

## 2020 Staff Bonus Considerations

**BACKGROUND:** In January 2021, the Board approved a bonus payout to staff of \$15000 for the sacrifices and effort in the pandemic year of 2020 that, in part, resulted in positive financial results for WWA. But that payout was deferred until June due to the financial uncertainties associated with the continuing pandemic. This document considers previous board guidance on staff bonus structures (from 2016), and projects 2021 financial results to address board concerns with future financial results if the bonus was to be paid out. It concludes that WWA financial performance in 2020, and projected results in 2021 support paying out the budgeted staff bonus in June. Further, the ED makes specific recommendations for specific staff bonus payout.

### **2016 BOARD GUIDANCE FOR STAFF BONUS PAYOUT**

in August of 2016, the board developed and approved a bonus plan that structured any staff bonus payouts

There are four key components of that guidance:

- (1) Minimum WWA net income must be \$5000 or higher, and there will be no payout on that first \$5000
- (2) No more than 50% of the net income above that \$5000 threshold shall be paid out in bonuses
- (3) Maximum bonus per person would be 20% of the individual's base salary
- (4) Board of Directors approval for bonus payout is required

### **APPLYING THE 2016 BOARD GUIDANCE**

In 2020, WWA had a Net Income of	\$ 87,691
So the maximum payout under rules (1) and (2) would be ...	\$ 41,346
But in applying rule (3): bonus total <= 20% staff base salary, max payout would be ...	\$ 19,608
In January of 2020, the board budgeted for a bonus amount of <u>less</u> than that. ...	<u>\$ 15,000</u>
... so the approved 2020 bonus amount is consistent with all earlier Board policy, and would yield an adjusted Net Income for 2020 after bonus payout of ...	\$ 72,691

### **PROJECTING 2021 FINANCIAL RESULTS**

But given the uncertainties of the pandemic as we entered 2021, the bonus payout was deferred until June of 2021. To address this uncertainty, we should project financials to year end, which can only be roughly estimated by the following:

- Our approved FY 2021 budget shows an budgeted Net Income of ...	\$ 10,143
- And April 2021 financials show WWA currently ahead of budget ...	\$ 43,525
- In addition, we are scheduled to hold more events /Class As than budgeted ...	\$ 10,000 estimate
There are other unbudgeted grant expectations that will add to revenue	\$ 5,000 estimate
- And an unbudgeted second PPP draw was obtained with 2021 forgiveness expected....	\$ 25,192
- But expenses projected to grow also: ED salary (\$15K) and HRP AP Payoff (\$30K)	<u>\$ (45,000) estimate</u>
So in total, FY2021 financial projections DO support payout of the approved staff bonus, with year end Net Income projected as a positive figure ...	\$ 48,860

### **CALCULATING STAFF BONUSES AND ED RECOMMENDATION**

2016 Board guidance limits any staff bonus payout to 20% of salary, which would be....	Maximum per 2016 guidance	Board budgeted amount	ED recommended amount
Boettcher	\$ 6,907	\$ 5,284	\$ 8,000
Seibert	\$ 2,206	\$ 1,688	\$ 3,500
Monette	\$ 4,417	\$ 3,379	\$ 3,500
<u>Ross</u>	<u>\$ 6,077</u>	<u>\$ 4,649</u>	<u>\$ -</u>
	\$ 19,608	\$ 15,000	\$ 15,000

### **ED recommended amount is based on following considerations**

- In 2020, salaries were a moving target, as compensation was adjusted and some staff went to part time to address revenue concerns resulting from the pandemic. The year end salary amounts therefore should NOT be used to limit / guide bonus considerations.
- In 2020, the RD position was in transition, first to a failed hire, then to Rob Monette. Throughout the year, Tom Seibert adjusted effort/hours to accommodate the changing need, without compensation consideration.
- In 2020, Rob Monette, volunteered, then came on staff part-time to assist in the RD transition, first during a failed hire, then as needed to collaborate with Seibert, then as full-time RD
- In 2021, ED pay was raised nearly \$20K, annualized. Although still below hiring level, he is satisfied with that adjustment for now.
- in 2020 and 2021, Kelcy has elevated her already high game and took on additional responsibilities needed to help us through the pandemic, and to allow ED to focus on important WWA opportunities.