

Addendum

WEA Board Meeting October 30th 2021

Budget Advisory Committee Observations

Purpose of meeting with the board

- Share information that may be helpful to the board as they move into 2022
- Inform the board of BAC's efforts to develop, recommend, and present a reasonable but responsible 2022 budget

Macro-economic impacts are at work on WEVD budget

- The ongoing labor shortage continues to be experienced which can and may impact our ability to operate our businesses
 - Limited staffing could affect the delivery of public services such as snow plowing, hours of operation or the extent of our offerings
 - Inadequate staff and turnover can negatively impact essential training associated with onboarding of employees, reducing the ability to engage high quality workers and properly service our community and client base
- Wages to attract quality employee candidates have been rapidly increasing with starting hourly wages ranging from \$16 to \$24 per hour. Depending upon the position being filled, wages can be expected to increase anywhere from 50% to 100% over what has been traditionally paid. CW average was +4.6%
- Benefit costs are seen as rising, adding to the cost of our employee force. Other industries have experienced the need to offer extensive benefits to employees working as few as 24 hours per week.
- Material costs have been seen increasing 12% to 15% depending upon the nature of the items purchased. Full-service restaurants have experienced an average +4.7% increase in their food supply costs. The cost of fuel has increased near 50% compared to this time last year which will translate to higher shipping and end product costs.
- Supply continues to be a problem and is especially challenging in the food services industry. Vehicle and equipment repair parts can have an extensive waiting period before they are received if they are available at all. Competition for parts is fierce with large operations wielding the competitive edge. There is little reason to think other essential materials will not experience a similar level of shortage. WEVD purchases a myriad of products used in our operation. Savvy pre-buying or locking in supply, is a method used by large companies and requires specialized skills to do successfully.
- Revenues to cover the increased cost of our operations will be limited to what the community is willing to pay. Fortunately, WEA will experience a predetermined increase in annual dues and has the flexibility to be preemptive on prices charged in other areas under their control.