

WACOSA Board of Directors Meeting
December 1, 2025
5:30 P.M.

Members Present:

Peggy Bayer
Ron Brandenburg
Matt DesJardins
Curt Gainsforth
Mollie Garden
Jennifer Johnson
Laura Krueger
Dennis Meemken
Joe Perske
Lindsey Rennie
Sandie Westergren

Staff Present:

Nancy Betts
Julie Haag
Meghan Hines
Ann Kennedy
Tracy McKinnon
Mary Rothstein
Meggan Thole

Members Absent:

Thad Olsen

1. HONOR RON BRANDENBURG OUTGOING BOARD MEMBER

Presentation of plaque and clock to Ron as a thank you for your dedication and service to WACOSA.

2. APPROVAL OF AGENDA:

A motion was made by Ron B., seconded by Matt D. to approve the agenda as presented. A vote was taken and motion passed.

3. APPROVAL OF CONSENT AGENDA:

A motion was made to approve the consent agenda by Matt D., seconded by Lindsey R. A vote was taken and motion passed.

NOMINATION OF BOARD OFFICERS/APPROVAL OF BOARD SIGNERS FOR 2026:

- Sandie Westergren (Chair)
- Jennifer Johnson (Vice Chair)
- Thad Olson (Treasurer)
- Matt DesJardins (Secretary)
- Nancy Betts (Executive Director)

A motion was made to approve the nomination of board officers by Joe P., seconded by Ron B. A vote was taken and motion passed.

NOMINATION OF BOARD TERM RENEWALS:

- Mollie Garden – Begin 3rd Term
- Laura Krueger – Begin 3rd Term
- Thad Olsen – Begin 2nd Term
- Lindsey Rennie – Begin 3rd Term
- Peggy Bayer – Begin 2nd Term

A motion was made to approve term renewals by Matt D., seconded by Joe P. A vote was taken and motion passed.

4. FINANCE COMMITTEE

Traci M. reported.

The finance committee met November 24, 2025, reviewed the financials, along with the budget and EE audit results.

September Financials

Revenues

- The Program revenue is under budget overall compared to prior years as we saw a slight decrease in client attendance over the summer.
- The Vocational services are under budget due to when the PBA payment steps are completed and billed.
- Vocational revenue is over budget by approximately \$161K and over previous year's by approximately \$199K, reflecting our strong crew community and inhouse work partnerships.
- Public support is under budget as our 5310 grant reimbursements are off schedule due to vehicle supply chain issues.
- Investment revenue was over budget by approximately \$220K and over prior year's by approximately \$30K.
- Our Year to Date revenues are at 8.2 million, reflecting a difference of \$170K in revenues over budget expectations.

Expenses

- Staff wages and related costs are under budget by about \$426K, and over previous year's by about \$240K. This reflects the market wage increases for some positions identified earlier this year and finalized in October as well as our regular wage increase scheduled for October 1.
- Client Wages and related costs are slightly over budget by \$7K and that is likely due to the increase in vocational revenues.

- Building and equipment costs are over budget by about \$16K. The areas that we are over budget were utilities and general insurance. Our general insurance cost is over budget due to the wind and hail policy that we took out after we budgeted last year to cover all roofs in the Waite Park sites in the event of multiple buildings damaged by a single event. The policy will cover the entire cost of replacement instead of prorating based on age.
- Transportation costs were under budget at about \$29K, but in line with what we had last year.
- Year To Date through September we are at 1.4 million versus our budget prediction of \$722K. Compared to last year at this time, we were at 1.8 million, so performing very well.

A motion was made to approve the September financials as reported by Ron B., seconded by Lindsey R. A vote was taken and motion passed.

2026 Annual Budget

The finance committee has reviewed the budget. We annualized the budget using the period of October 2024 through September 2025.

Revenues

- For Program revenue we are currently at \$7,934,183. 2026 Program Revenue is almost \$8 million. We predicted staying flat as there are no DHS & CMS approved rate increases as of now. The Stearns County negotiated transportation rate will be increasing to \$23 per trip, up from \$21.
- Vocational revenue is currently at just over \$2 million. For 2026, we are looking at \$2 million 14 thousand with a price increase reflected in the budget.
- Production revenues were decreased due to a loss of 2 large jobs our partners no longer need completed by us.
- Contributions are currently at \$937K. We have budgeted an increase to \$1.4 million. The reason for that is we have partnered with Stearns County on a Career Grant that is \$277K. It will help our clients go out in the community to do exploration in jobs and career opportunities with our staff support. You will also see expenses in other areas of the budget. We anticipate 2-5310 vehicles in 2026 as well.
- Investment income is currently at \$323K and we did estimate that since we have no idea what the market is going to do.
- Revenue is currently at just over \$11 million, and we are hoping to do \$11 million 629,000 in 2026.

Expenses

- Payroll costs increased due to market wage adjustments and a 4% wage increase in wages in October 2026 along with a distribution in December.

- Health Insurance renewal rates came in flat this year, but we did increase it by 1% to account for next year's increase. Also included is the new Minnesota Paid Medial Leave that begins on January 1, 2026.
- We are increasing our corporate 401K match .5% to a maximum of 4%.
- Client wages will increase from about \$788K to about \$853K as we anticipate a higher prevailing wage increase in February.
- Equipment & service costs are budgeted for \$646K, with snow removal being unpredictable. We continue to make building and maintenance repairs as assessed in our annual walkthrough and will complete throughout the year.
- Advertising and public relations are budgeted a little bit more at \$586K, with an increase in marketing strategies for HR hiring.
- Transportation costs are budgeted at \$519K due to maintenance, fuel prices and scheduled vehicle replacement.
- Miscellaneous expenses are budgeted at \$995K, with the increase reflecting the increase in audit and professional fees and our Stearns County Grant expenses, as referred to above.
- Currently we are at \$9.5 million in expenses, and we are estimating almost \$11 million in the 2026 budget.
- The current net assets are at \$1.7 million, and we are budgeting a \$680K net positive bottom line.

A motion was made to approve the 2026 budget by Ron B., seconded by Lindsey R. A vote was taken and motion passed.

Extended Employment Audit

The Extended Employment program provides support for the clients that work in the community and as we support them, we earn grant dollars based on the hours they work. This program serves clients who do not have any other funding. The grant runs from July 1st through June 30th. The audit report is due to the state by October 30th. We had a clean audit with no issues reported. We are currently running about \$20K a quarter. A little bit lower than previous times, but better than what we've had in the last year.

A motion was made to approve the EE audit summary by Joe P., seconded by Ron B. A vote was taken and motion passed.

The ED is authorized for up to \$50K for the annual distribution checks to staff. Nancy requested the 2025 amount be increased to \$65K, the same as last year's request. The finance committee has discussed and approved this.

Motion to approve the annual staff distribution of \$65K by Ron B., seconded by Matt D. A vote was taken and motion passed.

5. FUND DEVELOPMENT COMMITTEE

Meghan Hines reported.

The Fund Development committee met last week. We will be implementing a monthly giving program as soon as possible. With our current monthly donors we are starting with a flexible goal of \$500 per month. We'll be developing branding, impact, storytelling, and launching materials, including a "text to give" feature and a mailing. The committee would like the board to identify a sentence of why WACOSA is important to you or a personal connection to help with the marketing.

Give to the Max Day just wrapped up. Meghan expressed deep gratitude to every board member, as their combined matching amount was \$7400. We had 67 donors, \$5,955 collected online and \$2,570 in offline checks brought in, for a total of \$8,525 from donors. With the board matching and donors, we wound up with \$15,925 received with Give to the Max. This is a really big improvement from last year's total of \$9,653. We attribute this strong showing has a lot to do with the match and inspiring to do that. We also ramped up social media posts and got some responses there.

The annual appeal is under way. Meghan has expanded what we normally do with direct mail active or recent donors, to include another segment of lapsed donors who have donated in the past but haven't donated in the last three years. That will be about 800 letters in lapsed donors. Hope that this can reinspire or rejuvenate those that used to donate.

The theme for the 2026 BASH is outer space. Sponsorship tiers are going to remain the same. A new pipeline will be reaching out to individual sponsors for a specific ask at the \$250 friend level which we didn't do last year. This will be for individuals and households, not corporate. We also have a \$100 neighbor level as a budget friendly option that provides sponsors recognition, but it would only be mentioned in those neighbor levels in the event program and social media promotions.

6. PROGRAM COMMITTEE

Mary Rothstein reported.

The program committee met November 17, 2025. We talked about CARF this week. Wednesday is the orientation meeting and the exit meeting on Friday. Everyone is invited to attend and if anyone wants to talk to CARF surveyors, let Nancy know. As discussed in our strategic planning sessions with stakeholders, our 1st Ave program and space will be assessed for future changes/needs. The Sauk Centre program went to SCSU Planetarium exhibit recently and the Aktion club at Whitney Senior Center did a hat and mitten drive in October, and a food drive for Thanksgiving where they collected money and gave to Anna Marie's We will be working with the Stearns County Employment Grant over the next couple of years so we can do some more job exploration with our individuals.

7. HUMAN RESOURCES COMMITTEE

Meggan Thole reported.

The HR committee met November 20, 2025. We reviewed our KPI's. Our main focus was on the new hires. There is at least one opening at each location, if not multiple. We talked about overcoming turn over. We have had 20 new hires and 36 terms to date. Pay continues to be a challenge. To counter that, we are working to sell work life balance, NICE Healthcare, 401K match and our culture overall.

We are also focused on recruiting initiatives. We are looking for continued partnership with our local HR committees for any events that we can attend. With onboarding, we will be looking at our onboarding and orientation processes all together so those individuals will feel attached and like working here. We are also looking at partnering with SCSU Upward consulting group, which is master level psychology students that are looking at the possibility of assisting with our onboarding and orientation programs.

We reviewed our MN Paid Leave proposed policy with Ron's edits. HR committee approved the policy to be added to the employee handbook effective 1-1-26. We will be doing the state-run program. We will then discontinue our short-term disability policy.

8. MARKETING COMMITTEE

Ann Kennedy reported.

We have been focusing on the last couple of months on end of year giving, and the newsletter. We did a Tik Tok video with the folks from Sauk Centre chamber and they will be putting on a small instructional class, so we will learn more. We did do some radio ads on Spirit Radio, working with some clients to do the voice overs in the ads. It went well but it was a lot more work than anticipated, but it was a lot of fun and exciting. Ann will be making some more sales calls at the beginning of the year, looking for some replacement in-center jobs. KPI's are in the portal under the marketing committee.

EXECUTIVE DIRECTOR REPORT

Nancy Betts reported.

The 5310-grant program notified us we will be receiving a bus in early 2026 most likely. We have made a lot of investments in vehicles this year, selling our oldest vans and buses at auction. We did put a box truck replacement in the 2026 budget for shred. Our fleet is now mostly AWD and smaller passenger counts to help alleviate staff driving fears.

Nancy has the 2026 board calendar dates, and they are similar to this year.

A motion was made to approve the 2026 board calendar dates by Matt D., seconded by Lindsey R. A vote was taken and motion passed.

Required annual disclosures were sent out to the board members, including the Executive Director review, and board self-review. Sandie will be collecting that documentation.

A reminder, if you would like to talk to CARF surveyors, let Nancy know. If you can't be here, they can also give you a call. They may have some suggestions and things they

see that we could improve on. There may be recommendations to fix something. Nancy will report back at the February meeting.

Joe P. was instrumental in getting Speaker Demuth for a short visit and tour at WACOSA. Joe and Sandie were here and talked about what we did and made sure she understood the needs of the organization.

Strategic plan update. We will vote on the final plan at the board meeting in February. Nancy put on the portal a very quick synopsis of the data that Bruce Miles put together. What the next step needs to be is that the Admin and leadership team will establish some very specific goals that align with our strategic initiatives. Our vision for WACOSA is in 5 years, we will have developed, delivered, and be recognized as well known and engaged, with a broad understanding and recognition in our community and schools for the quality that we provide. We will have strategic retention and growth of compassionate staff in order to serve all.

Diversity, equity, and inclusion discussion. The board reviewed WACOSA's commitment to diversity and inclusion as stated in our mission. We have a social competency policy that is implemented daily throughout the organization, updated and is in the handbook. The WACOSA Way is embedded in how we do business, how we make decisions, how we treat each other and is embedded in everyone's job description at WACOSA. It has been there since the board adopted the WACOSA Way. Some of the other things that we do on a regular basis when we talk about inclusion and diversity is people that we serve are one of those groups that get overlooked or minimized and in no way, shape, or form should they. Our strategic planning always takes that into account. All of our staff are annually trained in it and at hire. We also do affirmative action plans every year, which is required. We talked about the cultural competency plan and assessment that we do every year, implement recommendations and assess results annually as well.

9. ADJOURN THE BOARD MEETING.

Regular board meeting adjourned at approximately 6:55 P.M.

Next Meeting: February 23, 2026

Matthew DesJardins, Board Secretary

Date