

WACOSA Board of Directors Meeting
November 27, 2023
5:30 p.m.

Members Present:

Peggy Bayer
Jeff Benveniste
Ron Brandenburg
Matt DesJardins
Curt Gainsforth
Jennifer Johnson
Laura Krueger
Thad Olsen
Joe Perske
Lindsey Rennie
Herb Trenz
Sandie Westergren

Staff Present:

Nancy Betts
Maggie Dilks
Pat Flicker
Julie Haag
Ann Kennedy
Traci McKinnon
Mary Rothstein
Lynn Welle
Ed Stracke

Members Absent:

Mollie Garden

1. APPROVAL OF AGENDA:

Motion by Ron B., seconded by Herb T., to approve the agenda. Motion passed.

2. BOARD CHAIR REPORT

CONSENT AGENDA

Motion by Joe P., seconded by Matt D., to approve the October 9, 2023, minutes as presented. A vote was taken, and the motion passed.

August financials were presented at the last board meeting and were not approved due to no quorum. The finance committee did review.

Motion by Jeff B., seconded by Ron B. to approve the August financials as presented at the October 9, 2023 meeting. A vote was taken, and the motion passed.

3. FINANCE COMMITTEE REPORT

Traci M. presented the finance report.

September Financial Statements

Revenue:

Program Revenue: Medical Assistance funding revenue is over budget by approximately \$338k, due to increased client attendance. All revenues have increased almost 1.1 million compared to the same time last year, with increased transportation and client rates driving this increase.

Vocational Revenue is over budget by \$50k, because of consistent community crew work. Our Public Support Donation Revenue is underbudget by \$179k compared to last year, as we have yet to receive anticipated designated donations.

Expenses:

Staff Wages are approximately \$547k underbudget due to position openings.

Our health insurance expense is approximately \$85k compared to last year, however this month we have an increased expense of \$41k due to larger claims, as we are self-insured. Client Wages are under budget by about \$24k, as we have less people working on the jobs available.

Building and Equipment budget is over by \$8,800, as we continue to repair and replace ageing equipment.

Advertising is under budget for this time of the year and will rebound as we address seasonal needs.

Our transportation expenses are under budget due to contracted transportation and fuel costs.

We are on track for the September financial year to be at 6.8 million, bottom line.

A motion was made by Jeff B., seconded by Thad O. to approve the September financials as presented. A vote was taken, and the motion passed.

Annual Budget 2024

Program Revenue: We project a budget of 7.4 million, compared to last year's 6.1 million. The 19% increase over actuals is due to analyzing the third quarter of 2023, which includes current rate increases budgeted to be at almost 7 million dollars. Increased transportation rates and an estimated increase in per diem rates as of January 1, 2024 are reflected in these totals. The service agreement per diem rates will be implemented throughout next year, as individual contracts are renewed. Our revenue streams are shifting as Stearns County transitions people to waiver funding, vs. county funding. This transition will see a decrease in our EE Grant and an increase in our MA budget line item. With September's 25% growth year over year basis, 19% is taking a conservative approach. A key component is our transportation rate going from \$5.50 to \$16.79 per ride and will be negotiated again in December to keep up with the increased costs of transportation.

Our vocational revenue is budgeted to increase by an average of 5%. Community crew contracts are increasing by about 5%, production contracts 7%, shred services 14%, with our new pricing structure in place. ThriftWorks experienced a decrease in revenues of 3%, indicating we have reached the pricing plateau we expected in previous years. As a result, our net revenues will remain unchanged.

Contributions are budgeted at \$827k with this number reflecting the end of provider relief funds available to us. We should realize a 2024 5310 bus purchasing grant, priced at about \$140k. We will be reimbursed 80% of that cost by the grant.

Our staff wages budget reflects a 17% increase over 2023 actuals. As we adapt to the constant reality of open positions, we adjusted our open strategy position and at any given time we anticipate 5 positions will be open. This strategy will give us more accurate and up to date budget numbers throughout the year.

We are making a change to a fully insured Blue Cross Blue Shield health insurance policy in 2024, to stabilize our health care premiums and out of pocket expenses for our staff. As we change from a self-insured plan to this, our expenses will not fluctuate from month to month and are more predictable. We will continue to offer Nice Healthcare to all staff as a benefit and recruitment and retention tool. Our 401K match will remain at 3%. Staff wages and benefit expenses will be approximately 7 million in 2024.

Our client wages will increase approximately 8% due to a rise in minimum wage and Earned Safe and Sick Time, which they become eligible for.

Our building and equipment budget will increase approximately 20% due to the ongoing equipment replacement and repairs at our various facilities.

The Advertising and Public Relations budget sees an increase of 20%, which reflects a more robust investment in staff recruitment efforts as well as regular PR efforts.

Transportation costs are expected to increase to about 3% over actuals, with maintenance of older vehicles costing more.

Our miscellaneous expenses are budgeted at 1.1 million, which reflects the new in-kind accounting standards.

Traci explained the calculation of the Board Designation funds on the balance sheet.

Jeff B. motioned to approve the 2024 annual budget as presented, Curt G. seconded. A vote was taken, and the motion was passed.

Extended Employment Audit:

Traci M. reported that the Extended Employment audit was completed, and we had a clean audit, with no deficiencies found. The Finance Committee reviewed the audit findings.

A motion was made by Joe P. to approve the Extended Employment audit summary; Curt G. seconded the motion. A vote was taken, and the motion passed.

2022 Tax Form 990:

Traci M. gave an overview of the typical return, and the Finance Committee reviewed it. A motion was made by Curt G. to accept the 2022 990 Tax Form as presented and seconded by Ron B. A vote was taken, and the motion passed.

4. FUND DEVELOPMENT COMMITTEE REPORT

Pat F. presented the report.

So far in 2023 we have received 6 gifts in our endowment fund. We have 19 WACOSA Legacy Society members, with two more likely members committed. We held our first Legacy Society member luncheon and 16 members attend the event. Feedback was positive and we will continue into subsequent years.

General donations are down, with our 3rd quarter total of \$48k, for a YTD total of \$402k. We continue to anticipate the APH donation at year end or early 2024.

Our Give to the Max efforts produced 100 percent board participation, give \$5k from board and past board members. The event raised a total raised \$12,500k from 97 gifts

There was discussion about doing electronic Christmas cards, however best practices for fundraising continue to be authentic handwritten cards. We do this by utilizing volunteers to help with the mailing.

Our annual 2024 fundraiser will be September 14, 2024, at the Moose Lodge in Waite Park. We have sent out sponsorship letters to businesses for next year.

5. PROGRAM COMMITTEE REPORT

Lynn W. presented the report.

Update on the Ambassadors for Respect Program: Staff and 11 clients are learning curriculum that will prepare them to speak about their personal experiences with bullying. We are currently working with staff from the program on their curriculum and in the spring they will go to Oak Hill Elementary and meet with 4th grade classrooms.

We have paused intakes because of low staffing levels and will resume as soon as able. We have completed 10-15 intakes so far this year.

As a member Region 6 in MOHR, we are hosting a virtual A-Team parent advocacy meeting in January so parents can get more information on the proposed elimination of 14C of FLSA.

We presented Senator Putnam a MOHR Champion award at St. John's University in October, thanking him for sponsoring a \$5M increase in EE funding bill that passed last legislative session. Corey M, a WACOSA client, testified to the legislature in support of the bill.

Sauk Centre is doing a mural project with Dan Mondloch, with a grant from CMAB.

ThriftWorks continues to strategize increasing revenues, using price restructuring and other measures. They celebrated their 10-year anniversary in May.

KPI's: As of October 31st, we have served 524 clients, 80 individual placements, 85 on community crews.

6. HR COMMITTEE REPORT

Maggie D. presented the report.

We continue to have open positions and as a strategy the HR and PR committees will work together to develop a PR plan to address our ongoing needs.

401K changes include putting Bremer Bank in place the 338 fiduciaries last year and using Empower to complete some required paperwork automatically for our plan participants.

Our workers compensation mod factor last year the mod rate was 1.0 and has gone down to .64. We have not experienced as many claims, and we have invested our messaging on safety measures to prevent claims.

Health insurance changes will have us go to a fully insured plan through Blue Cross Blue Shield for staff in January.

7. MARKETING COMMITTEE REPORT

Ann K. presented the report.

KPI's: As of November, we had 113 DocuShred quotes, resulting in 46 new agreements. For our in-house work opportunities we had 153 quotes, 29 were new quotes, 16 new jobs, and one new customer.

As a new marketing strategy, we have started a cloud based way to share our photos that staff and clients take as they are on activities. We can use these photos as PR media in all our marketing campaigns.

Our Give to the Max Day efforts were well received and worth promoting, as evidenced by the donations received.

8. EXECUTIVE DIRECTOR REPORT

Nancy B. presented the report.

Nancy B. explained the need for a one-time 5310 MNDOT maintenance cost reimbursement grant resolution. MnDOT has offered is a one-time grant opportunity; using unspent COVID-19 relief dollars, which will reimburse the maintenance costs for all of our 5310 vehicles that we've had in operation from 2020 to the end of 2023. We estimate approximately 61K in reimbursement funds if we are granted the full amount.

A motion was made by Curt G. to approve the 5310 MnDOT resolution and seconded by Matt D. A vote was taken, and the motion passed.

Update on Network Upgrade

Due to the timing of year end, we will finalize this project in the 1st quarter of 2024 to coincide with moving our payroll and HR systems.

14C Certificate

As a MOHR Region 6 member we will be hosting a parent advocacy session with the A-Team in January. There has not been any final movement at the legislature as of now.

Nancy contracted with Bruce Miles to help WACOSA's various teams at the leadership level to make some programmatic management changes, implement them and effectively communicate the positive outcomes for all our stakeholders. The sessions will focus on learning new skills, implementing them and working on conflict resolution, and team

building activities. With change comes challenge and wanted to take challenges head on and see what we can do to resolve or manage them.

Board calendar dates 2024

Suggestions: February 26, May 6, August 26, October 7, November 18

9. OTHER BOARD BUSINESS

Nancy Betts honored Ed Stracke at the start of the meeting for his almost three years of work as a consultant with WACOSA, starting the endowment, and helping to put policies into place.

10. ADJOURN THE BOARD MEETING.

A motion was made by Herb T., seconded by Matt D., to adjourn the meeting. A vote was taken, and the motion passed.

Next Meeting: February 26, 2024

Ron Brandenburg, Board Secretary

Date