

WACOSA Board of Directors Meeting
September 17th, 2018
5:15 PM – 7:30 PM

Members Present:

Ron Brandenburg
Jennifer Johnson
Jeff Murphy
Karla Myres
LeRoy Northam
Cherie Scofield
Herb Trenz

Members Absent:

Jon Archer
John Bartlett
Zachary Dorholt
Joe Perske
Jeanne Theis

Guest Present:

Kurt Hunstiger

Staff Present:

Nancy Betts
Steve Howard
Ann Kennedy
Carrie Peterson
Traci Richter
Sarah Starling
Beth Sueker

1. Welcome Board Members – Meeting called to order

2. Review of Agenda

Mr. Steve Howard added an update about Independent Center, Inc. and approval of two 5310 Grant resolutions to the agenda.

3. Approval of Minutes from the September 17th, 2018 Meeting

Motion by Mr. Ron Brandenburg, seconded by Mr. LeRoy Northam, to approve the September 17th, 2018 minutes as presented. Motion passed.

4. Committee Reports

a. Finance Committee:

i. Update on Bremer Investments

Mr. Kurt Hunstiger stated WACOSA has two different investment accounts with Bremer. The short-term account is 0-3 year investments and the long-term account is 0-10 year investments. WACOSA does not keep a substantial amount of cash because the return on it is low. The short-term total return is .25. The long-term total return is .67.

Ms. Traci Richter asked if Mr. Hunstiger had any recommendations to change the current WACOSA Investment Policy at this time. Mr. Hunstiger said he did not have any recommendations unless WACOSA wanted to pursue more aggressive investments. At

this time it was agreed that the policies would remain unchanged for another year.

ii. Approval of Extended Employment Audit

Ms. Richter stated the Extended Employment Audit was placed on the website portal earlier today. It was a clean audit with no issues or concerns. The Board will vote for its approval electronically after all members have time to review the document.

iii. Review of August Financials

Ms. Richter stated August program revenue was under budget by \$1,100 for the month. We remain over budget for the year by \$46,000. The biggest part of the overage is in the area of Medical Assistance and Vocational Rehab funding.

August vocational revenue was over budget by \$6,000 for the month and over \$26,000 for the year. Year-to-date community crew income is over budget by \$10,000; production revenue is under budget by \$18,000; shred revenue was over budget by \$8,500; and ThriftWorks! revenue was over budget by \$33,600.

August donation revenue was under budget for the month by \$29,000 and under \$76,000 for the year. Ms. Richter reported that, due to the fact that Development income is annualized, we have additional donor/fundraising income expected, or that will be booked, later this year.

Staff wages and costs were over budget by \$11,000 for the month and under budget year-to-date by \$107,000. The reason for the decrease was due to the many open positions WACOSA has been experiencing. We continue to work hard to get these positions filled.

Net health insurance costs were over budget by \$11,000 for the month and under budget \$40,000 for the year.

Client wages and costs were under budget for August by \$5,000 and over budget for the year by \$8,700.

Building and equipment costs were under budget for the month by \$9,700 and under budget for the year by \$28,000. The subcategories that make up the greatest part of the \$28,000 is building and ground maintenance which is under budget by \$14,000 for the year; equipment under \$1,000 which is under budget by \$18,000 for the year; snow and lawn care which is over budget by \$2,000 for the year, and equipment maintenance which is under budget for the year by \$3,900.

Advertising and public relations were under budget for the year by \$22,500 due to more advertising dollars being spent closer to the end of the year.

Transportation costs are over budget year-to-date by \$21,000. Contracted transportation was under budget by \$14,000 and vehicle maintenance was over budget by \$28,000 for the year.

Professional fees were under budget by \$9,200 for the year. Those expenses will even out due to some of the expenses related to outstanding audits and tax returns.

Motion by Ms. Cherie Scofield, seconded by Ms. Karla Myres, to approve the August Financials as presented. Motion passed.

iv. Independent Center, Inc. Payment

Ms. Richter requested for the board to approve a check for \$261,601 for Independent Center to cover 49% of their remaining mortgage. Independent Center would cover the remaining 51%. Ms. Richter stated the money is in checking and the money market so it would not have to be pulled from the reserves.

Mr. Howard stated we would like to pay it on October 25th just a bit early. While the timeframe for assuming ICI's programs and resources is still tentative, we would like to be able to take over these services sometime in early November. Since taking over services and taking over assets are really two different things, the board is fine with our taking over services but, due to a number of concerns, would not be OK with Mr. Howard paying off the ICI debt until ICI is ready to sign over the title.

b. Fund Development Committee:

i. Results of Harvesting Happiness Breakfast

Ms. Carrie Peterson stated there were 18 sponsors, including 3 new ones. Their total contribution was \$10,300 which included in-kind donations such as food, graphics, and printing. She is waiting on another title sponsor check which would bring the total to \$12,800. In 2017, there were 23 sponsors who donated a total of \$8,795.

96 guests attended the breakfast. In 2017, 102 guests attended.

The 2018 total with sponsors and donations is thus far \$20,126 for a net gain of \$16,414.50. The 2017 net total was \$29,100.57.

Mr. Murphy asked what the drop could be attributed to. Ms. Peterson said it was the lack of table hosts and normal fluctuation.

Ms. Peterson said we are thinking about doing a new event next year.

Mr. Howard suggested we look into raising money for a specific item or project as it makes people more likely to donate.

Ms. Jennifer Johnson stated we should try to host future events at WACOSA so people can see firsthand what we do and have a tour after the event.

5. Director's Report

a. Brainstorming Minutes

Mr. Howard stated the Admin Team has been meeting once per month to brainstorm ideas for replacing Electrolux work. Board members should please see the minutes for the last brainstorming session in their packet of materials. Board members are encouraged to attend any

of the meetings to help brainstorm.

b. DocuShred Update

Ms. Beth Sueker stated we have a seen a substantial drop in shred pounds and revenue. We are seeing competition from Marco at half the price of our rates or free.

Ms. Ann Kennedy stated Marco vastly outspends WACOSA on advertising. Ms. Kennedy is going to reach out to customers we have not heard from in a while to see if we can re-establish the relationship.

Ms. Kennedy is meeting with the CEO of Marco to discuss any collaboration potentials.

c. Sauk Centre Property Discussion

Mr. Howard stated he is looking into buying a property in Sauk Centre when our lease is up with the current location. We would like to be building equity with our program rather than just paying rent to a landlord. Our current lease will be concluded in August of 2019. Since this date is short, it may be necessary for Mr. Howard to request a 1-2 year extension while we search for properties. At this time, however, Mr. Howard is not willing to sign another 5-year lease until we have more thoroughly explored owning, rather than renting, and looking at a new property in light of the changes in program services over the years.

Should we decide to move, we are exploring the possibility of a new location that can provide multiple options including, possibly housing our program, a thrift store, and another shred front.

Mr. Trezn suggested building our own facilities. Mr. Howard said it is an option we are considering.

d. September Metrics

In September, WACOSA served 595 clients. We produced 12 new in-house work opportunities for a total of 128 for the year. We had 87 in-house jobs produced for the month for a total of 705 for the year. We had a 2.46% turnover for the DSP position for the month and 16.21% for the year.

ThriftWorks! revenue was about \$7,000 over budget for the month and over budget about \$40,000 for the year.

DocuShred revenue was under budget by \$3,000 for the month and over budget \$5,000 for the year.

e. New Metrics Format

Mr. LeRoy Northam suggested a new metrics format to help track differences over a 13-month period.

f. 5310 Grants

Motion by Mr. LeRoy Northam, seconded by Mr. Herb Trezn, to approve the Replacement

Vehicle 5310 Grant as presented. Motion passed.

Motion by Mr. Ron Brandenburg, seconded by Ms. Karla Myres, to approve the New Vehicle 5310 Grant as presented. Motion passed.

g. Independent Center, Inc. Update

Ms. Betts stated we are interviewing current ICI employees for positions with WACOSA. We made our first hire for a Site Coordinator. All of the current ICI staff applied to work for WACOSA.

We are working with the Department of Human Services to obtain licensing and they are offering us a variance to help mitigate disruption to services for the clients.

6. Motion to Adjourn

Motion by Ms. Karla Myres, seconded by Mr. Jeff Murphy, to adjourn the meeting. Motion passed.

Board training: “Person-Centered Planning” presented by Ms. Stephanie Schaefer, Certified Behavior and Mental Health Specialist – Person-Centered Planning

Next Meeting: November 26th, 2018

LeRoy Northam, Board Secretary

Date