

WACOSA Board of Directors Meeting
August 23, 2021
5:30 PM

Members Present:

Jon Archer
Jennifer Johnson
Joe Perske
Lindsey Rennie
Laura Krueger
Herb Trenz
Ron Brandenburg
Jeffrey Benveniste
Karla Myres
Leroy Northam
Mollie Garden
Sandie Westergren

Staff Present:

Steve Howard
Nancy Betts
Traci McKinnon
Julie Haag
Maggie Dilks
Ann Kennedy
Carrie Abfalter

Members Absent:

Jeff Murphy

1. APPROVAL OF CONSENT AGENDA

Corrections to consent agenda - the minutes should be corrected to the 5/17/21 meeting minutes rather than 2/22/21 minutes, and also add the 4/21/21 emergency meeting. Jon A. asked for a motion to accept the consent agenda. Leroy N. made a motion, Jeff B. second. Motion passed.

2. FINANCE COMMITTEE REPORT

Jeff B. presented the finance committee report. The 990 has been reviewed by the finance committee and needs full board approval. Leroy N. made a motion, Herb T. second. Motion passed.

The 2020 organizational audit is posted on the board portal. The audit was clean, having no issues needing correction. The Finance Committee has reviewed the audit and is seeking a motion to approve from the board. Leroy N. made a motion, Herb T. second. Motion passed.

Jeff B. went over the investment documents. Jeff asked the board to focus on three things: We have 2.4 million in short term investments and we are in line with our current investment strategy and policy. Jeff presented an overview of WACOSA's investments. During his presentation, a question came up as to whether or not the board should evaluate the long-term benefit of moving up to 50% of 1 million dollars from our short-term investments into long-term, in order to gain more from this account over the course of the year. With WACOSA having a line-of-credit in place, this would help minimize the

risk of placing resources into a longer-term situation. Jeff proposed to move 1 million dollars from our current investment to 50/50 long-term investment. The board agreed to consider the proposal for a later time. We will also have Bremer make some additional calculations for us to help us decide what makes the most sense.

Jeff B. presented the June 2021 financial Statements. From a balance sheet perspective, we are seeing better than expected growth year-to-date, given the challenges of COVID. Currently, from a total asset perspective, we are up by almost 1 million dollars or 10 percent. WACOSA's revenue continued to perform very well considering the fact we are in a pandemic. When compared to budget, we are only \$80,000 off expectations, which equals just a few percentage points. The primary drivers of WACOSA out performing previous expectations are program service and vocational income. Both are offset by contributions that we have been working to maintain. Despite being down slightly from budget, WACOSA's financial performance is way up when compared to last year. We have been managing our expenses very well. There was a budget expectation of about 3.4 million of expense and we came in at 3.3. Help from the federal government via PPP assistance, in addition to some state and county assistance, has been a tremendous help and has placed us in a much better position at this point than we felt we would be back when the pandemic began. Hopefully we are beginning to come out the current financial threat caused by the pandemic. Jon A. requested a motion to approve financials as presented. Motion made by Jeff B., second Leroy N. Motion passed.

3. FUND DEVELOPMENT REPORT

Karla M. presented that the Fund Development Committee met on August 18. She commended Carrie A. for her excellent work leading WACOSA through the recently held 1-5K fundraiser.

Carrie A. presented the results of the recent 1-5K fundraising event. WACOSA had 63 sponsors this year that contributed a total of \$33,350, 14 of which were new. As a reminder, sponsorships are generally where we gain most of the dollars for this event. Expenses were significantly lower this year. WACOSA netted \$41,105.22 for the event after expenses. This represented approximately \$4,300 more than was netted in 2020. We had 92% board participation in giving for the event, or 11 out of 12 of our board members. Board giving efforts raised a little over \$6,000. Staff and clients raised approximately \$5,000.

APH fundraiser – Approximately 60 individuals came to WACOSA to tour prior to attending APH's annual surf and turf dinner. WACOSA toured guests, in addition to presenting a video specifically produced for APH and their vendors, thanking them for all they do and showing them where their dollars go/went. This year the event raised a total of \$305,000 for WACOSA.

Ed S. reported on planned giving. A planned giving assessment was completed last spring based upon information gathered from donor conversations. Ed felt these conversations were very positive, which bespoke great potential for WACOSA. The report was broken down into eight categories, with five key recommendations:

1. Board of Directors role in fundraising
2. Ranking donors
3. Conducting a donor survey
4. Individual donor focus
5. Writing a case statement – “Why does WACOSA need their current and future support?”

Ed is hoping to have his work on these steps completed by the 3rd quarter of 2021.

In summary, WACOSA has so much to be proud of including outstanding programs, their reputation in the community, strong financials, growth in entrepreneurial programs and professional staff who live the mission every day. We are just scratching the surface of what WACOSA can accomplish with planned giving.

Karla M. shared Carrie A. will be leaving WACOSA at the end of the month and has taken a position at the Central MN Community Foundation. We are all grateful for Carrie’s work and dedication. She will be missed.

Steve H. reported we have commenced the process to fill Carrie’s position and have a few interviews lined up for the coming week. We will do our best to fill the position with a qualified candidate as soon as possible.

4. PROGRAM REPORT

Jennifer J. reported that the Program Committee last met June 9. WACOSA is hiring back qualified staff as fast as is practical.

Nancy B. reported that, in June, services ramped up to 6 hours per day. There continues to be a strong push to hire qualified staff. In June, 381 individuals were served. This number is slowly increasing proportionate to the number of staff we are able to hire. The recent wage increase helped almost immediately with getting more applications. Our Sauk Centre program has everyone back in numbers, but not all are full time yet. The same is the case, more or less, at WACOSA’s other, satellite programs.

Nancy B. summarized the satisfaction survey for the year. All surveys were at 100 percent this year. The response back was significantly less than normal this year, likely due to COVID. In short, our stakeholders appreciate and are satisfied with what we are doing. Employers that responded enjoy working with us and would recommend us to other employers. The clients reported not liking the COVID restrictions that were put in place. Clients really like virtual classes and getting to see their friends.

Nancy reported the 5310 bus purchase resolution is on the board portal. A motion is needed to accept the resolution before we can order the vehicle. As a reminder, the 5310 transportation grant program allows WACOSA to pay 20% of a vehicle's normal expense, while the Federal Government is responsible for 80% of the vehicle cost. Jeff B. motioned to approve the resolution, Second Leroy N. Motion passed.

Nancy shared that sometime in the next few months the board may see another resolution for 2021 vehicle. The process of receiving a 5310 vehicle grant is often slow, being as much as 1 year behind from application to taking receipt of a vehicle. The 2020 resolution was just voted on by WACOSA's board as for 2020.

5. HR COMMITTEE REPORT

Herb T. presented that the HR committee approved changes to the WACOSA Personnel Handbook. Changes were finalized last week. There were no substantial changes, only minor tweaks etc. Maggie D. reviewed the compensation policy and there is nothing specific regarding payroll changes.

Maggie D. presented that, overall, she has seen a positive impact from the recent salary adjustments. We have been able to fill some positions and get a larger number of qualified applicants in for interviews. Maggie continues to hear good things from employees about the increases, both verbally and via the satisfaction surveys.

Employee satisfaction surveys revealed a slight decrease in scores. There are areas upon which WACOSA's leadership team could continue to work. Overarching areas include the cost of benefits, premium costs and more and faster accrual of PTO. Benefit premiums, increasing the 401K match and gym memberships are common staff requests from year-to-year. Staff will be notified that their concerns have been heard and are being examined for feasibility.

Steve shared that next month the CARF committee will be put together for 2022. Surveyors are expected to come sometime around the August 2022 timeframe. A question was raised again about the amount of time that can be accrued for PTO at WACOSA before staff lose it. As a reminder, allowing too large of an amount of PTO can be a significant liability for WACOSA since we are required to pay out staff PTO when they leave employment. Maggie will look into the request further, though Steve H. did remind board members that just this past year we dropped the amount of PTO allowed to be accrued from 400 to 320 hours. Jeff B. reported the MN standard is 40 hours. Steve H. shared that now is not the time to be taking things away from employees given we are working to attract new employees and the task is very challenging right now. Sandie W. shared that, in the non-profit world, it is a struggle to be at 40 hours of PTO carry over. Maggie and the WACOSA leadership team will continue to examine the issue. We would likely consider putting in place a grandfather clause for existing employees should such a change be made moving forward. Herb T. recommended this issue be put on an upcoming HR committee agenda for additional examination later.

6. MARKETING COMMITTEE REPORT

Laura K. shared that Marketing Committee members got a tour of WACOSA recently. The committee's recent focus was to assist Ann with marketing for the 1-5K event this year and to boost board engagement.

Ann reported the satisfaction survey results for her departments. In-house customer satisfaction was 100 percent for the 12th year since Ann has begun reporting data. DocuShred was also 100% for the fourth consecutive year. One comment was "exceptional service by WACOSA shred drivers". ThriftWorks came in at 97.35%, with last year coming in at 97.45%. One area seeing the largest fluctuation is pricing. 99.3% of customers reported satisfaction with ThriftWorks! pricing. Ann shared that prices are slowly increasing. However, we remain very competitive and one of the lower priced thrift stores in town. We are always working to align pricing with our competitors in town.

7. STRATEGIC PLAN UPDATE

John A. reported that it is a CARF requirement, as well as a best practice, to have a formal strategic plan in place. We are a year late in getting WACOSA's strategic plan approved and activated. Steve, Nancy, and the rest of the management team pulled together the current draft, which has been in place since before COVID. Jon A. and Laura K. recently participated in a strategic plan development meeting and added a number of important suggestions. Steve and Nancy incorporated this input and we now have a solid document, with all perspectives considered. Jon is asking WACOSA board members to become familiar with the plan. It has been placed on the board portal. When asked, the majority of the board stated they have reviewed it already. Motion made by Jeff B. to approve. Second Sandie W. Motion passed.

8. EXECUTIVE DIRECTOR REPORT

Steve H. presented the legislative update to the board. The session ended on Monday, May 17. The first special session took over as of June 14 and by late in the day on June 30 a final state budget bill was passed. The legislature had previously agreed to a DWRS (Disability Waiver Rate Setting) adjustment taking place on July 1, 2022 to be used as an inflationary adjustment. In order to assist our industry, the legislature agreed to permit this increase earlier than originally expected. The new date for distributing this increase is now going to be January 2022. The increase will occur on a rolling basis, with only those service agreements occurring prior to July 2022 being impacted. While the revenue is not a large amount, it will help some. Additionally, remote services have been growing quite successfully throughout 2020 and the legislature extended our ability as providers to continue providing these services. We understand this approval to be a temporary extension at the state level, while we are waiting for permanent approval from CMS (Center for Medicaid Services).

Extended employment dollars were held harmless this legislative session with no change expected in the EE allocation for at least the next two years. Finally, the legislature is establishing a task force to examine the phase out of subminimum wage work for people with disabilities. There are several steps being proposed. The first four include: 1. The

effort of this task force is to eliminate subminimum wage on or before August 1, 2025. 2. The task force will consult with and advise with the Commissioner of Human Services on statewide plans for limiting subminimum wages and medical assistance of all the community based service waivers. 3. Engage with employees with disabilities paid subminimum wage and conduct community education on the payment of subminimum wages to people with disabilities. 4. Identify and collaborate with employees and employers of businesses on subminimum wages. Steve commented that he is hoping that they will do a genuine deep dive in those conversations. We as providers have really been telling them how important special minimum wages are for people with greater mental and physical needs. Nancy B. shared that we incorporated the potential loss of sub-minimum wage work into the most recent strategic plan. Should the loss of sub-minimum wage work occur, WACOSA and programs like us throughout the United States will likely need to expand their life enrichment options. Steve mentioned that our state association is working to do some research on states who have eliminated their special minimum wage, in order to collect convincing information about the mistake of eliminating Section 14c. Preliminary information is that higher needs folks in these states are either working on life enrichment activities or remaining at home. What does seem clear is that these individuals are no longer working. More on what we learn during this study later.

9. **ADJOURN THE BOARD MEETING at 7:32 p.m. prior to the start of the Executive Session.**

Next Meeting:

Ron Brandenburg, Board Secretary

Date