



Providing adults with disabilities the opportunity to work and live in their community

**WACOSA Board of Directors Meeting
November 23, 2020
5:30PM – 7:00PM**

Board Members Present

Jon Archer
Jeff Benveniste
Ron Brandenburg
Zachary Dorholt
Mollie Garden
Laura Krueger
Jeff Murphy
Karla Myres
LeRoy Northam
Joe Perske
Lindsey Rennie
Cherie Scofield
Jeanne Theis
Herb Trenz

Board Members Absent

Staff and Committee
Members Present

STAFF

Steve Howard
Nancy Betts
Traci McKinnon
Julie Haag

COMMITTEE

Jennifer Johnson

**1. BOARD CHAIR REPORT
REVIEW AGENDA:**

Jeff Murphy reviewed for any additions or changes. There are a few things on the consent agenda. If anyone wants to pull anything out of consent agenda simply mention and then will pull out and put on regular agenda.

- Document November 13th electronic ballot approval of 990 Form
- Minutes from August 2020 Board meeting
- Board Chair Report
- Executive Director Report – spend majority of time talking about current and future state with WACOSA. Steve would like to talk about distribution and discussion around endowment initiative.
- Committee Reports – Jennifer and Program team will talk about COVID-19, Finance committee have a number of things to cover, HR a few things but HR Director primarily, Laura will cover anything Marketing/Communication and Advocacy related, and Fund Development will be Karla and at that time will talk about what is happening with the endowment initiative.
- Strategic Matters – A few items to cover.

- Executive Session – Will be held following the regular board meeting this evening.

Regarding the Consent Agenda, it included the August meeting, as well as the June-September financial statements, which are posted on the portal by Traci McKinnon. These statements were also previously reviewed by the Finance Committee, as was the Gift Acceptance Policy document attached.

LeRoy Northam made motion to approve the Consent Agenda. Jon Archer seconded motion, **Motion Carried.**

Please remember to return your signed Code of Conduct, Confidentiality and Conflict of Interest Policy. There are still some that remain outstanding.

The board would like to honor and say thank you to three of our board members that will be rolling off or completing their terms on the board. The first is Cherie Scofield. Our sincere appreciation for 9 years of service to WACOSA. Zach Dorholt has asked to roll off at the conclusion of his second term with 6 years of service. He has three years of tenure left to serve in the future. Thank you Zach for everything you have done. Jeanne Theis has decided to roll off the board after three years of service. Thank you for your time on the board. Steve Howard mentioned we have items for the parting board members if they could stop by in person, or Steve can take to you when times are better, or we can mail out.

EXECUTIVE DIRECTOR REPORT

Steve Howard reported the general state of WACOSA continues to remain strong and optimistic. We have been dealing with the dial being turned forward and back by the governor's office. Between now and December 15 we have been asked to, once again, tighten restrictions up again. This affects our attendance and, subsequently, our revenue intake. We have experienced a real surge of COVID related activity. Not necessarily infections, but exposures and so that means staff and clients are being required to quarantine. We have been adhering closely to our policy for dealing with the current pandemic. Steve has expressed his confidence that morale remains reasonably strong. Maggie Dilks, WACOSA is new HR Manager, recently concluded the responses from the staff engagement surveys and will be sharing the summary of that information with the HR Committee. A number of the scores went up this year, even though it is a smaller group of people. Steve feels people believe we have done our very best during this time, which appears to have resulted in continued strong morale in the organization.

In terms of COVID related information, Nancy updated Jennifer Johnson as the Program Committee Chair. Nancy looked at this data as well as current data through today and we are seeing about a 20 percent client absence rate based upon either exposure or positive COVID testing. On November 5, we had about 40 people out for one day. Today we had 59 clients out. Most of them quarantining because of a positive diagnosis, or direct/indirect contact. 13 staff are out today with most of them quarantining because of the spike in our area. Approximately 288 clients have come back to date since the March 2020 initial closure. The bright spot is virtual classes that we have started continue to go well. As of today, we have 25 individuals who are exclusively taking virtual classes. Classes are small, one-hour

increments, not the six hour full days for which we normally bill. We are expecting about 20% of revenue per day right now, compared to our normal revenue intake.

Steve Howard reported we are doing our best to keep things as status quo for the staff. We implemented a staff increase for the direct support professionals to keep staff morale up and keep us from losing our staff to better paying residential providers. Steve also shared that we will be doing an annual distribution again this year. The idea is to keep the organization functioning normal as possible right now and conducting ourselves in a way that when we say we have got this that our actions reflect this.

Joe Perske asked Nancy Betts what she feels the biggest challenge is right now. Nancy shared that being short staffed is probably the biggest thing. What she has discovered is that there is a pattern to infections from COVID. For example, following Halloween, the week after was fine, with the second showing an increase much like the rest of the population. Given this pattern, we expect the week after Thanksgiving to be OK and manageable, with the week after that showing a high number of infections, once again. This is likely the result of people spending so much time in close proximity and inside their homes.

Steve Howard discussed the annual distribution. The annual distribution is a policy and practice that has been in place and practiced every year since Steve began his tenure at WACOSA in 2008. It is possible it went before this, as well. The distribution goes out to the staff prior to Christmas as a thank you. This year Steve and his leadership team had the discussion and decided they were going to continue with the distribution. The increase is based upon total number of hours worked. Traci McKinnon confirmed we usually try to have it in staff's hands on or about December 15, depending upon the payroll cycle at the time.

Steve discussed we are still excited about the endowment initiative. We have an individual who donated \$30,000 towards the endowment about a year ago. We will be moving forward with placing this contribution in WACOSA's new endowment program as soon as possible.

2. COMMITTEE REPORTS/BUSINESS

A. PROGRAM COMMITTEE

Nancy Betts reported Jennifer Johnson asked her to give an update on program related items. We continue to have all of the sites and all of the shifts operating between 4-6 hours a day based on the work available in-center and activities and in community. Whitney Senior Center had to close down last week, but we are OK to continue to operate in our space within the Senior Center. Currently, we are placing effort on trying to ramp up the remote services we offer. Nancy anticipates the some sort of a closure may be needed again, if absences following Thanksgiving come to fruition as we think they might. Nancy reported Steve Howard and herself have once again started Wednesday call-ins with group home providers, like was done back at the start of the pandemic in March. Residential providers are reporting the same types of patterns and problems we are experiencing.

Mollie Garden questioned, when someone is exposed and the person has to quarantine, are they allowed back once they test negative or do they have to wait the fourteen days regardless of the test? Nancy replied that it depends upon whether it is direct or indirect contact with the

person. If it is direct then it is 14 days quarantine, if it is indirect and they have a negative test they can come back sooner.

Steve H. explained that an older woman recently drove into the back of First Avenue building. No one was hurt. We are working with Hanover insurance on it right now.

Joe Perske asked how rigorous our testing has been with staff and clientele. Have we been able to get quick results? Nancy Betts answered that we do not do any of the testing but we do recommend that people be tested. Right now, the quickest turn around for a test is at the Civic Center. Test results can take 2-7 days.

Jeff Murphy noted the number of clients is up from 236 in August to 288 currently. Jeff inquired if the excitement level to attend WACOSA's services is still there or has it tamed down, as the virus seems to have taken hold? Nancy B. reported that many different clients are still saying yes to coming. We are not seeing a high refusal rate. The biggest challenge to them is the cohorts in which they must remain. The culture has changed from a social setting where there are social times to gather like on breaks to see their friends etc. to one more of isolation for particular, exclusive groups. Most people understand and if you ask them why they have to stay with their group, they reply COVID.

Karla Myres is curious when a vaccine comes out, how prepared are we for that? Any idea when this population will be able to get the vaccine, early or later? Anyone lobbying on behalf of this population? Jennifer Johnson replied from her understanding DHS calls long-term facilities and congregate living facilities with high-risk individuals the first ones to go through and so they are actually getting a system in place where we can get all of our individuals on a waiting list. They are really trying to target high risk first and to get that through as fast as possible.

B. FINANCE COMMITTEE

Traci McKinnon reported where WACOSA was on 1-1-2020 for cash and investment accounts. On January 1, we were just over \$600,000 in our operating account, \$826,000 in our money market account and our investment accounts both long and short term had about 2.5 million. As of 10/31/20 our operating account is \$408,000, our money market account is \$798,000, and our investment accounts are sitting at 2.6 million. There has not been significant change as far as cash goes. We are down some but we have been working very hard to obtain numerous grants throughout this pandemic. In April, we received a 1.2 million PPE loan that got us past the beginning of June before it was eventually exhausted. In Traci's working with different county agencies and the government, in September we received a \$75,000 grant from Sherburne County. We also received from Medical Assistance a grant of \$201,000. We obtained a grant from Stearns County of \$15,000 in November, and then another \$75,000 from Sherburne County in November. Currently we have received roughly 1.6 million dollars we do not have to pay back. We are hoping for at least \$50,000 in grant moneys from two additional Provider Relief grant cycles.

Traci reported we are ramping bringing clients back in, but we are also very much aware that at any time COVID positive infections/exposures could change this. Last week we received a large donation from the Bartlett's, which is a part of their annual lobster feed. We received a check for \$100,000. Additional funds are expected but will likely come at different times throughout the coming year.

The current change in net assets from January-May 2020 shows we were currently negative by 1.2 million dollars. This negative, in large measure, is the result of our PPE loan remaining on our balance sheet as a liability until it is forgiven. June-September we made up a little bit of financial ground with the additional funding we have received. June-September was negative \$867,000. January-September had a \$2,068,000 negative impact in our assets.

Jeff Benveniste asked Traci when we were expected to receive forgiveness of the PPE loan. Traci reported she has submitted all of the paperwork to receive forgiveness; however, there have been a few areas of documentation still needed before Bremer could proceed. We are hoping to gain forgiveness before the end of the year.

Traci reported the change in net assets for July was a negative \$230,000, August negative \$176,000, in September a positive \$51,000 (likely because of a \$200,000 grant) and in October a negative \$117,000.

Steve H. commented that both the Thriftworks and Docushred have been doing exceptional business. They are both rebounding.

Jeff Murphy confirmed with Traci that, as of October 31, WACOSA maintains roughly 2.8 million in cash and investments versus 2.9 at the start of the year.

Jon Archer asked Traci to look at what the coming year is going to look like with the budget. Jeff Murphy shared the screen of the Budget for 2021 and Income Statement for years one through three. Traci explained the reason she put in three years was to get a bigger picture of how things looked in 2019, what we are looking at in 2020, and what we are anticipating for 2021, 2022, and 2023. Traci proceeded to go over the budget highlights. (See complete budget for further details)

Jeff expressed appreciation for the work the WACOSA Team took in following a conservative approach during 2021's budget development. Jeff wished the board to understand that the broader picture is that WACOSA will likely lose money between now and the end of the year. However, even with that, WACOSA continues to have liquidity and has significant reserves that have not yet been touched. This bodes well for the long-term sustainability of the organization to see us through the current pandemic.

Traci discussed line of credit. She and Jeff B. have been working on Power Point slides to be added to the informational slide Deck Steve H. has already assembled. This Power Point presentation will be shared with various lending institutions to see who might be able to give us the best deal on a future line of credit, should the COVID situation get worse and we need

to draw upon one. Additional discussion continues to be held regarding what WACOSA resources should be used to secure the LOC. For now, we continue moving forward expecting to leverage our 1st Ave. location as possible collateral for the LOC.

Cherie Scofield made a motion to approve the 2020 budget as presented. Karla Myres seconded motion. **Motion Carried**

C. HR COMMITTEE:

Herb Trezn reported that Maggie Dilks was hired as the new HR Manager. She has been on board for a little over a month. He has been in touch with Maggie a number of times. They have an HR Committee meeting scheduled for next week. Herb is asking for her assessment of what she thinks and what she sees thus far from WACOSA. Maggie comes from Blattner Company. Herb has asked Steve to sit in on the meeting next week. Steve mentioned he feels Maggie is fitting in very well with our team. All indications are that she is a very genuine and capable professional.

D. FUND DEVELOPMENT

Karla Myres reported that two weeks ago Jeff Murphy, Steve Howard and herself had a Zoom meeting with Ed Stracke. Ed is a retired professional from True Friends, located near Annandale, MN. He was the Executive Director there and he started the endowment program with them. He met with us to introduce himself and help us understand a little bit more about starting an endowment program at WACOSA. We think this collaboration with him could really help us jump start our endowment program and get us up to speed at getting some potential donors to invest their philanthropy dollars with us. There are still a few questions that Jeff and Karla have that they would like to meet with him to discuss regarding deliverables and specific goals and objectives. Karla has known him for a few years and he really seems to understand this area. He has operated many years in the same industry as WACOSA and that can be invaluable as far as contacts. Karla shared that Ed sees us as a very mature organization with a great deal of fund development potential. Ed also shared that it is important to understand that any effort in developing an endowment takes years to accomplish. This direction requires a commitment by the organization and board if we hope to be successful over time.

Steve H. commented Ed will be stopping by November 7 and we will be talking about logistics, things like that. Ed gave Steve a copy of his contract and Steve forwarded on to Ron and the non-disclosure agreement. Ron looked at both of them, sent them back and Steve has since sent them back to Ed for his perusal of them.

Karla Myres reported this motion went to the Executive Committee and now she would like to bring it to the board to establish a fund at the Central MN Community Foundation for endowment. This is something we need to agree to as a place to hold our investments. Carrie Abfalter and Karla did some research and looked at some other options but came back to

CMCF as the best choice at this time. Karla would like to entertain a motion that WACOSA establish a fund with the Central MN Community Foundation.

LeRoy Northam made a motion to establish a fund at the Central MN Community Foundation. Jon Archer seconded the motion. **Motion Carried**

Jeff Murphy thanked Karla M. for her nice work on the process of getting the Gift Acceptance Policy approved.

E. MARKETING, COMMUNICATION & ADVOCACY COMMITTEE

Laura Krueger reported the marketing committee has been focused on doing as much as possible with as little as we can spend. We have been helping to allocate any committed dollars wisely. We are putting some of the Marketing Committee's committed dollars off to the side to make sure we can promote the endowment and support the website. Ann Kennedy has done an excellent job promoting Give to the Max Day, using social media channels and doing everything that she can to get the word out. We are also working on a piece to share with the board members and other stakeholders on how they can help WACOSA right now. The Marketing Committee is also going to be applying for a program through a larger marketing agency that, if we are accepted for this, will provide us with free media marketing support, which would be a good opportunity for us to allocate some budget towards paid ads at no cost to WACOSA. We are hoping to hear back on that in the next week or two.

3. STRATEGIC MATTERS

A. BOARD PORTAL – Jeff Murphy reported at the last board meeting that the portal was 30 days out from completion. LeRoy Northam is working on it. LeRoy asked Nancy Betts about a timeline and Nancy felt it would be ready in about 2 to 3 weeks. Nancy has submitted the non-profit paperwork to Google and have not heard back yet.

B. STRATEGIC PLAN – At the last board meeting, Jeff M. requested volunteers to work with him to review the strategic plan. Steve and his team have worked with an outside consultant to prepare and have a completed draft awaiting board input. Jeff has received one volunteer in the person of Laura Krueger. At the last Executive Committee meeting, Jeff asked each of the committee chairs to let him know one person on their committee that would be willing to participate in a sub-committee to review the strategic plan. Jeff has asked committee chairs to share those names to him by the end of November. Once these names are shared, a strategic planning meeting will be held with Steve and his team. Steve reminded everyone a great deal of preliminary work has already been done on this project. No more than one, perhaps two, additional meetings will be needed to finalize our plan.

4. ELECTION OF BOARD MEMBERS & OFFICER ELECTION

- Jeanne Theis will be leaving the board at the close of this year.
- Joe Perske has agreed to serve an additional 3-year term. Jeff Murphy called the vote to elect Joe P. for an additional 3-year term. **Motion Carried**

- Jeff M. then entertained a motion to approve the slate of officers and signers as submitted. This slate is unchanged from last year. Herb Trenz made motion to approve. Cherie Scofield seconded. **Motioned Carried**

5. ADDITIONAL DISCUSSION

Karla Myres asked when she could announce to the committee about Ed’s involvement. Steve felt that Karla could tell them as of December 7th as we’re going to be moving forward and Steve has already sent some stuff to Ron to get signatures and contracts and things like that. Ron Brandenburg inquired whether Ed would be an employee or a consultant. Jeff Murphy replied that he will be an independent contractor and the terms of the agreement allow either party to terminate the contract without cause. He will be designated as a 1099 contractor. Laura Krueger mentioned from the Marketing Committee’s perspective we will give Ed a few weeks to be settled in to his new duties before we begin raising awareness of our Fund Development/Endowment presence via various avenues of social media.

6. MEETING ADJOURNMENT

The meeting of WACOSA’s Board of Directors adjourned. All staff were asked to leave as the board went into Executive Session.

- 7. EXECUTIVE SESSION** – Staff were excused for the Executive Session. Additional Executive Session minutes have been generated.

Next Meeting: February 22, 2021 (?)

Ron Brandenburg, Board Secretary

Date