



**Board Meeting
June 16, 2022
6:30 PM**

MINUTES

1. **CALL TO ORDER AND ROLL CALL** – Chair Taverner called the meeting to order at 6:32 pm.
 - **Present:** Chair Nigel Taverner, Vice Chair Helen Galligan, Secretary Clyde Hinshelwood, Board Members: Larry Cappel, Larissa Cutler, Dennis Kneepfel, Rick Navarro, Steve Stielstra, Sheryl Young
 - **Also Present:** CEO Tracey Fecher, CFO Cheryl Fama, Community Engagement Director Bonnie Jue, Director of Development Maura LeBaron-Hsieh

2. **MISSION MOMENT** – CEO Fecher shared that COVID has taken a toll on the clinic. In addition to patient cancellations, many staff members have had to stay home due to symptoms and/or caring for their children with COVID, which in June resulted in a loss of three to four weeks of patient appointments. Other healthy staff members have stepped up to support when there were staff absences. Sonrisas staff are very committed to treating as many patients as possible.

3. **PUBLIC COMMENTS** – No public in attendance.

4. **APPROVAL OF MAY BOARD MINUTES**
 - *Vice Chair Galligan moved to approve the minutes for May 19, 2022. The motion was seconded by Secretary Hinshelwood and approved by roll call. Ayes: Nigel Taverner, Helen Galligan, Clyde Hinshelwood, Dennis Kneepfel, Steve Stielstra, Sheryl Young. Abstain: Larry Cappel, Larissa Cutler, Rick Navarro.*

5. **NEW BUSINESS**
 - **FY23 Capital and Operating Budget ACTION Requested** – CEO Fecher shared that Sonrisas is on track to exceed its FY22 financial targets. The budget was developed with input from the Leadership Team and a theme of the FY23 Operating Budget is investment in the Strategic Plan. The Capital Budget will cover new dental equipment needed due to the higher appointment volume as well as replacing aged dental equipment when needed.
 - Once defined, additional capital projects, such as having a new phone system and outreach data collection, will be presented to the Board for approval.
 - The vision for FY23 is geared mainly towards the growth of Sonrisas and preparing for the future.
 - To answer a board member's question about cash reserves and the Capital Budget, as of June 8, 2022, the cash position is \$1.7M. The Sonrisas Cash Reserves Policy calls for \$1M.
 - The budget includes the expansion of the FQHC contract to Coastside, beginning in October. The team is using the first quarter to prepare for implementation while establishing the referral process.

- The rise in inflation has been impacting supply expenses. If the rise continues, the budget includes an eight percent increase over the next year in dental supplies and an additional five percent in admin. There is a chance the effect of inflation could cause us to miss the budgeted net income.
 - A board member questioned how inflation will affect the business. **CEO Fecher** responded if there is additional capacity, the schedule can be filled up with FQHC patients and farmworkers, since FQHC patients are always in need of appointments and farmworkers provide our highest per visit income.
 - For FY22, Sonrisas is projecting 350 less patients visits than budgeted. There will not be any additional providers planned in FY23, but if another dental assistant were hired, San Mateo's hygienists would be able to see eight rather than seven patients per day.
 - Sonrisas has been looking for dental assistants and continues to have difficulty hiring for that position.
 - In FY22, there were 28 FTEs, including the Center Director and Billing Specialist before they left the organization. With the Billing Specialist position outsourced and the role of Center Director replaced by the Practice Manager position, the team chose to open positions for a Dental Assistant and a Development Associate. The budget also allows for an Outreach Care Coordinator position. The budgeted FTE for FY23 is 29.
 - Outreach goals are higher in FY23. There will be an increase in school screenings from 1,200 to 2,000 and, assuming we get a grant from Delta Dental, senior screenings will increase from 13 to 100. If we are denied the grant, the search for other funding opportunities will continue.
 - **Chair Taverner** asked **Dr. Jue** if the budget will be enough, in terms of increasing Outreach FTE from 1.5 to 2.3. **Dr. Jue** responded that she worked closely with **CEO Fecher** to calculate hours of contribution from staff and volunteers. As of now, that number is just right, leaving room for growth once Sonrisas receives more funding for the department.
 - With the increase in fundraising grants, \$202,000 of \$330,000 is already secured; \$85,000 will be used for building out an operatory. In addition, a new grant from The Woodlawn Foundation, ranging from \$50K-\$100K, is anticipated.
 - **CEO Fecher** shared that, with the currently planned capital expenses, the budget has a \$31,000 positive cash flow, with a net negative income of \$50,000. If there is bandwidth, beneficial projects will be presented to the Board throughout the year.
- **Director Cappel** moved to approve the FY 23 Capital and Operating Budget. The motion was seconded by **Director Young** and approved by roll call. Ayes: **Nigel Taverner, Helen Galligan, Clyde Hinshelwood, Larry Cappel, Larissa Cutler, Dennis Kneappel, Rick Navarro, Steve Stielstra, Sheryl Young.**

6. Strategic Plan Approval ACTION Requested –

- **Board Member Stielstra** asked how the work will be monitored using Mission Met: the website includes tools to track each teams' progress towards their goals.
- **Chair Taverner** and **CEO Fecher** will provide quarterly updates to the Board.
- **Vice Chair Galligan** moved to approve the Strategic Plan. The motion was seconded by **Director Navarro** and was approved by roll call. Ayes: **Nigel Taverner, Helen Galligan, Clyde Hinshelwood, Larry Cappel, Larissa Cutler, Dennis Kneappel, Rick Navarro, Steve Stielstra, Sheryl Young.**

7. **Employee FY22 Retention Bonus ACTION Requested** – As suggested by the Leadership Team, **CEO Fecher** shared that FY22 was a strong year financially helped by a \$131,000 check from the IRS as ERC credits was received. Without our staff, Sonrisas would not be able to deliver our mission. Recognizing the importance of teamwork and to match dental office culture, the management team felt that giving bonuses to employees based on the amount of time worked in FY22 would be more than justified for the Sonrisas team. For such bonuses, **CEO Fecher** recommended a pool of \$40,000 or \$60,000 distributed equally to full-time employees, who worked the whole year, then prorated for part-time employees and those who joined during the year. For example, an employee who works 0.6 FTE will be given sixty percent of the amount and a full-time employee, who joined six months ago, will receive half the amount.
- If the pool was approved for \$40K, 1 FTE will receive a bonus of \$1840, whereas if \$60K was approved, the bonus will be \$2760.
 - **Director Kneappel** questioned whether there were any concerns on if the current salaries are competitive or where they should be adjusted. **CEO Fecher** replied that our outsourced HR conducts a salary survey in multiple locations every May and it was determined that our pay rates are right in the middle. Because of the recent trend of jumping jobs to escalate their salaries, the budget has provision for increases to market rate before considering the percentage for merit pool increase.
 - **Director Cappel** concluded the proposed \$60K is half the ERP credits received and giving bonuses will end up saving money in the long run as this is an efficient way of distributing money during a financially good year.
 - **Director Navarro** added giving bonuses is not unreasonable, as they can be adjusted to reflect future economic occurrences, resulting in long-term flexibility.
 - **Director Stielstra** affirmed the structure of the bonus since it is based on staff members' presence during FY22, rather than overall performance.
 - **Chair Taverner** asked what the expected surplus, at the end of the year, would be.
 - **CEO Fecher** responded the surplus would be \$380K, with a cash flow of \$293K (see slide 11).
 - **Director Cappel** moved to approve the Employee Retention Bonus from a pool of \$60,000. The motion was seconded by **Director Navarro** and approved by roll call. Ayes: **Nigel Taverner, Helen Galligan, Clyde Hinshelwood, Larry Cappel, Larissa Cutler, Dennis Kneappel, Rick Navarro, Steve Stielstra, Sheryl Young.**
8. **Board Resolution to Continue Virtual Meetings ACTION Requested**
- **Director Navarro** proposed that the August 18th board meeting take place virtually. The motion was seconded by **Vice Chair Galligan** and approved by roll call. Ayes: **Nigel Taverner, Helen Galligan, Clyde Hinshelwood, Larry Cappel, Larissa Cutler, Dennis Kneappel, Rick Navarro, Steve Stielstra, Sheryl Young.**
9. **OLD BUSINESS**
- **Cooking for a Cause September 2022 Update** – With the aid of The Arora Collective, the Development Committee confirmed good progress in terms of having the event landing page on Sonrisas' website live, finalizing artwork, emailing the donor database contact list "Save the Date" links and the onset of personal invitation lists in the following week.
 - The Board was asked to finalize their personal guest list, help procure auction items and decide on how they will fill their table, if sponsoring or hosting a table.
 - Supervisor Don Horsley has agreed to be Sonrisas' honoree, requesting that no money be spent creating a plaque in his honor or a bouquet of flowers, but instead, be used towards providing more screenings for kids.

- **Stanford Graduate School of Business Nonprofit Executive Program Report** – CEO Fecher thanked the Board for the opportunity to participate in this program, and shared her experience of staying on campus, immersed in a learning environment with 63 other nonprofit organization leaders from across the world. She now has 63 people she can reach out to for advice and sharing of experiences. Each professor during the week had relevant information that could be applied to Sonrisas. She liked the pre-mortems and confirmation that the power of stories is a crux to nonprofit businesses (22 times more likely to be remembered than data). CEO Fecher stressed the importance of providing a library of impactful stories, since they are as pivotal as gathering data.
- **FQHC Contract Update** – Nothing to Report

10. REPORTS

- **CEO Report** – No questions or comments
- **CFO Report** – No questions or comments
- **Fundraising Report** – No questions or comments
- **Outreach Report** – No questions or comments
- **Board Nomination Committee** – No questions or comments
- **Board Member Young** stated that the reports are great; the reason why there are no comments or questions is because they are so informative. She congratulates Tracey and the staff and thanks them.

11. SUGGESTED AGENDA ITEMS FOR NEXT MEETING

- Progress on Cooking for a Cause including Event details
- Strategic Plan Update
- Progress on Partnerships (Sequoia, Puente, FQHC expansion etc)

12. **ADJOURN** – The meeting was adjourned at **7:44 pm**.

Written by
Veronica Le

Approved by

Nigel Taverner, Board Chair