

**WACOSA Board of Directors Meeting**  
**May 8, 2023**  
**5:30 PM**

Members Present:

Jeff Benveniste  
Peggy Bayer  
Ron Brandenburg  
Matthew DesJardins  
Curt Gainsforth  
Laura Krueger  
Thad Olsen  
Lindsey Rennie  
Herb Trenz  
Sandie Westergren

Staff Present:

Nancy Betts  
Traci McKinnon  
Ann Kennedy  
Pat Flicker  
Mary Rothstein  
Julie Haag  
Ed Stracke

Members Absent:

Mollie Garden  
Jennifer Johnson  
Joe Perske

**1. APPROVAL OF AGENDA:**

Motion to approve agenda by Thad O., seconded by Laura K., motion passed.

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

Ed S. presented information on using supplemental and specials needs trusts for charitable giving and the strategy to use that to name WACOSA as the charitable beneficiary and become a WACOSA Legacy Society member.

The first strategy is to educate our donors about was how trusts can be used for charitable giving. Current law allows the establishment of trusts to supplement or manage resources so the person can remain their eligibility for public assistance. If funding with their own assets such as inheritance, it is a special needs trust. If assets are from someone other than the disabled person it is a supplemental needs trust. Upon death of beneficiary the special needs trust pays the government back first and if there are monies left, they can be given to a person or charitable organization. For a supplemental trust, they can name a charity or person to receive monies from the trust.

The second strategy is to educate our donors about life income gifts such as charitable gift annuities. Donors may need or desire guaranteed income for the rest of their life and

planning their tax liabilities. Charitable gift annuity and deferred charitable gift annuities are legal agreements between an individual and a charitable organization. They agree to pay the donor a fixed income for life and the remainder goes to the charity. It requires a single agreement, with no attorney involvement required; with the tax exempt benefits immediate. It is designed to reduce taxable income, disburse for a specific amount of time, and then give to charity.

### **3. BOARD CHAIR REPORT AND CONSENT AGENDA**

Motion to approve consent agenda as presented by Curt G., seconded by Herb T. - motion passed. The consent agenda items included: 2-27-23 Board minutes approval and the annual Risk Management Plan and Crisis Management Plan update approval.

### **4. FINANCE COMMITTEE**

A. March 2023 financials presented by Traci M.

#### *Revenue*

Program support around \$80K under budget due to clients not yet back to full schedules. Our vocational revenue is \$28K under budget as we continue to work on staffing. Thriftworks revenue is down due to a general downgrade in quality donations. To combat this, we continue to adjust price points while remaining competitive with our local market competition. Our investments are slowly coming back with the market uptick, resulting in \$58K the first quarter. This counters the loss of \$82K last year at this time. If we don't account for the provider relief of \$810K last year we are doing much better overall.

#### *Expenses*

Staff wages are under by \$154K, because of open positions and turnover. Staff health insurance benefits are under approximately \$125K for the quarter, with individual deductibles not met yet. Client wages were under by about \$14K. with the reduction in work opportunities. Building/equipment maintenance is under budget about \$18K; however, it will fluctuate as we continued planned repairs. Snow/lawn care is over by \$68K because of the never ending winter snow. Transportation costs are right on track compared to last year. Overall we are above budget by \$295K for the quarter.

Motion to approve March 2023 financials by Jeff B., seconded by Lindsey R. - motion passed.

B. Internal Control Policy

The annual review of the policy was completed with the former Vice President's duties being divided amongst the new positions of Program Directors; Lynn Welle and Mary Rothstein. The finance reviewed these changes at its meeting as well as the audits and financials.

Motion to approve by Jeff B, seconded by Matt D.- motion passed.

C. 401K Audit

The 401K audit was presented to the finance committee by CLA this afternoon. There were no issues. We will need our 5500 completed before it can be official. If needed, the resolution to approve may need to be done by the Executive committee. Ron B. confirmed the Executive Committee has the authority to approve and act on behalf of the board between board meetings, particularly in this situation where it's really just a formality

Jeff B. motioned to approve the 401K audit with the final approval through the Executive Committee once the 5500 is complete, as long as there are no material items that need to be discussed with the board. Motion to approve Jeff B., seconded by Curt G. -motion passed.

D. 2022 Financial Statement Audit

Because this year there were adjustments made to accommodate the new GAAP leasing standards, Traci made them as per the auditor's recommendations. The audit was clean, with no issues noted. Jeff B. commented that a lot of companies had issues with the leasing change, both profit and non-profit organizations. Jeff thanked Traci for her hard work and relayed the compliments from CLA about Traci and her team on their responsiveness and hard work.

Motion to approve 2022 Financial Statement Audit by Jeff B., seconded by Herb T. - motion carried.

## 5. FUND DEVELOPMENT COMMITTEE

Ed S. presented the KPI numbers for our planned giving department.

The WACOSA Legacy Society added one new member during the 1<sup>st</sup> quarter of this year, bring the total membership to 13. Two six figure gifts have been conveyed to us and one seven figure gift.

The total assets in the endowment is at approximately \$280K, with a small loss due to the downturn in the investment market last year.

In summary, over 60 individuals are actively engaged and some close to finalizing their gift plans. Planned giving is a long term investment and our immediate return on investment is 2 to 1. Congratulations to the leadership and board for investing in a planned giving program and we continue the stewardship of current and future WLS members.

Pat F. presented the fund development committee report.

Our Spring appeal netted about \$12-13K; last year was about \$4K. We have received 106 gifts and \$31K in grants so far in 2023. The 60<sup>th</sup> anniversary bash planning is going well. So far our sponsorships are at \$34K as compared to last year's \$24K with time to make more. Board members are asked to sell a book of 10 food and beverage tickets

prior to the event, returning their unsold tickets. The Bash August 5<sup>th</sup> from 3-6pm at Backshed Brewing.

### **PROGRAM COMMITTEE**

Nancy B. presented the program committee report in Lynn and Jennifer's absence.

Lynn and her team spent time working out how to get clients back in different ways potentially than what we've done historically. Lynn has been taking on the task of doing some intakes. Our stakeholder picnic on June 16<sup>th</sup>. Those staff not working at the picnic will be participating in the Top 20 training with Willow Sweeney at St. Ben's for the day. Our KPI's as of 3/31/23 include: 517 clients served each month, our client utilization rate is at 92%, 5 people are in our employment exploration services and 78 people are in individual competitive employment jobs and 111 in group job settings.

### **6. HR COMMITTEE**

Herb T. presented the HR committee report.

The committee met a couple of weeks ago and reviewed KPI's. The major topic is the 17 staff openings at the time. A recommendation was made to HR confer with the marketing team to talk about different ways of recruiting and enhancing recruitment.

Maggie tracks our retention rate as well. Currently looking at a 4 month tenure versus longer term employees and will explore reasons. Our current turnover rate is 25%, which is standard for our industry at this time.

### **MARKETING COMMITTEE**

Ann K. presented the marketing committee report.

They have had a couple of meetings recently collaborative with development to assist with Anniversary Bash marketing. The marketing committee will be working on developing "ask" scripts for board members, and Facebook and social media posts designed to help sell more food and beverage tickets as well as sponsorships. Ann will be getting a certificate through the Digital Marketing Institute and the American Marketing Association.

KPI's include – 50 quotes for DocuShred, resulting in 21 new contracts, 60 in-house bids resulting in 3 new jobs and 1 new customer.

Thriftworks marketing changed its coupon structure to 25% off an item vs. 50% to help increase revenue.

### **7. EXECUTIVE DIRECTOR REPORT**

Nancy B. presented the Executive Director report.

Legislative Updates: The Best Life Alliance bills are advancing through the conference committees and it appears we will be getting some rate increases beginning January 2024. WACOSA staff and clients testified at the Extended Employment hearing to advocate for a \$5M increase in that funding. WACOSA will not see the full benefit of these increases until 2024 because we operate on that rolling calendar year for service

agreement renewals. We will assess and implement any encumbrance language that accompanies the bills, if they are passed into law. This legislative session does look to be positive for us in the long term in that we are trying to adjust for inflationary factors automatically without having to campaign year after year for increases to cover our costs.

Renewal of DOL 14C certificate: At the last board meeting Nancy gave an update on the state appointed task force that has been tasked to recommend statewide elimination of DOL section 14C. The task force recommended 14C through August 2025, while the Governor's proposal is getting rid of it in 2028 and providing a phase out period for providers and clients to adjust. WACOSA's 14C certificate expires in June and we'll be renewing it for the next 2-year period. After that, we as an organization will have to plan for the phase out and the possible financial incentives from DHS that may help with our transition.

#### General Updates

As per last meeting, the Board meeting date adjustments added October 9<sup>th</sup>.

Future meeting dates are August 21<sup>st</sup>, October 9<sup>th</sup>, November 27<sup>th</sup>. If needed, additional committee meetings can be added.

#### **8. ADJOURN THE BOARD MEETING.**

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

**Next Meeting: Monday, August 21, 2023**

\_\_\_\_\_  
Ron Brandenburg, Board Secretary

\_\_\_\_\_  
Date