

La Causa, Inc. Board of Directors

Wednesday December 4th, 2024, 11:30pm – 1:30pm

Meeting Minutes

Present: Scott Sanders, Bob Kotecki, Eddie Jimenez, Bob Buttermore, Erico Ortiz, Gus Hernandez, Aaron Bruner, Ken Little

Staff: Aracelly Bonilla

After lunch which began at 11:30, the meeting was called to order at 12:05pm by Bob Kotecki (Board Chair) and quorum was established. Bob requested a motion to approve the previous meeting minutes and Scott Sanders so moved and seconded by Gus Hernandez.

Bob Kotecki gave a short narrative on how this meeting is special as it features each division and department leader and gives the opportunity for the board to learn more about their accomplishments and future vision. Luis Ayala reiterated the sentiment.

Financial Update

Aracelly Bonilla (CFO) mentioned how the budget proposal was presented to the Finance & Audit Committee and approved during November's meeting. Moreover, she spoke to how this is a summarized view and details were available if needed but wanted to condense the conversation around high-level revenue and expense discussion. As such, Aracelly spoke to major budget assumptions and changes from prior budget submittals.

FY2025 Proposed Budget

▪ Budget Assumptions:

- Charter School
 - FTE of 544, with enrollment at 562
 - Conservative approach with expenses given the absence of ESSER funding
- Social Services
 - Elimination of Recovery Support Coordination (RSC)
 - Reallocating resources to more profitable programs with higher bill rates
 - Expanding supervisory roles to take on more responsibility that's billable
 - Addition of two new programs: Mobile Crisis and Children's Mental Health Initiative (CMHI)
- Early Education
 - Increase in enrollment from 145 to 192 kids
 - Planning for two additional classrooms
 - Increase in staffing FTE to accommodate enrollment growth
- Crisis Nursery
 - Increase in staffing FTE to accommodate 24 hr. coverage – two staff for each shift
 - Increase in fundraising goal
- Agency Wide
 - Labor structure assumes a 2% merit increase

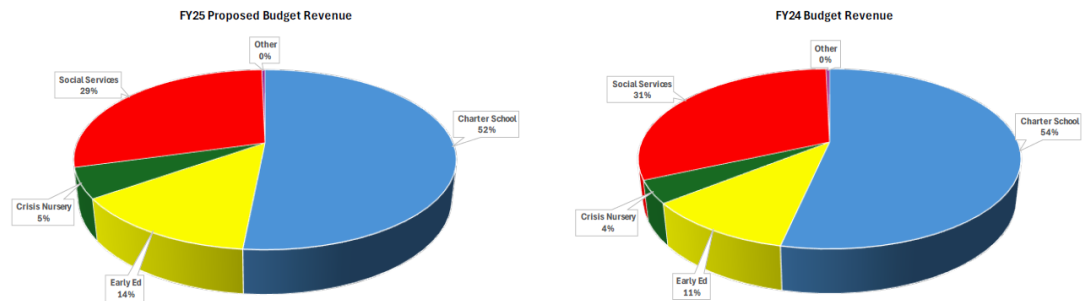
	2025	2024	\$	%
Revenue	Budget	Budget	Variance	Variance
Charter School	\$ 8,746,671	\$ 9,436,552	\$ (689,881)	-7.3%
Social Services	4,919,917	5,529,414	(609,497)	-11.0%
Early Education	2,327,967	1,913,079	414,888	21.7%
Crisis Nursery	921,804	719,517	202,287	28.1%
Other	55,500	63,000	(7,500)	-11.9%
Total	\$ 16,971,859	\$ 17,661,562	\$ (689,703)	-3.9%

	2025	2024	\$	%
Expense	Budget	Budget	Variance	Variance
Charter School	\$ 8,446,461	\$ 9,318,736	\$ (872,275)	-9.4%
Social Services	4,911,369	5,326,847	(415,478)	-7.8%
Early Education	2,225,824	1,932,150	293,674	15.2%
Crisis Nursery	921,804	713,308	208,496	29.2%
Other	323,700	302,035	21,665	7.2%
Total	\$ 16,829,158	\$ 17,593,076	\$ (763,918)	-4.3%

	2025	2024	\$	%
Surplus/(Deficit)	Budget	Budget	Variance	Variance
Charter School	\$ 300,210	\$ 117,816	\$ 182,394	154.8%
Social Services	8,548	202,567	(194,019)	-95.8%
Early Education	102,143	(19,071)	121,214	635.6%
Crisis Nursery	-	6,209	(6,209)	100.0%
Other	(268,200)	(239,035)	(29,165)	0.0%
Total	\$ 142,701	\$ 68,486	\$ 74,215	108.4%

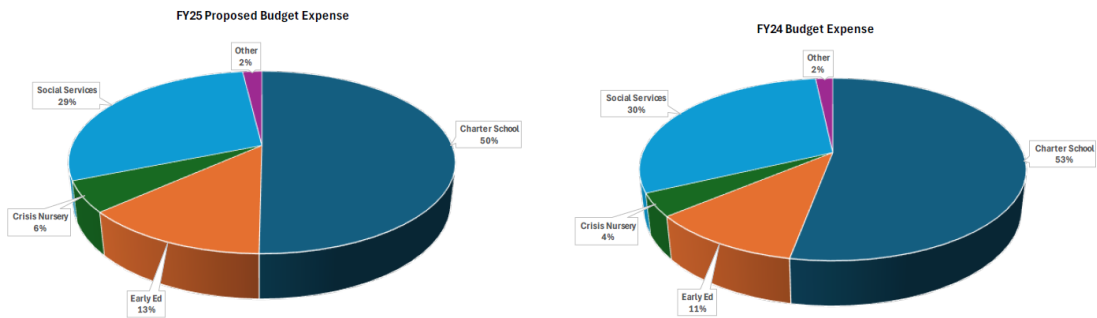
Conversations centered around social services continuing to be a focal area for 2025. Aracelly spoke to the different initiatives, e.g. utilization measures, cost austerity measures and revenue enhancing tactics such as diversification into other programs, e.g. CSC, 3rd shift mobile.

Revenue Ratio Comparison



- Consistent ratios year over year
- Charter School and Social Services continues to drive our portfolio
- Comparison shows enrollment growth in Early Education

Revenue Ratio Comparison



- Consistent ratios year over year
- Comparison shows our incremental investments in both Early Education and Crisis Nursery

Aracelly briefly spoke to the comparison year over year regarding revenue and expense composition and concluded her presentation.

As a result of the presentation there were no questions from the board.

Luis Ayala spoke to seek approval on two resolutions (highlighted below):

Resolutions

- **BOD-008-2024**
 - To accept La Causa's proposed budget for fiscal year 2025
- **BOD-009-2024**
 - To accept Management's recommendation that La Causa Inc. owns property at 5235 N Ironwood Avenue Glendale, WI, which is no longer needed for the operation of the business and would be beneficial to sell
 - In summary, a developer wants to purchase the property, renovate and repurpose the building for an entirely different business
 - The offer stands at \$1.4M with a payment of \$100,000 once the offer is signed
 - Sales comps provided from 2022-2023 reveals an average sale price of \$1.4M – aligning to our offer
 - Given current accumulated depreciation of \$1.5M and land valued at \$446,900, we stand to take a loss of roughly (\$200K) in fiscal year 2024
 - If approved, La Causa will be out of Glendale by March 2025
- Benefits to disposal of property:
 - La Causa will realize annual savings of roughly \$400K driven by the absence of depreciation expense, maintenance contracts, utilities and insurance
 - Lessen overhead cost for social service programs that have historically struggled financially
 - Social Services will move to the administration building, thus utilizing unused space and bringing the company closer to the communities we serve

The budget proposal was approved by Scott Sanders and seconded by Gus Hernandez.

Gus Hernandez had questions around sales comps in the area and whether the numbers were in the vicinity of our offer, to which Luis responded that 7 sales comparable were presented that all came within +/- 5% of the existing offer. Gus also mentioned the sales loss was more a paper loss and La Causa will receive cash that can go toward debt reduction – thus reducing future interest payments.

The resolution was brought to a vote and was approved by Ken Little and seconded by Aaron Bruner.

The following slides were presentations by division and department directors, showcasing accomplishments and highlighting future objectives: *Lydia Reaves (Director of Early Education)*, *Kari Hendricks (Director of Education)*, *Karl Schoendorf (Director of Crisis Nursery)*, *Jacob Eisen (Director of Social Services)*, *Spencer Brink (Director of Marketing)*, *Joanne Diaz (Director of HR)*, *Aderson Gonzalez (Director of IT)*,

La Causa Early Education and Care Center

- Meet Lydia Reaves!
- 23 years in early education
- Plan for the future:
 - Build trust and relationships with staff and families.



La Causa Charter School

- Major accomplishment during 2024
 - State Report Card – Meets Expectations up from Meets Few Expectations
 - Forward from 23 to 24 grew average if 11%: 11% in ELA, 21% in Math, 9% in Science, 6% in Soc St
 - Charter School Leaders Meeting – Sept: compliments from district and other NIC schools on our MTSS, Restorative Practices, and PBIS focus
- Biggest challenge area
 - Parental Involvement in things other than conferences or festivals is still a challenge but is improving. 9 parents part of the School-Family Engagement meetings, up from 1 last year; 15 regular parents participate twice monthly in parent workshops focused on literacy, culture and community resources
 - Enrollment is down 15 seats from the previous year, although we continue to add new students, mostly from out of country
- Strategic vision for 2025
 - Increase enrollment
 - Increase Forward scores by 10%. We are currently behind the district an average of 6%: 7.3% in ELA, 6.2% in Math and 4.8% in Science. We beat the district in Soc St
 - Increase Parent Engagement



La Causa Crisis Nursery and Respite

- Major Accomplishments 2024:
 - Continued with Quality Programming, 34th year!
 - Successful outreach through gala
- Challenges:
 - Veteran workers sunsetting and losing institutional knowledge.
- Strategic plan for 2025:
 - Answering staffing challenges and keeping energy up for annual fundraising and future endowment.



La Causa Social Services

- Major Accomplishment During 2024
 - Successfully completed several significant program transitions, including ending of the Wraparound HMO programming in favor of Youth CCS and REACH Crisis, adoption of AvatarNX across several programs, and end of RSC program.
 - Awarded the Third Shift Crisis Mobile and REACH Crisis RFPs and continued collaboration with the CMHI grant
- Biggest Challenge Area
 - fee-for-service work
 - Hiring and retention
- Strategic Vision for 2025
 - Operate all Social Services programs based on best practice standards and contract expectations while ensuring optimal fiscal health
 - Ensure high staff morale, retention, engagement, and performance
 - Leverage technology solution and available data in available electronic medical record systems to ensure optimal program performance as we transition to more home-based work



Marketing

- Major Accomplishments during 2024:
 - Gala 2024
 - Streamlining communication with Vertical Response
 - La Causa Video
- Biggest challenge:
 - Changes to grants and foundation giving.
 - Expanding our donor base
- Strategic plan for 2025:
 - Relationships, communication
 - Focus on the stories of La Causa
 - Strong support for enrollment
 - Targeted Mailing to new communities for support
 - Los Guardianes de La Causa



HR

- Major accomplishment during 2024:
 - Hired a Recruiter
 - Compensation Salary Surveys
- Biggest challenge area:
 - Staffing
- Strategic vision for 2025:
 - Continue to Streamline processes - Paylocity Performance Management Module
 - Targeted recruitment per division
 - Continue to improve culture through continued surveys, communication and townhall meetings



IT

- Major Accomplishments during 2024:
 - Completely gutted and replaced all networking equipment at Charter school
 - Consolidated All servers at each La Causa Location
 - Created student network that lives outside of our staff network and enforces stronger content filtering and application control
- Biggest Challenges:
 - Being able to complete all the work needed at one time.
- Strategic vision for 2025:
 - Still focusing on security specifically with Staff and trying to simplify processes across our network.



Both Bob Kotecki and Luis Ayala wished everyone a very happy and safe holiday season. Meeting adjourned at 1:15pm

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