

High Hopes Therapeutic Riding, Inc.
Finance Committee and Investment Committee
Meeting Minutes
4/19/2022 via Zoom

Attending: Scott Douglas (Chair), Cheryl Heffernan, Mac Mummert, Peter Watt, Jean Wilczynski, Kitty Stalsburg and Lesley Olsen. Absent: John Catlett, Betsy Dill, Sarah Keenan, and Natalie Yonker.

The meeting was called to order at 5:05 p.m. via Zoom.

Lesley updated the Committee on the current financial metrics. The portfolio as of 4/19/2022 was at \$6,632,674 of which \$3,379,271 is permanently restricted per the 6/30/2021 Audited Financials. Program receivables were at \$18,013 with credits still pending due to January COVID closure. Accounts Payable were at \$22,386 including some capital expenses. Cash on Hand in local banks is \$225,379.

The committee reviewed the Q1 & Q3 Actual verses Annual Budget. At this time the budget is on course with most expenses at or under the 75% range. Earned revenue will be affected by the January's partial closure and modification of Program due to brief rise in COVID cases. We will be applying for a grant from the Town of Old Lyme through the America Rescue Act to help cover the loss in revenue due to the closure. There have been a couple large donations that were unexpected and grants coming in higher than requested. Of note is that the second PPP loan of \$149,000 was forgiven which also improves the bottom line. On the expense side we are seeing overages for items in Equine Care and Building and Grounds as Holly is seeing significant increases due to supply chain issues and inflation.

The Committee reviewed the Proposed Budget which has substantial increases in personnel costs. Lesley reviewed the process used for the Salary Survey done to update the salary ranges to appropriate levels. The last time this was done was approximately 10 years ago. While we were keeping pace for some time, in recent years mainly due to wage freezes during COVID, we fell behind. In addition, COVID has greatly impacted the workforce both with shortages of qualified candidates and increase wage demands. Kitty noted that our FTEs in years prior were around 17. We are currently at 13.82 as we did not fill open positions during COVID. The proposed budget requests an increase of 3.25 FTE's. This represents a new position of Volunteer Director elevating volunteers to its own department which the organization has recognized is necessary given the challenges in recruiting, training and retaining this vital resource. The other 2.25 FTEs is a return to having needed volunteer management support as well as additional instructor resources. Overall, the increase in wages of \$285,762 consists of 77% (\$220,037) going to new employees and 23% (\$65,725) to existing employees who need to be brought up to at least the low end of their new wage ranges. This brings the total personnel costs from 61% of the overall budget in FY 21-22 up to 65% in FY 22-23.

The discussion turned to the best way to present this to the full Board of Trustees as this is not a typical proposed budget. Kitty reported that the staff have been developing some concrete organizational objectives by which we can measure the improved outcomes as the additional staffing increase our capabilities. These will be presented to the board. During FY 22-23 the objectives will be measured and reported on quarterly. Some suggestions were a power point that compares FTEs over time, Personnel costs over time as well as percentage of total expenses over a five-year period. Scott would also like to see projections for the next few years of costs to get individuals to appropriate positions in their wage range. Kitty noted that at least 50% of the board are already aware of the increased personnel request. She and Mac agreed to reach out to board members that have not previously been made aware through committee meetings prior to next week's board meeting. Additional materials will also be prepared along with approved minutes available on the Board page of the website. Mac moved that the proposed budget be approved for presentation to the full board for their approval. Scott and Peter seconded and the motion passed.

If needed to further discuss or amend the Proposed Budget, the next Finance Committee meeting will be on Tuesday, June 14, 2022 to be held jointly with the Development Committee via zoom.

With no further business, the meeting was adjourned at 5:45 p.m.

Respectfully submitted,
Lesley Olsen, Finance Director