

STRIVE
FINANCE COMMITTEE MEETING – March 12, 2015

PRESENT FROM BOARD:

Mike Nordine, Steve Ammentorp, Scott Coleman, Jeff Kuhr, Jeff Parker, Cathy Staten, Joe Warner

PRESENT FROM STRIVE:

Sharon Jacksi, Chris Bergquist, Linda Briggs, Mickey Burns

ITEM	OVERVIEW OF MEETING
1	Minutes of Previous Meeting
2	Budget Discussion
3	Update on Retirement Plan options

1. **Minutes of Previous Meeting** – It was moved & seconded that the minutes of the previous meeting from December 15, 2014, be accepted.
2. **Budget Discussion** – Chris explained his approach for the upcoming budget cycle. He is changing the template so if there is a change mid-year, he can show the portion of the year as actual, and change the rest of the year. He will meet with each supervisor, and set the budget for their respective departments. For personnel, he will leave the template the way it is, which is very detailed. He will start budgeting for capital items, which includes furniture/equipment over \$1,500, and building improvements over \$2,500. We will plan for vehicle replacements proactively based on the condition of the current vehicles. There was a discussion about how we account for an insurance cash reserve in a non-profit. Chris and Linda will talk to the Peggy at Eide Bailly about that area, and report back to the Committee. Chris will target to finish the final budget in early May. Jeff Parker requested a line item budget to review. He commented that it makes reports easier to understand during the year. Joe brought up the question with a finite revenue stream, where in the budgeting process do we consider raises for staff? Chris suggested we build that in now. Mike suggested we utilize a salary survey based on our market area, as opposed to the one Alliance provides. Pay becomes a morale issue when it's been this long. Stephani Conley has resources for other salary surveys. Our compliance officer is a good resource as well. The Committee would like hold a meeting to show how we are approaching issues this far. They would like to establish a plan over a series of years. Strive may have to close some losing operations. They will address the hard decisions at the retreat. Autism, programmatic overhead, Parenting Place, and SLS are possibilities. Sharon mentioned autism may have some options for billing through the School District. She pointed out when we took over The Parenting Place, we did receive the real estate.

Some cost savings ideas for SLS would be to convert program to all groups, as opposed to the more costly one-on-one situations. Some other cost savings measures are we are changing from Dible Oil to Loco. Loco provides a better rate, and a lot more convenient locations. Case Management, and Behavior are reviewing billing weekly. The turnover in Case Management does reduce billing, but we are providing the training to mitigate that. Cassie and Sarah are identifying and offering services to individuals in service that have not been served in the past. Uniquely Yours Self Employment revenue covers operations, and Botanical Gardens Self Employment revenue has

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turned a corner on operations. We will inform the city proactively, and not just perform the repair/improvement work. A suggestion was made to rent vehicles, or lease to save money on personal vehicle mileage. Chris mentioned he is working with a company called Spyglass to monitor utilities. When they identify a cost savings, they charge 50% of the savings. Some other cost savings activities include reducing p-cards limits, hiring a purchasing agent, and holding supervisors accountable for their budget.

Chris mentioned that the financial reports are available on Sharepoint, but he doesn't think supervisors are utilizing them. He will start sending them to supervisors in an e-mail, and be more direct on holding them accountable. The Committee pointed out that we need to develop the culture that we expect compliance with budgetary constraints. If we don't expect them to pay attention, they won't. One method is to have regular meetings to educate the supervisors about the expectations. For the hard to budget items, our estimate can be high. Jeff Kurr suggested a year-to-date presentation, as opposed to a month-to-month. As we learn more, we can make adjustments to the budget. The expertise of the Board can be utilized. Cathy pointed out this is a hard industry to understand, with a whole different language. It is dynamic because it helps individuals, and it takes Board Members a long time to understand. We are heading the wrong direction in the financials, and are looking to change the course. The Committee suggested Chris add "Hot topics" in his presentation to the Board. They would like to see an in depth presentation on 2 or 3 programs each meeting. The start of any new program would have a business plan.

3. **Update on Retirement plan options** – The Executive Committee will decide if we can automate any terminated employee's notification, if they have a balance of less than \$5,000 (approved by Executive Committee later that day). Chris will notify HR that they need to make sure that terminated employees are updated on the AUL website for that to work. Chris will fill out the paperwork to move the default fund to the target date funds. The question of whether to increase the company match by 1% is on hold for right now. The Committee felt that reducing the waiting period for new employees, and adding a vesting schedule would be beneficial, and will decide that at a later date.