**WACOSA Board of Directors Meeting**

**February 27, 2023**

**5:30 PM**

Members Present:

Jeff Benveniste

Matthew DesJardins

Curt Gainsforth

Mollie Garden

Jennifer Johnson

Laura Krueger

Thad Olsen

Joe Perske

Lindsey Rennie

Sandie Westergren

Members Absent:

Peggy Bayer

Ron Brandenburg

Herb Trenz

Staff Present:

Nancy Betts

Traci McKinnon

Ann Kennedy

Pat Flicker

Lynn Welle

Mary Rothstein

Julie Haag

Ed Stracke

1. **WELCOME NEW BOARD MEMBER**

Welcomed Thad Olsen as the newest board member.

1. **APPROVAL OF AGENDA:**

Suggested an amendment to agenda to add in Board Designations for Year End 2022 under Finance. Thad O. motioned to approve amendment made by Thad O., seconded by Lindsey R. Motion passed.

1. **TRAINING IN FUND DEVELOPMENT AND PLANNED GIVING**

Training presented by Ed. S.

Ed presented the options of planned giving that included wills, bequests and the use of deferred retirement funds like 401K, IRA, etc. for charitable giving. This strategy of giving provides a personal benefit if the donor is considering one of these planned giving strategies and/or your own estate planning. The second one is the ability for board members to share some basic information with friends, relatives, colleagues that have a passion for the WACOSA mission.

Ed S. reviewed planned giving KPI’s and everything is on schedule. Ed also reviewed his consulting accomplishments since he helped WACOSA establish a formal planned giving program. With an immediate ROI of 2 to 1, it is a testament that donors are willing to invest in WACOSA if we ask and continue to implement our strategies.

1. **BOARD CHAIR REPORT AND CONSENT AGENDA**

Minutes 11-21-22 and Committee Assignments.

Motion to approve consent agenda as presented by Matt D., seconded by Joe P. Motion passed.

1. **EXECUTIVE DIRECTOR**

Nancy B. presented the Executive Director report.

1. Legislative Updates

At the previous legislative session, Governor Walz created a task force to look at the outcome or impact of eliminating the 14c Special Minimum Wage certificate for providers like WACOSA. No legislative action taken yet, but there is a recommendation by the task force for Minnesota to rescind the use of the certificate as soon as 7/31/23; but there is also a recommendation of up to 5 years. 14c is a certificate that allows WACOSA to pay commensurate wages to clients based upon their productivity as compared to the prevailing wage for that job in the community. WACOSA will need to strategically make program changes to accommodate the changing landscape of employment services being separated from day support service waivers. The daily structure of a mix of paid employment and non-paid activities for each client will need to be changed to meet the proposed changes. In the future, WACOSA will need to adjust work schedules, measure client productivity and set up another employment classification for those clients who choose to work and are qualified for each job. If client comes to engage in paid work, they become an employee entitled to full benefits according to FLSA. We will need to create different programs based upon the activities and things that we offer now, but in a different fashion. The Department of Human Services has issued some RFP’s for some fairly significant grants to help places like WACOSA transition to new service models. Our ThriftWorks and DocuShred businesses are already paying minimum wage to all clients working there. Job crews are bid at minimum wage and most clients earn minimum wage as well. At this time, it is in WACOSA’s best interest to have the minimum wage where it is now and how we bid work at the prevailing wage. By doing so, it allows for us to pay those clients minimum wage. We have been making small incremental changes over the last few years and will continue to do this with the least amount of harm possible.

Our MOHR lobbying group is advocating for waiver rate increases. Several bills are moving through hearing with the Best Life Alliance bills being of most value to our rate structure now and into the future.

Senator Eric Putnam is the chief author of a bill to increase Extended Employment by 5 million dollars and WACOSA is a EE provider. Nancy B. and a Sauk Centre client are testifying at the legislature this Wednesday in support of Senate file 1271.

In Finance Committee we shared a quick update on 5310 MnDOT grant program. Our 2021 contract for a new bus is still not being fulfilled with dates of completion in 2025 because of ongoing supply chain issues. The future of the program for WACOSA is in doubt based on this ongoing shortage.

1. General Updates

Nancy and team analyzed what organizational structure was needed now and for the foreseeable future, made those promotional changes and the final structure is complete. Lynn W. and Mary R. were promoted to Program Director roles and have taken on many of Nancy’s former duties. A senior management group was created to focus on program development, business ventures, community facing opportunities and competitive employment options for the clients we serve. Next steps in the process will be Traci M. and Nancy B. will be working to update internal control policies.

1. **FUND DEVELOPMENT COMMITTEE**

Pat F. presented the fund development report.

1. Yearend report - WACOSA came within $1,000.00 of our annual goal of $665,000.00 of development income; including the APH donation that came in on January 4th. Our donor retention rate is down from the year before, however we cultivated 201 new donors.
2. Update on Anniversary Bash

To celebrate our 60th Anniversary an Open House is being hosted on March 28th at each site; all stakeholders, volunteers, funders and families are invited to attend.

Our annual fundraising event will be August 5, 2023 at Backshed Brewing down the street in Waite Park. The event will be free to attend with a live band providing music. For fundraising, a food truck has been booked with food tickets being $20.00 and includes a meal and one 5 oz. beverage of beer or soda created by Backshed for the event. Tickets will be marketed and presold and there will be a formal donation ask as well. We have started the process of soliciting event sponsorships and have received $5K to date. We encourage all board members to sell tickets and offer ideas, suggestions, and gifts for silent auction. There is a committee working to plan this new event.

1. **PROGRAM COMMITTEE**

Lynn W. presented a brief summary of the accessibility report and corrective action plan.

Noted differences from 2022 include the barrier of attracting and retaining new employees to fill open positions as well as growth of new staff positions to enable serving the people on our waiting list. Program and HR staff continue to work toward trying all feasible methods to attract new and retain current staff members. Due to a reduction in Somali speaking clients, we did not recommend to continue the goal of staff learning their language. If we do have an intake for a client that requires our staff learning a new language to communicate, we will implement this goal again. We did reinstitute our annual Top 20 training with presenter Willow Sweeney in June at our staff training day. Transportation may become a barrier because of lack of new vehicles and we have started to explore getting smaller vehicles and electric vehicles for small groups.

Motion to approve accessibility report and corrective action plan by Curt G., seconded by Mollie G. Motion passed.

1. **FINANCE COMMITTEE**
2. 2022 Yearend financial presented by Traci M.

*Revenue*

Program revenue is over budget by $500K with the return of more clients and strategic client attendance. Our extended employment grant is under budget with a shift of some clients into waiver services; resulting in earning less than 50% of grant. Vocational revenue is over by $135K, with our community crews over about $68K. ThriftWorks was under budget by 14K for the first time due to a decrease in quality salable goods being donated. We are mitigating this by increasing some sales points in an effort to address the shortage. Grant revenues reflect an over budget because of the Provider Relief grant in January which was $861K. We had designated donations of $117K go into our endowment. Investment revenue was a loss of $172K for the year due to the down market.

*Expenses*

Staff payroll is under budget by $328K due to open positions. WACOSA did provide staff a 6% increase in October. With the staffing restructure, there was a small savings as well as promotional opportunities aimed at staff retention. Our Health insurance is under budget by $98K due to not having the larger claims as previous years. A lot of staff taking advantage of the NICE telehealth program and that helps keep costs down. Client wages are down overall, as we do not have the capacity to take on more crews. Building maintenance was static with the exception of utilities, which inflationary increases influenced. Our contracted transportation and fuel cost were over budget because of fuel costs and higher contracted route costs. Our vehicle maintenance costs are increasing due to our older fleet and some catalytic converter vandalism.

Motion to approve 2022 year end financials by Thad O., seconded by Jeff B.

Motion passed.

1. Board Designation for Yearend 2022

The board designations are in the equity part on the bottom part of the Statement of Position. Because we are self-insured for unemployment, we have to set a particular amount of money aside to pay employees that are unemployed, or in the event of a catastrophe, we have to replace all of our assets. Traci M. did a calculation to determine our unemployment liability for 2023 is 720K. Our capital asset reserve requirements, after calculation, require and additional 341K for 2023. Traci M. presented to the finance committee and asked for the recommendation to make these balance sheet adjustments. The finance committee recommends to the board to approve the changes.

Motion to approve board designations for year end 2022 by Thad O., Matt D. seconded. Motion passed.

1. **MARKETING COMMITTEE**

Laura K. presented the marketing committee report.

The committee met a couple of weeks ago and are focused on trying to support and market the Bash and 60th Anniversary. They are putting together some KPI’s, and a written strategy with best practices for success. The committee will have it ready by the next board meeting to share along with KPI’s.

A request made to Pat F. to have a joint meeting with the development and marketing committee to come up with ideas for the event.

1. **OPEN DISCUSSION**

Joe P. discussed adding additional board meetings during the year to possibly 6 meetings. The concern is that if a person misses a meeting it is a six month lapse and makes it harder for all members to stay engaged with the organization. Our Previous board schedule met 7 times a year. A joint decision to change the meeting schedule to January, February, May, August, October, and November. Nancy B. will send out suggested meeting dates on the next Board meeting agenda.

Sandie W. reported there will no longer be executive sessions after the board meeting unless something specific the board needs to meet on privately. If anyone does have something the board wants to discuss email Sandie W. or Jennifer J. There would be one session; a CARF required self-assessment for the board and the Executive Director review.

**ADJOURN THE BOARD MEETING.**

Motion by Curt G., seconded by Matt D., to adjourn the meeting. Motion passed.

**Next Meeting: Monday, May 8, 2023**

 Ron Brandenburg, Board Secretary Date