

HUMANE SOCIETY OF HURON VALLEY
Minutes of Board of Directors Meeting
January 25, 2010

Present: Peter Fink, Mark Heusel (via phone), Diana Kern, Susan Kornfield, Jane Lumm, Robert Tetens, Mike Walsh. Teresa Welsh, Dennis Wojcik

Absent: Nancy Culotta, Del Dunbar, Anne Ferris, Diane Heidt

Others Present: Tanya Hilgendorf, Deb Kern, Jaci Nicols, Carolyn Raschke, Jenny Paillon, Merri Priddle

Bob Tetens called the Board of Directors meeting to order at 6:00 pm.

- Bob Tetens introduced new Board member, Susan Kornfield.
- Bob Tetens informed of Diane Heidt's letter of resignation from the Board.

Minutes Approved

- Jane Lumm motioned to approve the November 23, 2009 Board meeting minutes. Diana Kern supported. All approved.

Year End Statistics – presented by Merri Priddle

- Merri Priddle presented the 2009 year-end statistics and trends. 2009 averages improved from 2008 in many key areas; adoptions, euthanasia and fostering. Additionally, we are concentrating on our identified peak season (May-November) and off-peak months (December-April), as we see 40-50% more volume during peak. Historical trends showed intakes declining, yet leveling a bit from 2008 to 2009. Adoptions have seen significant increases over the last two years, which is attributable to programs, specials and increased marketing. Euthanasia is on a steady decline due to policies, programs and investment in mission. Fostered animals increased by 67% over 2008. Days of care, also referred to as length of stay, significantly increased. This is particularly due to the fostering increase as these historical trends combine in-shelter days with foster days of care. Our live release rate of 80% is HSHV's all time high and well above the national average.
- The Board is interested in additional analysis of length of stay. Merri Priddle stated that we now can do that analysis, since we implemented the Petpoint software in September of 2008. Prior to that, foster days and shelter days were difficult, if not impossible to distinguish. Management is continuing to review length of stay, particularly related to process efficiencies.
- The Board is also interested in intake reasons detailed by jurisdiction (city or township from which the animals came.)
- Mark Heusel asked if anomalies are identifiable and if those can be broken out. Merri Priddle stated, yes, recent specific situations, as in extended cruelty cases,

are identified and broken out as needed for management review. Historically, not identifiable.

Treasurer's Report – reported by Mike Walsh

- Our 2009 pre-audit year-end financial reports were reviewed. Revenue is 1% over budget (25% over 2008) and expenses are 3% under budget (17% over 2008). Our bottom line net income was about \$268,000, well over budget and particularly due to bequests.
- Operating balance sheet saw an increase in assets. Balance sheet remains healthy.
- Carolyn Raschke commented that we haven't completely finished construction. Mike Walsh advised that it is fine to combine operating and capital campaign financial reporting starting with January 2010.
- Carolyn Raschke clarified bequest funds are restricted while a receivable. Once received, the funds are not restricted unless specifically designated by the donor.
- Carolyn Raschke reminded the Board the financial reports are pre-audit.
- The separate capital campaign reports were reviewed. A few construction issues have eaten into our contingency, but not expected to go over. The balance sheet changes are primarily the paid construction costs.
- Jane Lumm reminded the Board of Del Dunbar's recommendation at the last meeting, that the remaining capital campaign money must be raised by year end 2012.

Teresa Welsh motioned to accept the Treasurer's Report. Peter Fink supported. All approved.

2010 Budget – reported by Mike Walsh

- The Finance Committee met and reviewed the proposed budget. They feel pretty good about it. It is aggressive on revenue, at a 25% increase from 2009. The breakeven Net Operating Income is also good. The 2010 budget was presented for questions and discussion.
- Jane Lumm questioned demand (for Clinic outpatient services) to support the budgeted 63% increase in revenue. Jenny Paillon, Director of Clinic Operations, stated this is pretty conservative as we have capacity for a 30% increase in scheduling and are also implementing scheduling efficiencies to better fit appointment needs to appropriate schedule slots. The demand is there, as in November and December of 2009, once in new facility, all available appointments were filled. Additionally, during the process of obtaining the Humane Alliance spay/neuter grant, we were required to do a thorough study of need in Washtenaw County. The Humane Alliance has a very proven program and formulas to conduct such studies. Mike Walsh added, the significant revenue increases will not continue year-to-year. And the Clinic has some room to adjust expense if planned revenue is not met.
- Jane Lumm stated the conservative budgeting for bequests was prudent.

- Bob Tetens questioned the timing of filling the new positions. Tanya Hilgendorf stated the shelter positions will be filled throughout the year as peak-season workload requires. The Clinic positions will be filled early, as they are tied to revenue generation now.
- Mike Walsh stated that as HSHV is a service organization, the bulk of expenses are staff and medical supplies. There is not a lot to nit-pick (in expense line items). From an operations standpoint, we are breakeven. Depreciation takes us to a bottom line loss. Cash flow is breakeven.
- Jane Lumm requested clarification on the potential 5% wage increase, as this seems overly generous in this economic climate. Carolyn Raschke reminded the Board we are still held to the County Living Wage Ordinance and with that anticipate annual increases to the living wage rates. The 2009 wage increases were up to 3.5%. The increase is flexible and based on merit, with an individual range of 0-5%. Our requirement to meet the County living wage minimum always requires a wage increase to our front-line staff. If only these increases were given and no merit increases were provided to supervisory and management staff, we would see compression in the wage structure with supervisory/management staff making a negligible amount more than front-line staff. Susan Kornfield commented that she had been reviewing 990 forms of many animal non-profits and there is a much greater salary range. Philosophically, she feels there is no up-side to paying the least we can get a way with paying.
- Jane Lumm asked what percent increase is budgeted for benefits. Carolyn Raschke stated we budgeted a 7% increase in premiums with the employee-paid share remaining at 15%. Tanya Hilgendorf clarified that we did not increase any benefit levels.
- Jane Lumm thanked for the prudence on staffing.
- Dennis Wojcik asked for clarification on the expert opinion referenced in facility and utility expense budget items. Carolyn Raschke stated the expert was Bob Martel.
- Diana Kern asked for clarification on the statement in the budget narrative of "...new standards by forging new relationships and participating on different stages." Tanya Hilgendorf stated new relationship like with Petsmart Charities, with whom we are working to obtain another Pit Bull spay/neuter grant. They are looking to select five communities in the country to participate in a partnership related to Pit Bull marketing and adoptions. Additionally, our Cruelty Department is working in conjunction with other agencies and law enforcement.
- Susan Kornfield asked for direction in pursuing a connection between HSHV and the U of M Student Animal Defense Fund. She is meeting with the group in a couple weeks and thought perhaps the student group could look at different aspects of the law that may be of particular help to HSHV. Diana Kern stated it would be great if Susan acted as liaison to gather information and Tanya Hilgendorf could give further direction or input to Susan. Dennis Wojcik stated that perhaps this relationship could help the capacity limitations at the County Prosecutor office.
- Mark Heusel asked if there is a typical turnaround time from charges brought to trial, for our HSHV cases. Tanya Hilgendorf stated they are all so different. It

depends on the court and judge, as well. Outstanding warrants, never arrested, never go to court, are common. Mark suggested a student program to shadow or be involved in prosecution work.

- Jane Lumm asked for clarification on the referenced change to the foster care program. Tanya Hilgendorf stated we are working on improvements to better recruit and train foster volunteers, better manage the program and volume, and there are some policy changes under consideration. Additionally, we want to reduce the length of stay in a foster home, once the animal is ready for adoption, through marketing.
- Peter Fink stated a concern to ensure we closely monitor expense to make sure we don't get too far ahead of revenue. If it isn't working, make necessary expense adjustments.
- Jane Lumm stated that staff has a great track record in managing budget.
- Diana Kern motioned to approve the 2010 budget as presented. Jane Lumm supported. All approved.
- All gave much thanks to Carolyn Raschke.

Convio Return on Investment – presented by Deb Kern

- Diana Kern asked is it working or not. Deb stated it is working and it is a good investment.
- Deb clarified the provided charts were created by Convio, at her request. They compare HSHV to other animal welfare organizations also using Convio. We are better than most and better than 2008. We will get quarterly comparisons, like these, from Convio.

Director's Report – presented by Tanya Hilgendorf

- HSHV Cruelty Department participated in cockfighting bust with several other agencies, including Michigan State Police, USDA, MDA, HSUS and MHS. Some of the birds were already euthanized. Another 100 or so are awaiting court order.
- Received first bequest of 2010 of approximately \$29,000.
- Selected new Shelter Shift Supervisor from among current staff. Her name is Jessi Kendro.
- As part of our Petsmart Charities Spay/Neuter Grant requirements 3 HSHV Clinic staff went to North Carolina for a week to learn new techniques in running a large scale S/N clinic and faster surgical procedures. Two staff from North Carolina came and spent last week HSHV to monitor implementation and teach other Clinic staff.
- Puppy and dog training classes in full swing
- Pricing is set for 2010 – will continue Free Feline Fridays and BOGO for adult cats
- HVAC problems still under investigation. Remaining problem with wells that were not dug deep enough. Responsibility for error being determined. Proposal to create 4 more wells at 400 ft. HSHV will not bear this cost.
- Deb has launched HSHV 365 Project with the staff. Each day an employee takes a picture and then tells a short story about "a day in the life" of HSHV. It

has been a wonderful and touching, sometimes funny, team builder. Some of these stories you will see in HSHV newsletters.

- Second January Rescue Waggin' transport cancelled due to parvovirus outbreaks in source shelters.
- Clinic has heard positive feedback about spay/neuter pit bull proposal (to Petsmart Charities) and that HSHV is being considered a model program used to train other communities.
- Brownie pre-trial set for 3/4/10. Brownie has been adopted by HSHV outreach volunteer who plans on training her to be a therapy dog.
- Niko's (a cruelty case dog that has been here since August) hearing will be February 4th and we are encouraging supporters to write the judge.
- Two groups have been assembled to address issues facing Michigan horses. One led by HSUS to discuss the problem. Another led by a volunteer coalition seeking to put on an adoption event for unwanted horses. The adoption event has moved tentatively to April. The group is having difficulty finding a venue.
- HSHV will be hosting a DART (Disaster Animal Response Team) training in the spring for HSUS.

Discussion:

- Tanya Hilgendorf elaborated on the HVAC issues; first is air exchange and smells; second is low heat function. Some air exchange changes have been made. A few short-term changes were made to the heat function and much research was done on the root cause. The priority issue now is the geothermal wells related heat function. The initial specifications were 350 feet deep wells. Only 300 feet deep wells were dug. The consensus, now, is we need four new wells dug to 400 feet. The depth of the wells has to do with the temperature. This is \$30,000-40,000 additional cost. HSHV is not paying cost. Architect or well engineers are paying cost. Bob Martel is still involved. Mark Heusel asked if retention was closed. Carolyn Raschke stated no, still some retention on sub-contractors. We stopped any payments for those particular project line items.
- Diana Kern asked about the decrease in volunteer hours on particular animal tasks of dog walker and cat comforter. Tanya Hilgendorf stated there was some decrease due to move and also we have recently made some changes to the volunteer program.
- Peter Fink asked about the horse venue. Tanya Hilgendorf clarified the need is for a very specific location for the adoption event/auction. The group is looking at MSU or the Manchester facility.
- Diana Kern had a question from the compassion fatigue article provided to the Board. Do we give time and consideration to staff related to/involved in euthanasia procedure? Tanya Hilgendorf stated, yes.
- Susan Kornfield asked about the 365-Project stories and getting those stories out ... who are recipients? Deb Kern stated most of the stories are not public. It is more of a team building project.

Dennis Wojcik motioned to accept the Director's Report. Mike Walsh supported. All approved.

Development Report – presented by Jaci Nicols

Jaci Nicols commented on the success of the holiday giving season. Processing is time consuming, yet fulfilling. Board “thank-you” to-dos in January; please get any questions to Jaci. Also, give any particular comment or question to Jaci for follow-up. Management staff routinely makes thank-you calls throughout the year. Development is working to promote and grow the Monthly Giving program on web and Ani-Mail. Walk and Wag planning is already beginning.

Teresa Welsh asked how we communicate with people who are not on internet, now without newspapers. Deb Kern stated we have commercials on Comcast and now do weekly spots on four different radio stations. We also have adoptable animals on Comcast’s Pets on Demand option. We still do some print ads in the Ann Arbor Journal.

Old Business

Bylaw Changes – presented by Mark Heusel

Mark Heusel briefly reviewed the major changes. Diana Kern motioned to approve the Bylaws. Mike Walsh supported. All approved.

New Business

2010 Meeting Schedule

Bob Tetens and Executive Committee propose returning to the monthly meeting schedule. Dennis Wojcik motioned to resume monthly meetings and approve the proposed meeting schedule. Jane Lumm supported. All approved.

HSHV Board of Directors Meeting Schedule - 2010

All Mondays, 6pm at HSHV Conference Room

January 25, 2010
February 22, 2010
March 22, 2010
April 26, 2010
May 24, 2010
June 28, 2010 – open meeting
July 26, 2010
August 23, 2010
September 27, 2010
October 25, 2010
November 22, 2010
December 27, 2010

Other Important Dates for 2010

Grand Opening Week – March 8th – 14th, with donor presentation on March 10th
Walk and Wag – Saturday May 22nd at County Farm Park

Golf Scramble – Friday September 24 at Pierce Lake Golf Course
Compassionate Feast – TBD ... early October

Bob Tetens suggested the Executive Committee take over the Personnel-Staff Development Committee as chair Diane Heidt resigned.

Teresa Welsh suggested the Board discuss a Board retreat and possible dates at the next Board meeting.

There being no other business, Dennis Wojcik motioned to adjourn the meeting. Mike Walsh supported. The meeting was adjourned at 8:10 pm. The next scheduled meeting of the Board is Monday February 22nd at 6:00 pm.