

**WACOSA Board of Directors Meeting**  
**November 21, 2022**  
**5:30 PM**

Members Present:

Jeffrey Benveniste  
Ron Brandenburg  
Matt DesJardins  
Curt Gainsforth  
Mollie Garden  
Jennifer Johnson  
Laura Krueger  
Leroy Northam  
Joe Perske  
Lindsey Rennie  
Herb Trenz  
Sandie Westergren  
Peggy Bayer

Members Absent:

Jeff Murphy  
Jon Archer

Staff Present:

Nancy Betts  
Maggie Dilks  
Pat Flicker  
Julie Haag  
Traci McKinnon  
Ann Kennedy  
Lynn Welle

Guests:

Thad Olson

**1. HONOR OUTGOING BOARD MEMBERS**

Nancy B. honored outgoing board members Jon Archer, LeRoy Northam, and Jeff Murphy with a plaque and clock; honoring their years of service to WACOSA.

**2. WELCOME NEW BOARD MEMBER**

Welcomed Peggy Bayer as the newest board member.

**3. WELCOME VISITOR AND POTENTIAL BOARD MEMBER**

Welcomed Thad Olson from Bremer Bank.

**4. REVIEW OF AGENDA**

No changes to agenda recommended. A motion to approve the agenda was made by Ron B., Second by Laura K. - motion carried.

**5. CONSENT AGENDA**

Request to approve consent agenda as presented. Motion to accept made by Herb T., second by Jeff B. - motion carried.

## 6. FINANCE COMMITTEE REPORT

### A. September Financials presented by Traci M.

#### Revenue

Program revenues are over budget by approximately \$284K due to bringing more clients back and restructuring some programs to bring in more revenue.

Vocational revenues are over budget by approximately \$100K as a result of returning community crews.

ThriftWorks is under budget by approximately \$17K due to slower donations coming in; they are making pricing adjustments to mitigate this loss.

We are over budget in grants/development due to a Provider Relief grant received at the beginning of 2022 of approximately \$860K. We also had a donation into our endowment fund of almost \$100K. As expected, investment revenue is down due to the market.

#### Expenses

We are under budget for staff payroll by approximately \$337K due to open positions.

Client wages are under budget \$40K year to date as crews are at capacity.

Transportation and vehicle fuel is over budget; contracted transportation services were not being charged to WACOSA during Metro Bus & TriCAP's COVID relief funding and have now begun to be a paid service again.

Professional fees are over budget due to audits, tax returns, licenses for programs, and CARF audit; these are annualized within the budget.

Jeff B. motioned to accept September financials as presented. Second by LeRoy N. -motion carried.

### B. 2023 Budget was presented by Jeff B. and Traci M.

The 2023 Budget reflects a \$730K deficit; with the intent of forecasting a 3-year budget that addresses the ongoing challenges during 2023. This budget assumes a realistic staff growth of 8-10 positions supported by increased client attendance and intake revenues.

Revenue: Program revenue reflects a slight increase to 6 million this year resulting in increased billing unit capacity from client attendance. Vocational revenue remains static, as we are currently at capacity with clients and staff. Production revenue increased an average of 3% as we increase our pricing strategies in all of our revenue producing ventures of in-center crews, Docushred and ThriftWorks.

Development estimates do not include COVID government grants, so are on par with pre-pandemic levels.

There was discussion of how to address the deficit numbers moving forward and we will be analyzing our attendance rates and focusing on increasing client counts on a predictable basis in order to forecast a break even budget in the coming

couple of years. Traci and Nancy will work on a forecast budget and make adjustments as needed.

## Expenses

Expenses reflect staff wages and benefits, with only 6-8 new positions budgeted with corresponding revenues to offset the expense. Benefits will remain static with the exception of adding Nice telehealth benefits for all full and part-time staff positions as a recruitment and retention tool.

Client wages budget remains static as well because of work capacity.

We anticipate utility costs increasing because of inflation and have budgeted as such. Grounds and building maintenance budget was increased to reflect the rising maintenance costs to buildings that are aging. Will continue to assess those projects as budget allows.

Marketing budgets will focus on increasing revenues in our DocuShred and ThriftWorks storefronts.

Transportation costs have increased with our aging fleet, increased fuel costs and contracted transportation for client services.

Motion to approve 2023 budget as presented by Laura K, second by Matt D. - motion carried.

### C. Extended Employment Audit

Our Extended employment audit compliance report was due at the end of October. The finance committee reviewed the audit and reported a clean audit review. Motion to approve audit by Jeff B, second by LeRoy N. - motion carried.

### D. Bremer Wealth Organizational Resolution

The Finance committee reviewed and recommended the following authorized signers resolutions for the Long Term Investment account and Short Term Investment accounts: Nancy B as Executive Director, Traci M as Finance Director, Jeff B as Finance Committee Chair, and Curt G. as finance committee member are authorized signers and each transaction requires a minimum of 2 authorized persons.

LeRoy motion to approve resolutions, Sandie W. second - motion carried.

### E. The Gift Acceptance policy needs a revision about underwater investment years. The resolution states: It is hereby resolved that WACOSA will not take an annual endowment distribution in fiscal years where the investment income is underwater or it would produce a negative return.

Ron B. motion to approve the resolution, second by Jeff B. - motion carried.

## **7. FUND DEVELOPMENT REPORT**

Pat F. presented the fund development report.

Donations year to date are \$482,600 and we have had 626 gifts which is trending higher than what we've done in the past.

We have added two new WACOSA Legacy Society members, for a total of 17. Our endowment balance is 160K, with nine gifts this year.

We are looking at a different annual fundraising event celebrating our 60<sup>th</sup> anniversary, perhaps at Backshed Brewing Company. Jeff B. requested an annual donation from his company and will work with Pat to ensure the process to procure it is accomplished.

## **8. PROGRAM COMMITTEE REPORT**

Nancy B. presented the program committee report.

Program committee met and discussed the process of getting clients returned and filling open spots to maximize service that we give to people. Increasing days of service for those that want more is probably the number one thing. Lynn W was introduced at the program committee meeting as taking that over from Nancy.

The positive thing if you remember about six months ago 2<sup>nd</sup> shift was so badly hurting that we ended up having to consolidate to one site in our North because of staffing. As of November 1<sup>st</sup> they have gotten enough staff, we've recruited some staff back that had left. Now have second shift in North, Annex, and South programs again. There is progress being made.

The committee reviewed the incident and vulnerable adult abuse report trends and we are happy to say there is nothing to report.

For returning clients on waiting list, there are guidelines, rules, and laws that we need to follow with waiting lists. We can be as strategic as we can within the confines of all of our statutes.

## **9. HR COMMITTEE REPORT**

Herb T. and Maggie D. presented the HR committee report.

The HR committee discussed the succession plan for executive director which is out on portal. Lynn W. is identified as the successor and updated some of the posting language requirements.

## **10. MARKETING COMMITTEE REPORT**

Laura K. and Ann K. presented the marketing committee report.

Discussed the importance of 100% of Board members giving to the organization for recruitment and for marketing purposes. Any amount is important and helps the development and marketing departments garner more success with their efforts.

Ann K. and Maggie D. implementing an ongoing recruitment marketing campaign to attract more staff members in our various markets. Our 60<sup>th</sup> anniversary is a huge event that will require heavy marketing of various events throughout the year. ThriftWorks will also be celebrating its 10<sup>th</sup> anniversary, so subcommittees will be working on various efforts in those areas. More to come in the future.

## **11. EXECUTIVE DIRECTOR REPORT**

Nancy B. presented the Executive Director report.

The ED transition is complete, will continue to ensure all legal authorities have been transferred appropriately.

Nancy is finalizing and organizational chart restructuring that reflects the Organization's needs now and looking into the future.

5310 Grant Program update was given. With the timelines of ordering new vehicles approaching, please watch for an electronic vote request to order a new bus that was granted to us in the last grant round. Expect a resolution request to purchase a new vehicle in the 130,000.00 range due to inflationary and supply chain issues in the industry. Vehicle acquisition will continue to be a top of mind concern in the years to come, as maintaining a safe fleet of vehicles is a priority for service delivery.

Nancy continues to be active at MOHR and working with them to lobby for rate increases during the next legislative session.

## **12. ADJOURN THE BOARD MEETING at 7:13 p.m. prior to the start of the Executive Session.**

**Next Meeting:**

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Ron Brandenburg, Board Secretary

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Date