

Winona ORC Industries
Meeting Minutes
Board of Director's Meeting
Monday, October 28, 2013

Director's Present: Jim Yenish, Dave Adank, Kevin O'Reilly, Laurel Mohan, Bill Reinarts, Steve Volkman, Ron Wenzel and Jim Pomeroy.

Director's Absent: Deb McClellan, Maggie Modjeski, Robert Peterson and Chad Anderson.

Employee's Present: Executive Director Judie Foster-Lupkin.

Guest: Blaine Krough

Board Chair Jim Yenish called the meeting to order at 5:06 p.m.

1. Review of Agenda: Mr. Yenish indicated that we would add the acceptance of the 990 tax form later in the meeting. Thereupon Adank moved and Reinarts seconded a motion to approve the agenda. Motion carried with all voting aye.
2. Review of Minutes. Motion made by Pomeroy, seconded by Wenzel to approve the minutes as written. Motion carried with all voting aye.
3. Review/Approval of Financials: Pomeroy reported that net income for September was in the amount of \$ 6,587, which was \$5k short of budget, however, he noted as well that net income year to date came in at \$ 211,332, which is \$ 180,000 over budget. He further noted that sales are picking up and that we have free cash of over \$ 400,000, which is a first for WORC. General discussion ensued regarding the segregation of laundry operations revenue/expenditures to ensure that we have a good picture of those operations. B. Krough noted that some of the costs presented under the laundry portion of the financials will be capitalized, and that this change will be presented in future months. After brief discussion, Volkman moved and Reinarts seconded a motion to acknowledge and accept the financials for September 2013. The motion carried with all voting aye.
4. Executive Director's Report: Judie reported that the Misato group from Japan and Winona Health/Sodexo toured the laundry and overall facility and that both were very impressed with what we have done and have to offer. She noted as well she will be participating in Blandin Leadership Training for several days in November. Judie also spoke at length regarding the former Lewiston Villa site. She reported that a number of agencies have expressed interest in a landlord/tenant relationship with WORC to place programs in the facility.

5. Committee Reports: The following reports were presented to the Board. Please note that additional information and exhibits for each of the reports may be found and further reviewed on the website.

Personnel Committee: Pomeroy presented the written minutes of the October 2013 committee meeting. He noted that the committee adopted three different Personnel Policies, noting that the changes were, in effect, minor or simply a reflection of previously established policies. Further information regarding the committee's work, especially regarding staff change Issues, the prevailing wage survey, our group/life insurance, worker's compensation experience modification factor change and other issues are available on the website.

Sales and Business Development: Mr. Yenish reported that sales are building and becoming stronger. Judie noted that we will be having a "blowout sale" to reduce inventory of discontinued and prior year's mitten inventory. Volkman reported that to date, 165 people have signed up for the WORC walk/run one mile and 5k event and that he and Deb McClellan are working with volunteers regarding this fundraising project. Judie noted that we will be the recipient of the proceeds earned by the Edina Realty Team at the Dancing With the Stars Event to be held later this year.

Program Management: Mr. Yenish reported that in October there was one client on client VA. He further noted that we now have 285 active clients, with 59 clients placed. He also reported that we will be receiving two new buses within the next two weeks. Judie spoke regarding the Traverse maintenance software that will be included as a module in the laundry software. She spoke regarding the benefits of adding the preventative maintenance program.

Laundry Update: Judie noted that there is a verbal commitment from Winona County regarding the utilization of our laundry for jail laundry for a trial period to see if it works for everyone concerned. Judie also reported that we will start processing surgical laundry from Winona Health over the next week or so, on a trial basis. She also spoke briefly regarding accounts that we have picked up for laundering mats.

6. Old Business:

Vertex Software: Foster-Lupkin reported that she asked for a new quote for the Vertex Software package for financial accounting, she advised that Vertex has offered a quote that is in the amount of \$250,000, which is \$50,000 less than their previous quote. She indicated that Vertex is offering a NAV component with Microsoft that resulted in the reduced quote. She will be pursuing more information regarding the offering soon.

Strategic Plan – Investment Policy: Foster-Lupkin noted the need to develop and investment policy regarding the increasing cash on the books. Brief discussion ensued

regarding investment philosophy. Foster-Lupkin noted that she will pursue this issue further after the first of the year.

Lewiston Villa: There was considerable discussion regarding the former Lewiston Villa and potential opportunities, most of which evolved around the possibility of a landlord/tenant relationship with other agencies that may wish to rent portions of the facility for their programs. An ad hoc committee will visit the site on Friday, November 1, 2013. It was also agreed that Laurel Mohan should act as our legal advisor as regards any and all legal work that may need to be performed regarding this potential project at her normal rate as an attorney. Foster-Lupkin noted that if the building is purchased for approximately \$30,000, that the transaction would take place in 2014. Members did acknowledge that more information is needed prior to taking action. The ad hoc committee will be reporting back to the Board regarding their findings after touring the facility.

Areas of Emphasis for 2014: Mr. Yenish presented a submittal with a number of areas that he would like to emphasize in 2014. Given that it was getting late, he indicated that he would send the submittal to Board Members and ask each to rank and prioritize each of the items for consideration at the next meeting on Monday, December 2, 2013.

Nominating Committee – 2014 Officers: After brief discussion it was the consensus of the Board that the Executive Committee will serve as the Nominating Committee, and that a proposed slate of officers will be presented at the next meeting for consideration.

990 Tax Exempt Return: Blaine Krough presented the Tax Exempt Organization 990 Tax Return, and the Annual Audit Report to the Minnesota Attorney General's Office. After brief discussion, Wenzel and Pomeroy moved to submit the above referenced tax documents to the appropriate authorities. The motion carried with all voting aye.

The time being 6:26 p.m., Wenzel moved to adjourn. Motion seconded by Adank, carried with all voting aye. Thereupon the Board adjourned.

Respectfully submitted by:

James Pomeroy