

WACOSA Board of Directors Meeting
December 2, 2024
5:30 P.M.

Members Present:

Jeff Benveniste
Ron Brandenburg
Matthew DesJardins
Mollie Garden
Jennifer Johnson
Laura Krueger
Thad Olsen
Lindsey Rennie
Herb Trenz
Sandie Westergren

Members Absent:

Curt Gainsforth
Joe Perske

Staff Present:

Nancy Betts
Julie Haag
Meghan Hines
Ann Kennedy
Traci McKinnon
Lynette Nicholson
Mary Rothstein
Lynn Welle

Guests:

Dennis Meemken

1. HONOR HERB TRENZ OUTGOING BOARD MEMBER

Nancy presented a gift to Herb in honor of his dedication and service to being on the board for nine years and the HR committee, he also committed to remaining an HR committee member.

2. REVIEW OF AGENDA

Sandie W. requested an addition under Finance committee reports to add one item, a. iv in regards to approving additional funds for our annual staff distribution.

A motion to approve the agenda addition was made by Thad O., Ron B. seconded; a vote was taken and motion carried.

3. CONSENT AGENDA APPROVAL OF MINUTES

Ron B. motioned to approve the minutes from the October 7, 2024, meeting, and seconded by Lindsey R; a vote was taken and motion carried.

Herb T. motioned to approve nomination of board officers and approval of signers for 2025 with Sandie W. as Chair, Jennifer J. as Vice Chair, Jeff B. as treasurer, and Matt D. as Secretary, seconded by Thad O.; a vote was taken and motion carried.

4. FINANCE REPORT

Traci M. presented the September financial statement report.

Our September revenues reflect that program services are \$98K over budget due to increased transportation rates and new reimbursement rates for new contracts coming in. Vocational income is \$41K over budget, due to rate increases in shred and other vocational contracts. Donations are over by about \$600K, due to an increase in endowment funds and the fundraising event in September, which netted about \$55K. Our investment income is over by about \$52K due to higher market interest rates. All these factors produced \$472K over what was budgeted.

Our expenditures reflect staff wages being under about \$640K, due to open positions. Our client's wages were on par with what was expected, under by about \$1,800 for the year. Program supplies are under budget by about \$19K. Building and maintenance is under by about \$73K, due to lack of snow removal expense so far this year. We are \$13K under with advertising, however, spending is appropriate in the areas of social media, Give to the Max, ThriftWorks, Docushred, coupons, and personnel advertising.

If you take out investment revenue, designated donations, and the endowment, we're at just over one million to the positive for the year.

A motion to approve September financials was made by Jeff B., seconded by Thad; a vote was taken and motion carried.

Approval of 2025 annual budget.

Jeff B. gave a special thank you to the finance committee and Traci on the proposed 2025 budget; modifications and changes were made that will be beneficial to the organization.

Jeff B. and Traci worked at correlating revenue to head count to help better align our budget in order to be able to forecast financials better. WACOSA has historically budgeted to zero as a benefit. This new strategy will see a true budget that reflects a surplus, however the month-to-month forecast will be more reflective of our business cycle.

Traci reported that actual numbers from October 2023 to the end of September 2024 were used in preparing the proposed 2024 budget. By using this time period, it gave a guide as to what happened and what could possibly be expected going forward.

Revenues

Our Program revenue has gone from actual at 7.5 million, to almost 8 million because of negotiable rate increases and per diem increases on client service agreements.

Our Vocational revenue is expected to go from 1.7 up to 1.8 million, with budget increases from 2-5%, depending on the contract needs. Our community crews budgeted a 3% increase to account for increased payroll expenses. We also budgeted a 7% increase for our Docushred services. We recommended leaving the Thriftworks revenue forecast flat, as donations are leveling off as anticipated. We budgeted the actual spend of the

designated Bartlett annual donations, approximately \$100K, which will help with the overstatement of funds.

Expenses

Our staff wages budget reflects a market adjustment at the beginning of 2025 as well as our open positions that correlate to increased client admissions revenue. In addition, we have budgeted a 3% COLA wage increase for the 4th quarter of 2025. While our Blue Cross Blue Shield insurance remained flat, our Nice program expenses did increase. WACOSA did change our insurance companies for our other benefits, creating net savings for 2025.

Our 2025 401K match will be increasing to 3.5% employer match.

Our client wages project a 12% increase due to prevailing wage adjustments and benefit costs.

Our operating supplies, building and fleet maintenance expenses were increased due to inflationary adjustments.

Fundraising expenses are static, with our outside consultant training our new Development Manager throughout 2025 as needed.

Our transportation costs are projected to increase by approximately 12% across the board with vehicle maintenance, insurance and fuel.

Our miscellaneous expenses include the 2025 CARF survey, which will generally run around \$30K as well as our usual required audit expenses.

The final budget change in net assets of \$797K reflects a positive balance.

Thad O. reported that the budget is more reflective of what we can do and accomplish as an organization and shows the need to invest in our staff wages and looks more realistic going forward.

A motion was made by Jeff B. to approve the 2025 annual budget as presented and seconded by Matt D.; a vote was taken and motion carried.

Extended Employment Audit – EE Grant

The audit was reviewed by the finance committee, and it was a clean audit. WACOSA earned only about 50% of the grant due to clients' changes in funding, if they qualify for the waiver then they do not qualify for EE funding. This might be a recurring trend, and we will keep monitoring it.

A motion was made to approve the Extended Employment Audit by Thad O. and was seconded by Lindsey R.; a vote was taken and the motion carried.

Approval for an additional \$15K to employees for the annual distribution.

Every year WACOSA does an annual distribution for staff and the ED is authorized to approve up to \$50K. To thank the staff for their ongoing hard work, we would like the average check that each employee nets to be around \$500. To accomplish this, and with the budget surplus, the finance committee would like to authorize an additional 15K.

A motion to approve an additional \$15K to the annual distribution amount in 2024 was made by Thad O., Herb T. seconded; a vote was taken and motion carried.

5. FUND DEVELOPMENT REPORT

Meghan H. reported for the Fund Development committee.

Thank you to everyone on the board for being a giving board for the Give to the Max campaign, it is powerful to include that as an incentive in the campaign. The board matched \$4K of our donations. This resulted in total donation net of \$9,653.83. 23 people donated through Give MN, and 19 through WACOSA.org website. This was the third year with the board match.

Giving Tuesday is new to WACOSA and is tomorrow; we will be doing a simple campaign and a social media based ask. We'll see how that goes and report back.

Our annual appeal is featuring one of our clients and will be sent out this week using bulk mail. January plans include planning for the bash and getting letters out requesting sponsorships and donations for the event in the fall. The tentative date is September 13th.

Meghan continues to work with Ed in planned giving, with a focus on Meghan learning how to identify prospects and what makes them a good prospect. No new WACOSA Legacy Society members added since the last meeting.

6. PROGRAM COMMITTEE REPORT

Mary R. reported on Program Committee updates.

The committee met and reviewed general updates for the various programs. Our Sauk Centre folks completed a Cowtipping Press writing class, and had their writings published. There will be a book reading on December 12th at 10:00 at the Jitter's Café in Sauk Centre.

Lynn W. reviewed the ongoing acting and performing classes taking place in collaboration with the Paramount Center for the Arts. They are practicing for a play to be performed at our South program on December 10; all are invited to both these events.

We are starting to prepare for our CARF accreditation process this fall. Dennis Meemken will participate as a member of the Program Committee.

DNR/DNI proposed policy change. WACOSA has had DNR/DNI policy that the board has approved since 2007. It is a robust multi step process and procedure about what to do in an event of serious medical event as staff person and how would we follow the order. We recently had a guardian request to add one form that is used widely in the medical field, the POLST form. After discussion and explanation at the program committee, and consultation with Ron B., we are requesting we add the POLST form to our policy of accepted documents. Nothing else in the policy has changed whatsoever.

A motion was made to accept the modification of the DNR/DNI policy with update by Jennifer J., seconded by Herb T.; a vote was taken and motion carried.

7. HUMAN RESOURCES REPORT

Lynn N. report on Human Resources updates.

Our worker's compensation mod rate is still the same at .69%, and we will continue to work at keeping it low. Our current carrier is good at working to get claims completed in a timely manner. Our yearly staff turnover rate is 19.75%. We continue to monitor market compensation rates for all our positions and have recommended in the budget to complete market rate adjustments so we can remain competitive in our recruitment efforts. With the retirement of one part time HR person at the end of this year, the HR department restructured a bit, and we are happy to have Julie H. come on board with us full time as an HR generalist. We are also recruiting for a new front desk person, who also supports HR and all Admin departments.

8. MARKETING COMMITTEE REPORT

Ann K. reported on the marketing committee updates.

The committee did not meet this last cycle, but will be meeting before the next board meeting. Ann reported that the committee is refining KPI's that will help the department guide their marketing strategies. Ann also reported on some new in-house work contracts, that has provided additional employment opportunities for more clients that want to work. We continue to have work crews in the community, including Stang which provides ongoing work. There was discussion whether 14c continues to be threatened and it was reported that at this time there is no movement on it. WACOSA will continue to offer work that fulfills 14c requirements for those we serve.

9. EXECUTIVE DIRECTOR REPORT

Nancy B. reported on the general updates at WACOSA.

5310 Grant Update. We had put the program on hold because the bus prices went up so high, however we still had an open grant, and we put into the budget for next year. When we get instructions for ordering, there will be a request for a board resolution to purchase. This will happen sometime in 2025. In the beginning of 2024, we had a resolution to apply for a special grant for a minivan with wheelchair lift, however, there have been no notices if MnDOT plans to complete that grant request at this time.

The proposed board calendar for 2025: February 24, May 19, August 25, October 6, November 17, and December 1. We will need to do an electronic vote to accept the audit in June.

A motion to approve the schedule was made by Jeff B., Ron. B. seconded; a vote was taken and motion carried.

Our CARF accreditation visit will be sometime in August or September. As soon as scheduled, the board will be notified and invited to participate in the orientation and exit meetings.

We will be participating in Day at the Capitol on March 18, 2025, taking a group and visiting our legislators.

As a reminder, WACOSA applied for a DHS worker incentive pass through grant. We passed the criteria for the first phase of it and waiting to hear about the 2nd phase. Most of our direct care staff will qualify for an incentive payment up to \$1000, depending on the funding needs across the state.

A motion was made to adjourn the meeting and move into the executive session by Matt D., seconded by Lindsey R.; a vote was taken and motion carried.

10. BOARD CHAIR REPORT

Sandie W. reminded everyone of a board position opening in HR. Herb is at the end of his three terms at the end of this year; Sandie will see if Herb would like to stay on as an HR committee member.

Sandie W. will be sending out the Executive Director review and the board review. Please give an honest assessment of the board and ED. Give as much honest feedback as you can and return to Sandie.

In reviewing the suggested board meeting dates, it is recommended to change the April date to May 19th.

11. OTHER BOARD BUSINESS

There was a discussion of having an Executive Session at the end of the meeting, with a Mission Moment shared amongst board members.

12. ADJOURN THE BOARD MEETING.

A motion was made by Thad O., seconded by Curt G., to adjourn the meeting; a vote was taken and motion passed.

Next Meeting: February 24, 2025

Matthew DesJardins, Board Secretary

Date