

**WACOSA Board of Directors Meeting**  
**July 16<sup>th</sup>, 2018**  
**5:16 PM – 7:54 PM**

Members Present:

Ron Brandenburg  
Zachary Dorholt  
Jennifer Johnson  
Karla Myres  
LeRoy Northam  
Joe Perske  
Cherie Scofield  
Jeanne Theis  
Herb Trenz

Members Absent:

Jon Archer  
John Bartlett  
Jeff Murphy

Staff Present:

Nancy Betts  
Ann Kennedy  
Steve Howard  
Traci Richter  
Sarah Starling  
Beth Sueker  
Sandie Westergren

**1. Welcome Board Members – Meeting called to order**

**2. Review of Agenda**

Ms. Traci Richter added the 990 Tax Return to the agenda under the Finance Committee Report.

Mr. Steve Howard postponed the Person Centered Planning training in the interest of time. This training will be re-scheduled in a future board meeting.

Motion by Mr. LeRoy Northam, seconded by Mr. Joe Perske, to approve the agenda as amended. Motion passed.

**3. Approval of Minutes from the May 21<sup>st</sup>, 2018 Meeting**

Motion by Mr. LeRoy Northam, seconded by Mr. Zachary Dorholt, to approve the May 21<sup>st</sup>, 2018 minutes as presented. Motion passed.

**4. Committee Reports/Business**

**a. Finance**

**i. 990 Tax Return**

Ms. Richter stated the Finance Committee reviewed and approved of the 990 Tax Return. Though Mr. Jon Archer could not attend this evening, he reported back to Ms. Richter that he reviewed this document and found no errors.

Motion by Mr. LeRoy Northam, seconded by Mr. Ron Brandenburg, to approve the 990 Tax Return as presented. Motion passed.

## **ii. Review of May Financials**

Ms. Richter stated May program revenue was over budget by \$11,000 for the month and \$52,000 for the year. Program revenue is up \$111,000 compared to this time period in 2017.

May vocational revenue was over budget by \$200 for the month and \$22,000 for the year. Year-to-date Community Crew Income is over budget by \$14,000; production revenue is under budget by \$11,000; shred revenue is over budget by \$10,000; and ThriftWorks! revenue is over by \$16,000.

May donation revenue was under budget by \$30,000 for the month and over budget by \$2,600 for the year.

Staff wages and costs were over budget by \$18,000 for the month of May and under budget year-to-date by \$61,000. The reason for the increase was due to the many positions that are currently open. In order to keep our program running safely and efficiently, we have allowed staff to receive overtime pay for those willing to work extra hours. We continue working to fill these positions.

Client wages and costs were over budget by \$3,000 for the month and \$23,000 for the year.

Building and equipment costs were under budget for the month of May by \$8,200 and under budget year-to-date by \$7,300. All subcategories are in line with the expected budget.

Vehicle maintenance was over budget by \$18,000 for the year. This is due to vehicle accidents and an aging fleet. We will be leasing two new vehicles in the coming months in order to bolster our fleet and reduce this expense.

Professional fees were over budget by \$30,000 for the month. The expenses for professional fees included the Annual Audit fees of \$19,000 (Financial and 401(k)); and NetSuite license fees of \$30,000.

Motion by Ms. Jeanne Theis, seconded by Mr. LeRoy Northam, to approve the May Financials as presented. Motion passed.

## **iii. Resolution to Re-Approve Charities Review Council**

Ms. Ann Kennedy stated the Charity Review Council has a list of standards for non-profits; if adhered to CRC puts the non-profit on their website as a trustworthy charity to which time and money can be donated without the community being skeptical of the non-profit. There have been no changes to CRC standards since last year when it was approved. A complete review of all standards is conducted one time every three years.

Motion by Mr. Ron Brandenburg, seconded by Ms. Karla Myres, to approve the Charities

Review Council resolution as presented. Motion passed.

## **b. Board Development**

### **i. Review of Board of Directors Responsibilities**

The Board of Director Responsibilities document is shared during all new board member orientations and also reviewed annually with all Board members at the July Board meeting.

Ms. Karla Myres asked what the Board does to review the services provided by WACOSA. Mr. Howard stated the Board reviews satisfaction surveys annually. Additionally, the WACOSA Board's month-by-month review and disposition of agenda items also serves to review and monitor services.

Motion by Mr. Herb Trenz, seconded by Ms. Jeanne Theis, to approve the Board of Directors Responsibilities as presented. Motion passed.

### **ii. Review of Board member terms**

Mr. Howard informed the Board members of their terms.

### **iii. Board Portal training**

Ms. Kennedy demonstrated how to access the Board Portal on the new website.

Mr. Herb Trenz asked why only the Finance Committee received full access to NetSuite. Ms. Richter stated it was due to only purchasing a select number of licenses and the information would be available to the Board as needed. Ms. Richter also reminded that the board that this issue was discussed several months ago and that board members agreed that a way of controlling project expenses was to limit board access to completely accessing NetSuite information.

## **c. Fund Development Committee**

### **i. Harvesting Happiness Breakfast update**

Ms. Kennedy stated the Harvesting Happiness Breakfast will be October 4<sup>th</sup> from 7:30am to 8:30am, held once again at Auto Parts Headquarters located on Clearwater Road. Mr. Emmett Keenan is currently expected to speak at the event.

We are currently looking for table hosts. Table hosts are individuals who invited up to 8 people to attend the breakfast. Half tables are also available. Please step and volunteer to host a full or half a table to support this great event that bolsters WACOSA's fundraising efforts.

The official planning meetings started today.

Ms. Carrie Peterson will create invitations for the Board that can be distributed, both printed and electronically. She will also send a guest list to all the Board members to

prevent individuals from receiving multiple invitations.

## **ii. Other grants in the works/5310 Update**

Ms. Carrie Peterson could not be present tonight to present information related to the Development Department. Ms. Kennedy offered to step in to assist in sharing this information. Ms. Kennedy stated WACOSA received a grant to replace the entryway door at Doors 2, 3 and 4. Additionally, we are waiting to hear back regarding a grant from the State Arts Board.

We submitted a grant for a new 5310 vehicle to receive in 2019. Ms. Nancy Betts stated that we are still waiting to execute the special 5310 grant vehicle we submitted earlier this year. Board members can expect an electronic vote to be taken, should the timing of this 5310 Resolution be held in between board meetings on the annual meeting schedule.

## **iii. Update on endowment/planned giving efforts**

Mr. Howard stated that the Central Minnesota Community Foundation has been a wonderful mentor and resource with which to work. Ms. Peterson is continuing to learn about a variety of development related information, including creating an endowment and promoting planned giving.

## **iv. Update on June True Friends Team Quest experience**

Ms. Kennedy stated the True Friends Team Quest experience went amazing. Ms. Betts stated staff are currently working to develop a curriculum for our clients based on the experience. Ms. Jeanne Theis, Ms. Jennifer Johnson and Mr. LeRoy Northam all spoke up sharing that the experience was exceptional and encouraged other board members to attend should the chance ever present itself again.

Ms. Kennedy stated Night at the Rox went well. WACOSA sold 129 tickets and raised over \$300.

1-5k Walkathon registration is remains open for the moment but is scheduled to close soon. Ms. Kennedy will likely extend it to allow more people to register. All businesses and individuals that donate at least the \$50 sponsorship fee will have their name listed on the back of the event t-shirt, as well as signage at the event. The event is scheduled for Saturday, August 4<sup>th</sup> from 9am to 11am at Lake George.

## **5. Director's Report**

### **a. Final progress on 2014-2018 Strategic Plan**

Mr. Howard stated WACOSA completed the 2014-2018 Strategic Plan. This most recent plan has served to strengthen the base of the organization so we can continue to grow and develop for many years to come. We are still working on some of the software bugs, but the new HR software is live as of July 16<sup>th</sup>.

Mr. Howard congratulated Ms. Richter for managing to pay for the 2014 – 2018 Strategic Plan out of cash flow. While she was authorized to access reserves, she found ways of pulling the money

from day-to-day operational spending, thereby keeping WACOSA's reserves intact.

Mr. Howard stated we are behind on creating and implementing a new strategic plan. He is working on securing a consultant to help WACOSA develop our next strategic plan with a focus on expanding our business efforts and helping us navigate more significantly away from our reliance upon traditional government entitlements. Mr. Northam suggested creating an interim plan. Mr. Howard liked this idea and will develop something like this during the interim.

#### **b. June Metrics**

WACOSA served 589 persons in June, created 10 new in-house work opportunities for the month and 87 for the year, produced 77 in-house jobs for the month and 459 for the year; had a DSP position turnover of 2.08% for the month and 13.63% for the year. ThriftWorks! revenue was about \$6,000 over budget for the month and \$22,000 for the year. DocuShred revenue was \$54 over budget for the month and \$10,000 for the year.

#### **c. Compliance & Brainstorming Committee Minutes**

Mr. Howard stated the Brainstorming Committee continues to meet in order to consider new ideas to help with the impending loss of work from Electrolux/West Rock. Mr. Howard shared that he and his team are in agreement that no one idea will fix the almost 250K loss of revenue we will lose by the close of 2019. It took over a decade to build these relationships and, barring any lucky chance to come across a very large contract that is equally lucrative, we must take a broader approach to fixing the issue. Board members are always welcome to attend these meetings, if they wish. The next meeting is always listed at the bottom of the most recent minutes.

Mr. Howard explained that a recent tour and conversation, brokered between Mr. Joe Perske and representatives from the Department of Economic and Employment Development, Greater St. Cloud Development Corporation, and Career Solutions, went very well. Four individuals from these organizations toured WACOSA. All individuals felt they could possibly assist WACOSA to replace some or all of the work being lost by leveraging their contacts, arranging opportunities for WACOSA to speak at area functions.

Mr. Perske asked how WACOSA will transition away from Electrolux. Mr. Howard stated he was not sure at this point in time but we are preparing for the worst case scenario.

Mr. Howard will send the Board information regarding the next meeting. All Board members are invited to attend.

#### **d. Legislative Updates from 2018/7% cut outcome**

Mr. Howard stated it was a disappointing legislative session. Nothing got passed regarding our initiatives, including halting the 7% rate cut.

#### **e. ICI Update/Discussion**

Issues related to ICI were discussed by staff and the Board. Mr. Howard will keep people posted

with any further developments.

**6. Motion to Adjourn**

Motion by Ms. Jeanne Theis, seconded by Mr. Joe Perske, to adjourn the meeting. Motion passed.

**Next Meeting: September 17<sup>th</sup>, 2018**

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LeRoy Northam, Board Secretary

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Date