping on different calls with jurisdictions, there really is a lot of, everyone's looking towards the federal government or the CDC to give guidance. It doesn't seem like it's coming down as quickly as they want. So, again, it goes to [inaudible 00:31:39] this and then all of a sudden Connecticut and New Jersey need to think about, they're got to call it or they're not. You're now compelled to do it, or you seem like you're not doing anything.

Jim Sheehan:

Well, I mean people like... I could tell you, I won't throw any agency under the bus, but somebody called me the other day saying, "Hey I got a call from my agency that I got to rewrite the COOP COG. Do you remember when we did those?" I said, "Yeah, it was 2007." I said, "Yeah." We pulled ours and most of the people on it are dead. So, we just really, really had cranial-rectal insertion about pandemic for the last 10 years.

Tom:

Yeah. [inaudible 00:32:24] Tom?

John Molnar:

Cranial-rectal insertion. That's a classic.

Tom:

Is that one word, Jim? I'm sorry, I'm taking notes.

Jim Sheehan:

However, you want to write it, Tom.

Tom:

All right. By the way, let me welcome Chris Geldart and Christy Morris. I heard you join the call. Did anyone else join? Ira? Kelly? Okay. So, Carmela, next area is really government. What's government been struggling with and what's government doing that's helping you?

Carmela Hinderaker:

So, what's helping is there's definitely, and I'm seeing it across the board, the idea that the grocery sector is critical. So, I would say a year and a half ago, you guys probably would have never thought about us as a critical infrastructure, and it's been my goal at C&S to build more relationships and explain how [inaudible 00:33:21] grocery stores are within a neighborhood. So, that's one piece, but then what we're struggling with and we knew this existed before, is the tension between local rights, state rights and when does the federal government come in and overrule everyone.

Carmela Hinderaker:

So, some of the things that we are asking for, which happens again in hurricanes and stuff is, can you waive noise [inaudible 00:33:54] or curfews? Right now, they could be at a township level or they could be at a state level. And trying to figure that out and piece it together across the states that I'm trying to run through. So, for example, to get through New York City, we go from Massachusetts to Connecticut, or we even come from Pennsylvania and go east. So, it's trying to go across six states and try and figure if we can have the same ask. I think it's probably the biggest one, because besides... [Ornan 00:34:24] says it's typical truck waivers. I know the Federal Carrier Motor Safety Administration released something, but it's always so weird because the language in some of these orders, they list grocery stores but then people are hesitant as, well do they mean the warehouse selectors? Do they actually mean the clerks that [inaudible 00:34:47] at the store? Where it makes us stop for a second, and we have to just double-check across legal departments if can we just roll with this? So, that's a topic later in life.

Carmela Hinderaker:

And then again going to the relationships across the different levels is, again, it seems like the state and locals are looking for guidance from the federal government. They're not getting it. They're making these decisions and it's happening so fast. So, for example, the governor could call for the closing of restaurants, and it's effective 12 AM tonight. So, how is anyone supposed to react to doing the last order or figuring out how we can transition to these pick-ups or just a different model. Or forecast that I might all of a sudden have more volume go into the grocery store. So, that's just a timing thing where it's like we just need more time, that this was going to come.

Carmela Hinderaker:

And then the last piece is, because it's such a public health and Department of Health and CDC led type of event, it's hard to understand what are they going to do if there's actually a confirmed case. And I know Mike brought it up, but are you going to actually shut down a grocery store that is feeding that community right now when there's no other means to feed a community? If you are, how long are you going to do it? What are you requiring for us to clean? And it's the same on, for me, the warehouse side. I service 800 stores out of one warehouse that can go multiple states. How long are you going to close me after I just mentioned to everybody, I can't move the volume, which would have been my contingency to go to another building and just ship out of there. Everyone's strapped. So, my worry is that the Massachusetts Department of Health is going to do something different than what Connecticut would do.

Tom:

Yeah, there's a lot of political one up. You see it now. One governor gets on, another governor gets on, another governor and they all try to outdo each other. [crosstalk 00:37:02] point, Carmela. I mean, there's no consistency across the states. Everybody's doing their own thing, it just confuses the private sector.

Carmela Hinderaker:

Right.

Jim Sheehan:

But Carmela, you said before that people didn't understand that grocery stores were critical infrastructures, but I think you're talking to a group that has understood it, especially since Hurricane

Sandy, when we had food deserts to begin with and then nobody could do point of sale and people could only buy with cash and then nobody could use their EBT cards. So, we recognize it. Believe me, it's frustrating to me that no one else has picked up on it and there's been discussion here about doing the same thing as we do for the electrical sector for fleet movement for food, for how long have we been talking about that? Six years?

Tom:

Yeah.

Joe Picciano:

Yeah, at least.

Jim Sheehan:

I mean, maybe this will spark some change. And then, I just say this last thing. The house homeland community had a hearing and they had in two state representatives and a couple people that were from [inaudible 00:38:20], to ask them about what the federal government should have been doing and [Crenchuar 00:38:25] questioned two health reps, one from New Jersey, one from Tennessee. Basically, he said, "Hey look, I understand that everyone's frustrated with the federal government, but explain to me what your role is at the state level? The role of the county health department and the role of the local health department, and how the federal government should be supporting that." And neither of them could answer, because I'm not really sure that the state health departments have thought about the role of the county and local health departments. And let's face it, that's the front line and just like you said, you want to offload at four o'clock in the morning, it's going to be administrable ordinance, not somebody at the state who's making that decision.

Tom:

Carmela, have you seen, it might be early, have you seen any innovations in the process so far?

Carmela Hinderaker:

So, I don't know if it's quote, an intervention, but slowly the grocery sector was moving to more online shopping, where that has increased, but the problem then is the amount of pickers or inter cart folks, that will also increase too. So, I'm sure you've probably seen there are articles that essentially these big grocery chains are saying we need hundreds of employees to come in to help us with this volume. Especially if there comes guidance down about, since we are still, quote, open, the sanitization that we'd have to do would just require more people to do it so that you're not closing the store for a long period of time to just do that one protocol. Because as you guys have seen, some stores are just, they are changing their hours of operation, one, to help a vulnerable population like the seniors, but also they've got to close it so they can just restock in general.

Tom:

Got it. Okay. All right, this is great. Let me just go around the horn. Any questions or comments? Bud Mertz, I'll start with you and just work down the list. Any questions or comments for Carmela?

Bud Mertz:

No, I really appreciate all the information and some probably we all already knew, about the hoarding and all that. I think my question would be though, is there anything on the state and local side aside from the ordinance and stuff like, as far as holding up the transportation of goods that you would see that would be a problem?

Carmela Hinderaker:

No, I mean, the usual stuff that you would pull for hurricanes or winter storms still apply. I mean, it helps with us to just get in [inaudible 00:41:25], but I do think the concern for me is, with all these schools closed, how the states can feed children, if that was part of the services that were provided, because we've been seeing some external requests coming in about, well, do you have a [inaudible 00:41:45] that we can use or is there a way that we can help with door to door delivery, which really isn't our business model, but it is, again... I guess, there's so many closures and in essence that you have too many points you have to visit now verses the schools that you originally just had.

Bud Mertz:

Yeah, I've seen, when I was with the state, I had seen during snow storms and whatnot that they've waived the CDO laws for the drivers hours on that and it's always been frowned upon, but it was something that they would do in order to keep the... Well, the first priority was the fuel oil and home heating oil and that type of stuff, but then the secondary effect would be to keep the grocery stores stocked. Have you seen any of that in any of your areas?

Carmela Hinderaker:

Yeah, so the federal motor carrier did do a blanket across country, which is helpful, but I will say, we're not trying to go too much over the normal standard hours of service, because of the not knowing when this is really going to end. We don't want to fatigue the workforce versus, in a hurricane it's like, we really need to hit everyone in that first couple of weeks, because they're suffering and so we know once they get it up, then slowly it flows down, but in this event, we don't see an end in sight and so we're not trying to push our drivers to work to their max every single day. Considering again, they've been working 17, 18 days straight with [inaudible 00:43:44].

Bud Mertz:

That makes sense. All right, well thank you again.

Tom:

Yeah, very good.

Mike Ambrosio:

Hey Tom. It's Mike. I think the biggest issue here though, hurricanes and storms, people are without power, so they don't buy perishable items. This is totally different and I think in the early onset of this, it's what really caught the industry off guard where you didn't ramp up to have that and then all of a sudden when you [inaudible 00:44:12] in one day and you found out you had no meat or poultry in the case, then you said what the heck's going on here? This is totally different than anything we've ever seen. I don't know if you feel the same way, Carmela, but this is mind boggling.

Carmela Hinderaker:



It is, because again, I feel like it's a pure fear factor, because again, if everyone... It's not like the food change or you have no water or like you said, you have no power so you only can buy in certain quantities, you're just told to stay at home. You can still cook at home and everything, you can't have the nice meals in the restaurant, but it's just I think the messaging outwards should be, there is enough food. Where you usually get food is a little different now, because we're asking for you to not be in public places, so you can still go to your favorite restaurants, but just pick it up in this way and these restaurants have to ramp up online ordering now.

Carmela Hinderaker:

Or you can go to your grocery store, but we have these hours or be considerate of the senior population. I think it's just a different way of saying, hey, you have a little bit of a change in your routine right now, and again, I think it's up to the federal government to really give confidence to the rest of the country that there is an end in sight for this and we have a plan to slow this down and after all these measures that we're putting into place, it will stop, because I don't know what's going to happen if we get [inaudible 00:45:46] all these cancellations and then in the end, the spread still continues.

Mike Ambrosio:

Yes.

Tom:

Right. Right. Very good. Joe Picciano? Joe P, any comments or questions?

Joe Picciano:

No, I really enjoyed that. I'm even more worried than I was earlier. What's interesting to me is, at some point, the emergency almost becomes a way of life and this whole process my stabilize. What I find interesting is we're living and dying by just [inaudible 00:46:18] delivery. So, we expect so many varieties and Mike knows this, of one specific product, made by 100 different people. Do you guys see that leveling off with [inaudible 00:46:29] key providers honing in on something that can be standardized and may shape how deliveries move in the future? That's my only question.

Carmela Hinderaker:

Yeah, so some of our manufactures, to just keep up with the demand, have moved to, instead of 15 different flavors of water, I'm just going to cut it down to my most popular ones and just push those out. So, we haven't seen the relaxation of going back to, I can produce all of the normal list of items that I do. We're still in this response during the event mode, to just push out as much as we can.

Mike Ambrosio:

Yeah, that's what's happening.

Carmela Hinderaker:

Because the other thing that the states could pull or the federal government could pull that would, again, extend this more and cause more uncertainty, is if you change SNAP and WIC. We've got to scramble to help with making sure people get more benefits related to SNAP. There would just be more people visiting. And then with WIC, I believe that certain items have to be approved, so if certain manufacturers had already changed up what they were producing and were not aligned, you're going to

essentially have WIC items that aren't really in the store, because now the manufacturer didn't really plan that you were going to ask for some certain pack that they're not making right now.

Joe Picciano:

Right.

Mike Ambrosio:

And you know what's happening too? Is that we keep changing the products that we're rationing. I mean, a week ago or even a few days ago, we never had rice on that list, now we have rice. So, they're moving from one commodity to another. Where it wasn't hit before, now it's being hit. So, it's very interesting how you're trying to forecast what items going to be next that you need to stock up on.

Tom:

Wow. Interesting. Chris Eisenbrey, any questions or comments?

Chris Eisenbrey:

No, we're just, here in the electric sector, our heads are down getting work done, working with our members. We represent all the investor owned utilities in the country. I run or lead business continuity at EEI, both internal and external, so then a lot of long days and nights, but we're not on the front line like you guys are, dealing directly with customers and whatnot. So, we're safe and sound in Washington DC, surrounded by the Beltway.

Tom:

Very good. Christy Morris, quick questions or comments?

Christy Morris:

Oh, well, it's not here in West Virginia, but the good news is everybody now knows West Virginia is a separate state from Virginia. We're like chickens running around with our heads cut off, and yes, we did COOP COG's back in 2007, we did regional meetings about what to do. We met with local officials with what to do in light of a pandemic. We've practiced feeding our school children, because our teachers went on strike each of the last couple of years. So, we have that down. I don't believe that the virus is not in West Virginia. We're not testing. We're not testing enough. So, I think, as many others do, that once testing becomes widely available... We are finding some of our residents are going to other states, sorry, to get tested, and there are suspicions. The governor pushed back his press conference from this afternoon until six o'clock tonight. I suspect, well, I don't want to speculate, but we'll see what happens then. I'm cautiously watching as much as I can. So, thank you for coming and talking to us, I appreciate it.

Tom:

Great, thank you, Christy. Chris Geldart? Comments or questions for Carmela?

Chris Geldart:

No, thank you, Carmela, for being on and briefing and some of us have taken the food sector serious for quite a while. I mean, even though we've just had [inaudible 00:51:24] on our board, we've still taken it pretty serious though. That was a slight jab. It's good to hear though, that the food sector is, as we are

here in the District of Columbia, looking out now to longer term planning on this, because as you said, we don't know when the end is. I can tell you when the end isn't, and that's in any near future. School systems that are closed for two weeks are kidding themselves if they think they're going to be open in two weeks, let alone this school year, and we know that.

Chris Geldart:

Just looking at some of the modeling that's out there, the U.S. isn't even going to hit its peak infection rates that is expected, at least until May, going into the June timeframe, so we're in this for the long haul and it's good to hear that the food sectors looking at this to say, what are some of the other things that are going to happen as we continue to go through this over the next several months. Glad that you're there and that you're doing what you're doing. Thank you.

Tom:

Great, thank you, Chris. Did I miss anyone? I know, Jim Sheehan, any final... You've been pretty engaged with us [crosstalk 00:52:42].

Jim Sheehan:

No, you could say it, Tom, I've said enough.

Tom:

I didn't [inaudible 00:52:46]. I'm just trying to get you to come out of your shell, Jim.

Chris Geldart:

Break your wall flower.

Jim Sheehan:

It worked.

Tom:

Mike? Mike Ambrosio. Final question or comment?

Mike Ambrosio:

No, I'm good thanks, Carmela for sharing your thoughts.

Carmela Hinderaker:

Yeah, good luck to you, Mike.

Tom:

Carmela, I'm sure this won't be the last time we chat, so I appreciate you jumping on here and we'll let you drop, and we'll move on with our board business here. So, thank you for joining us again, I appreciate it.

Carmela Hinderaker:

Thank you, guys. Talk to you later. Bye-bye.

Tom:

Thank you again. Very good. So, Chris, we now have a quorum and we have some old business, the minutes from September 19 and December 19 need to be approved. They haven't been approved yet since we didn't have a quorum in December. And then, we had a discussion, but we didn't have a quorum to vote on the five-year strategic plan, so we have three discussion votes we need to take care of real quick.

Chris Geldart:

Okay. On the meeting notes side, on the meeting minutes side, I would turn to Christy to see if there's any comments on them, because I have none.

Christy Morris:

I'm good, thanks.

Chris Geldart:

Okay, Tom, then if we have a motion on it, we'll pass it.

Tom:

Okay. First, we'll do the September minutes. Do we have a motion to accept the minutes from September board meeting, 2019?

Male speaker:

Motion.

Chris Geldart:

Second.

Male speaker:

Second.

Tom:

Okay. All right, all those in favor?

Christy Morris:

Aye.

Male speaker:

Aye.

Tom:

Okay, appose? Good. Okay. September's approved. Meeting minutes from December 2019, do we have a motion?

Male speaker:

Motion.

Chris Geldart:

Second.

Tom:

Okay. All those in favor, say aye.

Group:

Aye.

Tom:

Good. Opposed? None. Okay. And lastly, we have our strategic plan, which is a living, breathing document [inaudible 00:55:06] that we discussed in December and we didn't have a quorum to vote. So, we can have any discussion on that. I did put a copy of it again, on the calendar invite. Okay. We have a motion to accept as written.

Male speaker:

Motion.

Chris Geldart:

Second.

Tom:

Second. Okay, Chris. Thanks. Okay, all those in favor?

Group:

Aye.

Tom:

Okay, and opposed. Okay, that's passed. Okay, good. Next up is we have our finance report. John Molnar's on the phone. We sent out the documents. John, you want to give a quick update on that?

John Molnar:

Yeah, I'll just focus in on the annual 2019 end of year projections or the sheet that we sent out, Tom. Just very quickly going down and the news is even better than what the sheet represents, but I'll just show it quickly. The first section of the income, we get it from several different areas. There was a [PEMA 00:56:12], there was some subscriptions that we had gotten, and then there was about 10 grants, nine of those being in [ATSIMA 00:56:21] arena and one being the large [NIP 00:56:23] grant for 560,000, so about a third of the 1.7 million that you see there. In that arrangement, a third of that is the NIP grant and the 1.2 is the ATSIMA projects that we get six and a half percent of that. So, we are looking at about 75,000 from ATSIMA that we make and then the 560. And in this year, of the 560,000 NIP grant, we only had invoiced 354 and the other 200,000 was invoiced in early February of 2020. So, it's even better than it looks on the back page here of a \$50,000 profit. It probably is closer to 250,000.

John Molnar:

But anyways, I'll continue on. In the cost, I left a lot of the details of the cost in, in case anybody has any questions. You can see what Tom makes. You can see what I make in at least 2019. There's the legal expenses of Tom Hyde's fees here. We have the audit and the tax return and other accounting services that make up about 40,000. So, we have 240,000 from salaries for Tom and I and then 40,000 from legal and tax services. I'm rounding numbers off, about 300,000 of that bottom-line number of 350, is really contained in those costs. And that's really our operating cost as it related to 2019.

John Molnar:

The bottom section deals with the projects themselves, and the individual projects. So, anyways, and then you can see the makeup of those various projects and how much money they included with the, as I mentioned, about 70,000 of the funding is coming through ATSIMA on terms of profits and then what we will bill for, with the NIP grant, we had only billed for 354,000 which came this year to about a \$50,000 profit for the year.

John Molnar:

So, again, that is about as positive as our numbers get with the other 200 coming out of the gate. We are sitting her with a bank account at probably about \$300,000 in the bank account. That is really coming out of the gate. That's what we have to use for our overhead spend and you can see where our overhead spend is. And along with that, we signed the agreement with INL and DHS to run that project through January of next year at a run rate of close to a million dollars. So, anyways, great shape. I just can't say enough. Chris Geldart and the whole team really, of what you guys have done and allowed us to incorporate into this, and Tom. But anyways, those numbers are about as good as any financial report I can remember giving here, Tom, in certainly the last eight years.

Tom:

Okay. Very good. Thank you, John. Any questions for John? I have a one follow-up from Cherrie Black. If you remember, we had her on in December talking about our potential working together with DHS on their RRAP program. And best we can tell, there's great interest. Our next step, Cherrie's going to set up a call, Joe, with you and any of the board [inaudible 01:00:35] wanting part of that, to look at what our RAP's might we tear into and of course, I think now with all the pandemic, this might be a good time to go back and work on some of the healthcare stuff together. So, Cherrie and I are supposed to talk next week, but it looks like that may be moving forward here this year, so we're watching that one closely. Tom Hyde, you're up next with a legal update.

Tom Hyde:

Yip, thanks, Tom and thanks all and thanks for everything that you do for us. This was the call I was looking forward to all day, just to hear and share stories and [inaudible 01:01:13] about what's happening out in the great supermarket [inaudible 01:01:17], which is sobering, but very much reflects my attempts to find a loaf of bread today, so I can appreciate that very much.

Tom Hyde:

A couple of things quickly, just to continue to work on some basic contract review things with Tom and John, as we continue to grow, and we continue to expand. Continuing to collect a conflict of interest disclosure forms. I think, Chris, we got yours signed in February and a couple of others maybe do or

coming in. So, if you haven't done that, please check and make sure you're current on that. Get those into Tom so that we can review those as well.

Tom Hyde:

One thing you might find of interest, that we're spending a fair amount of time on, not surprisingly, and probably relevant to particularly those in the private sector on the call, is understanding the parameter of what's called a force majeure clause. You no doubt have encountered these before, but it's basically a clause that gets you out of a contract for an event that happens as a result of an act of God. So, it typically includes war, famine, pestilence, frogs, locusts, you name it, but the coronavirus is nowhere [inaudible 01:02:24] there specifically and even pandemic is not there specifically. But in most cases, most all contractors are treating this as though it were an act of God or within a force majeure clause. Just as an example, one of my clients as an association had a large conference at The Gaylord here across the harbor, for the first weekend in April. Gaylord is a Marriott property, so we had certain obligations to make them 85% whole against the room-block and food and beverage. When you have a large event like that, you basically guarantee them a certain amount of revenue.

Tom Hyde:

And so, we weren't sure how the force majeure clause would be interpreted, although we felt it pretty clearly applied. Thank God for Governor Hogan because he came through with an executive order that prohibited events of 250 and more getting together, and that was really what sealed it there for us. It became by government action, an impossibility for us to fulfill the agreement. So, to their credit, The Marriott has been very good. Anyone who had gotten a room through the room-block for the conference, was proactively had their reservation canceled and Marriott reached out to them and said you're off the hook. Your reservation has been canceled. They're not holding us to the minimum revenue guarantee on the room-block or food and beverage, so they've been very good about that and not surprisingly looking at whether we might want to keep our deposit with them as a credit for future events and those kinds of things, which is tricky because those events are often scheduled out three, four, five years down the road. But they've been a very good partner with us and we're finding that as well.

Tom Hyde:

So, you may encounter that. Happy to get on a call with you if you want to kick around ideas about how this works or share other resources with you, but parameters of force majeure clauses are a very popular topic with lawyers these days.

Tom:

Tom, on that note, we had scheduled our first annual meeting in June, the 14, 15, 16, and we're probably going to convert that to a virtual summit, being resilient, instead of canceling it, but Marriott apparently is not going to cause any problems with us there, so we're still going to hold the dates, but I think we're going to convert that to a virtual meeting which a lot of people are doing. This virus is going to change, I think, it's going to change the way a lot of people do meetings in the future. And based on what I can tell, there's going to be a lot of activity on how to conduct more productive meetings online because of all this, right? So, we'll keep the board posted on that one. So, I think...

Tom Hyde:

Hey, Tom.

Tom:

Yeah.

Tom Hyde:

One thing before I move on. Nothing to do with the law, but a little fun fact that we're finding and you may find this with all sorts [inaudible 01:05:15] and what have you, which is that the lines in the conference call circuits are having trouble keeping up with calls just like this one, and many callers are getting circuits busy, not available, fast busy tone, you name it, on these calls. So, something that's starting to work out well is simple things like [crosstalk 01:05:36] five and 10 minutes before rather than one minute before, to beat the rush. If you're setting a call, set it for odd times like a quarter past the hour, half hour, 45 minutes past the hour rather than on the hour, to help free up some of that bandwidth. Using your mobile phone to call rather than your work landline to call, can sometimes make a difference. Things like that are helping people break through, because at the moment the telephone circuitry and conference call capacity is straining at the moment.

Tom:

Yeah, we've seen that happen already. So, fortunately on this call, this is a free conference call which we didn't have any problems, but sometimes we do. We have to switch numbers. So, yeah, great point. That completes our agenda for today. I will update the current agenda. We had a couple of typos and things on there, so we'll put that on the record. I did put it up on our website, we do have a board website I put in the calendar invite and that is pretty much every meeting and all the documents and recording of the past meetings that are online, if you want them for your information.

Tom:

Chris, I don't think we have anything else, unless there's new business, otherwise we're done with today's agenda and I'll give you final comments. Or if there's any new business we want to look at?

Chris Geldart:

Well let me ask the group if there's any new business that anybody would like to bring. Okay. If not, Tom, then I don't have a whole lot except for that some of us are really busy, unlike Jimmy Sheehan who's probably just sitting back at home and drinking the day away. Happy St. Patrick's Day, my brother.

Jim Sheehan:

Thanks guys.

Chris Geldart:

I did wear my [inaudible 01:07:32] today, Jimmy. If you don't believe me, I'll [crosstalk 01:07:33] a picture of it.

Jim Sheehan:

Just be careful if it blows up from one of those [inaudible 01:07:38].

Mike Ambrosio:

Jimmy was the only [inaudible 01:07:44] that marched in the parade.



Jim Sheehan:

Yeah, I had my own parade.

Chris Geldart:

All right, well it's the only thing I'd say to the board members, is I've just sent an email out to everybody. If you would check your email for me, I would appreciate that. That's all I have, Tom.

Tom:

All right, very good. And I couldn't end the meeting without once again, thinking of Tom O-Reilly. I sent a note out to the board that he had passed this month. Tom was always a good friend and mentor to me as he was to a lot of you all, and Jimmy I appreciate you sharing that. I did not hear it from Joe and I was sorry I missed it. I would have driven up for the service and everything. Anyway, to Tom. I've been thinking about Tom a lot lately, so [crosstalk 01:08:38]. And Jimmy, I guess you [crosstalk 01:08:38], huh?

Male speaker:

Joe?

Tom:

Go ahead, Jimmy.

Joe Picciano:

Yeah, Jim.

Male speaker:

No, were you just saying something?

Jim Sheehan:

Yeah, I [crosstalk 01:08:46]. I didn't even realize that he had passed until afterwards so I would have showed up too.

Male speaker:

I know, it was kind of... And honestly, I mean, I screwed up in getting it out to a lot of people, but my head was in a jumble. I really didn't expect it.

Jim Sheehan:

Yeah, well. Good man. He leaves a wide [inaudible 01:09:08]. So, anyway.

Joe Picciano:

Chip a drink for him tonight, Jim.

Male speaker:

Yeah, this was his day too, Joe. He never missed a Paddy's day. He'd always be somewhere. Whenever we were traveling or something, he always celebrated it. I was in a few different places with him for

Paddy's Day. I mean, he loved this day. Well, he had a good Irish send off though, believe me, it was a good sendoff.

Tom:

That's great. That's great. But anyway, I probably should have done that as a first part of the call versus the end, [inaudible 01:09:40] forgot. Okay.

Male speaker:

Very well. Well happy St. Patrick's Day everybody.

Chris Geldart:

There you go.

Tom:

Happy St. Patrick's Day. All right everybody, that will conclude our meeting. I think we [inaudible 01:09:51] motion, Chris, unless you just call it adjourned.

Chris Geldart:

We'll call it adjourned.

Tom:

All right. Thank you all. Be safe.

Chris Geldart:

Thanks, Tom.

Tom:

Bye-bye.