



*FY2016  
Melwood  
Annual Report*

### ***Vision***

A world where people with differing abilities are fully included.

### ***Mission***

Melwood advocates for and empowers individuals of differing abilities to transform their own lives through unique opportunities to work and play in the community.

### ***Core Services***

We provide employment, job training, life skills improvement, supportive and recreational services.

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## President & CEO

*Cari DeSantis*

## Board of Directors

### *Chair*

George Watkins

### *Vice Chair*

Tracy Wareing Evans

### *Treasurer*

Steve Martin

### *Board Members*

Sharon Camp, PhD

Divina Gamble

Joseph C. Green, Jr.

Don Hathway

Darrell McGraw

Glenn Miller

Antonio Tolliver

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## *A Message from the Board Chair*

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Long ago, Melwood was a pioneer in the innovative business model called social entrepreneurship – nonprofit organizations with a ‘double bottom-line’ that deliver on their mission and generate revenues to support that mission. As social entrepreneurs, we continue to innovate and advocate to enhance our social impact and transform the lives of people with differing abilities. Our Board of Directors is dedicated to furthering the Melwood mission by providing strategic direction, supporting organizational growth, engaging donors, and being a vocal champion for the people Melwood serves.

To do that, we continue to make major investments in people, processes, and systems to modernize our operations and build a solid platform for continued growth in the 21st century. Through employment opportunities, supportive services, or recreation programs, Melwood will continue to pioneer innovation and advocacy toward inclusion for people with differing abilities.

As Chair of the Board, I applaud Melwood’s leadership for taking the lead on the tough challenges during this changing time in our field, for investing in the sound business practices and systems that make us better at serving our constituents, and for championing, through word and action, our vision of a world where people with differing abilities are fully included.

I appreciate and celebrate the people we serve for their work, dedication, and passion for Melwood. On behalf of the Melwood Board of Directors, staff, volunteers, and the thousands of individuals of differing abilities that we serve, thank you for making such a significant difference for so many.

George W. Watkins, CPA  
*Chair, Board of Directors*

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# *A Message from the President & CEO*

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I am honored to stand at the helm of this dynamic organization that believes in a world where people with differing abilities are fully included in the workplace and in our communities. Every day, I witness the incredible skills and talents of the people we serve and the unwavering dedication of the Melwood staff working alongside and supporting them. Through our commitment to outstanding customer service and performance excellence, Melwood's workforce proves every day that we are "Perfect for the Job."

I proudly present the Annual Report for Fiscal Year 2016 which details another remarkable period of growth for Melwood and of success for the people we serve. This year, we increased the number of people served and now employ over 800 individuals with differing abilities on our federal, state, and commercial contracts as well as in our own Melwood facilities. We also received national media attention for Operation: Tohidu®, our healing retreat program for veterans struggling with post-traumatic stress and mild traumatic brain injury. Perhaps most gratifying, was the honor Melwood received when a generous donor bequeathed a major gift in recognition of our work, particularly our work with wounded warriors.

I am also especially proud that this year we took the extraordinary step of eliminating use of the Fair Labor Standards Act Section 14(c). We long ago eliminated use of subminimum wages for our workers with differing abilities. By relinquishing our 14(c) certificate in early 2016, we further eliminated commensurate wages based on productivity and clearly demonstrated our commitment to inclusion and equity in the American workforce. This action raises the bar in the field of employment for people with differing abilities, and we are proud to do so.

Please take a moment to read through our Annual Report for FY2016 and learn about all the great work we are doing. None of these accomplishments would be possible without the unwavering trust and support of you, our partners, donors, and employees. You make it possible for Melwood to create a lasting social impact and, to that, we say Thank You!

Cari DeSantis  
*President & CEO*



## EMPLOYMENT & CONTRACT SERVICES

*At Melwood, we've built a reputation around delivering the highest quality service to our customers and the greatest range of work opportunities for people with differing abilities. Our staff and the workforce consistently win local and national awards for performance excellence in service contract management and operations. In 2016, we've continued to make great strides toward a fully-inclusive work environment by successfully eliminating our use of Section 14(c) of the Fair Labor Standards Act which prevented persons with differing abilities from receiving equitable pay.*

# Innovation

## Section 14(c) of the Fair Labor Standards Act

As one of the largest employers of people with differing abilities in the Washington, D.C. area, it was critical that Melwood took a stand against Section 14(c) of the Fair Labor Standards Act in 2016. This clause allows employers to pay workers below minimum wage for those whose earning or productive capacity is impaired by a physical, developmental, cognitive, mental, or age-related disability. Not only does this go against the principles of civil rights and the Americans with Disabilities Act, it's counter to our overall vision.

While supporters of Section 14(c) suggest that eliminating this practice could negatively impact workers with differing abilities and result in the closure of sheltered workshops and other employment opportunities, our approach over the past three years indicates that better technology, and new training and work distribution strategies will offset any harmful effects from eliminating Section 14(c).

Melwood was proud to lead this initiative. We always aim to lead by example and remain at the forefront of ending pay discrimination for workers with differing abilities.



## Jobs Data

### Total number of new job placements

People with differing abilities in FY 16



Custodial

94



Landscaping

22



Total Facility Management

4



Recycling

4



Human Resources

1

### Total number of Melwood employees who live in:

As of FY 16



Maryland

936



Prince George's County

531



Washington, D.C.

216



Virginia

40



Different States

4

# Custodial

The Melwood custodial services group is anchored by an experienced team of operations managers who support every account directly to ensure outstanding customer satisfaction. In 2016, our custodial operations achieved two critical certifications that highlight our strengths in both documenting and delivering these services.

Members of the Melwood staff achieved the Registered Building Service Manager credential this year,

which requires intense coursework and culminates in an 800-question exam to deliver excellence in building service contracting management. This comprehensive training program educated our staff on a variety of topics related to quality control, chemicals and chemistry, safety, green cleaning, security, and customer relations. Holding this credential displays Melwood's expertise in the key management areas to our market area.



## Additional Highlights

1

The color-coded service delivery model remains the most unique delivery system in this market. In fact, the Melwood training manual has been requested by many other organizations.

*The color coded model eliminates the guesswork in the custodial delivery model by having color keys indicating which cleaning cloth, chemical, and process is to be used for each custodial task. This eliminates contamination. Every custodian is trained in the use of the color-coded delivery model.*

2

Our quality level remains consistent at a 92–95 compliance level, and our quality assurance model has helped improve our overall scores.

3

Melwood is in the process of folding custodial units into its Total Facility Management operations at several sites to streamline work and deliver a more complete product.

4

Overall, 2016 had high quality numbers and our custodial operations had a revenue surplus exceeding \$10 million annually.

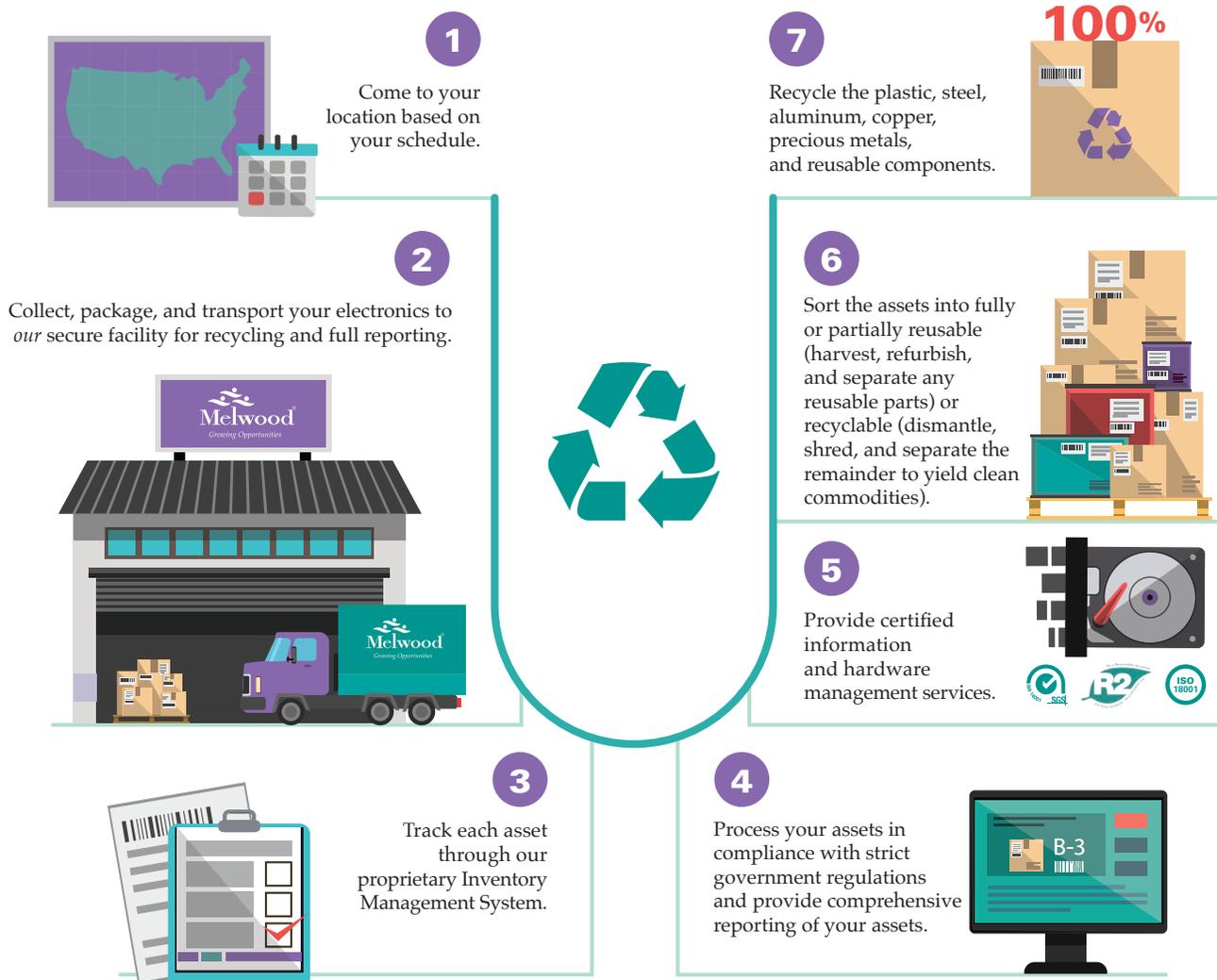
# e-Recycling

The Melwood Electronics Recycling team continued its partnership with eWorks, a national program that provides electronics recycling and refurbishment services in compliance with federal, state, and local regulations under the national responsible recycling standards.

Melwood provides a Certificate of Recycling and a Certificate of Destruction for all assets processed. This verifies that services were performed in accordance with the client's expectations and in compliance with local standards and laws.

Our core services include auditing, baling, collecting, consolidating, data destruction, dismantling, testing, and shredding.

## *Expect the following when you use Melwood to recycle your electronic assets*



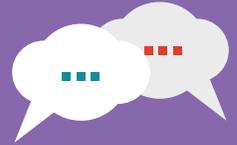
# Call Center Services

The Melwood Call Center continues to evolve since its establishment in 1998. Our systems are scalable, so we have been able to extend services to more than 500 partnering non-profit groups across the country. With the

leadership of our experienced staff, we were able to efficiently manage operations and adjust service to meet the ever-changing, short- or long-term service requirements.



## Call Center's Capabilities



Multiple pathways for callers to interact with the customer service representatives



Real-time performance monitoring from supervisors and contractors



Multiple forms of media inquiries such as landline, mobile, email, chat, SMS, webpage, and social media



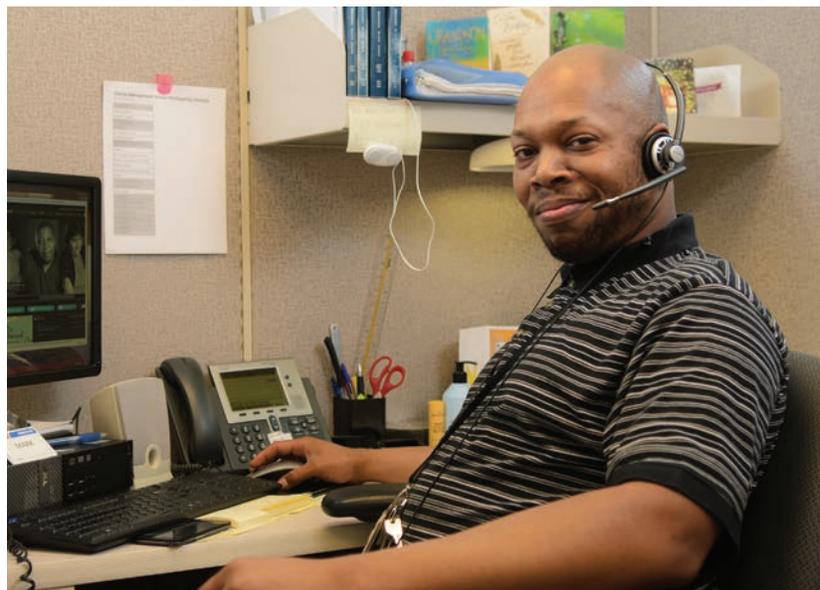
Full visibility and real-time monitoring of the call center operations for the supervisors

# Charity Vehicle Donations



For more than a dozen years, Melwood's Charity Vehicle Donation Management Service has been one of the most successful vehicle donation programs on the east coast, processing more than 200,000 donated vehicles.

In 2016, we delivered this service to charities across the country such as Susan G. Komen for the Cure and its 85 affiliates, 128 regional programs under the Meals on Wheels Association of America umbrella, more than 225 chapters of The Arc, United Cerebral Palsy's more than 100 affiliates, and many others.



# Landscaping



Throughout 2016, our landscaping team demonstrated great commitment to making the greater Washington metro area beautiful. They did so by maintaining 6,000 acres, growing more than 8,000 plants in our Garden Center for federal customers, and supplying several of our prestigious contract sites with additional plants cultivated in Melwood greenhouses.

In January 2016, when hit with a historic blizzard, Melwood landscaping crews helped our customers open for business on time and safely. That meant some crews remained on site with their clients – in some cases up to a week – to ensure our customers could remain open.



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# Recycling

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Designed to reduce the National Capital Region's waste stream, prevent pollution, and conserve material resources, Melwood's recycling program continued to serve a number of highly secured federal sites in 2016.

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***By the end of FY 2016, Melwood recycled over 1,400 tons of materials that included cans, bottles, glass, cardboard, toner cartridges, pallets, books, metals, and mixed, white, and shredded paper. The total revenue generated was nearly \$180,000.***

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A few of the facilities that take part in Melwood's recycling program include the Washington Navy Yard, Naval Support Facilities Arlington, Naval Support Facilities Carderock, Joint Base Anacostia-Bolling, the US Naval Observatory, Marine Corp Base Quantico, Naval Air Station Patuxent River, the US Naval Academy, and the Naval Research Lab.



# Total Facility Management

Melwood has three Total Facility Management (TFM) contracts that cover more than 6 million square feet of space and 700 acres of land. Often selected as the Vendor of Choice, we provide a range of services in the traditional building operations and maintenance category such as HVAC, electrical, plumbing, and carpentry, as well as our traditional custodial and roads and grounds services.

Melwood's Fort Meade team works to provide support services for the employees, family members, and retirees who frequent the installation. Our diverse team of 120 employees, including many subcontractors and vendors, performs a wide range of services across Fort Meade which includes 210 facilities containing 4 million square feet of office and commercial space.



*Our largest and most complex project is Fort George G. Meade, an Army installation consisting of 52,000 employees and 115 partner organizations.*

Fort Meade is Maryland's largest employer and represents the third-largest workforce of any Army post in the U.S. According to its website, Fort Meade has more than 100,000 people seeking the services that Fort Meade offers.



## Additional Highlights

1

In the 2016 fiscal year, the Operations and Maintenance team successfully received, processed, and responded to more than 9,000 maintenance orders. There was also an increase of 3,000 in preventive maintenance orders.

2

The Roads, Grounds, and Recycling teams provided services for 775 acres of grounds, 330 acres of pavement, 74 miles of sidewalk, and 50 miles of fence line. They also collected more than 550 tons of recyclable material.

3

The on-site Business Operations department, with the assistance of all functional area managers, processed more than 154 invoices to the government last year, totaling an estimated \$20 million.

4

The Engineering team continued to work hand-in-hand with government staff, as well as Melwood procurement to award and execute minor construction work.

# Fort Meade Profile

Melwood's vision is a world where people with differing abilities are fully included. We take that to heart. No matter what your title or position in the organization, it's everyone's responsibility to do their part to make that vision a reality. Sometimes it's easy to say, but actions are what counts.

James Wunderler,  
Project Manager, Fort Meade

At Fort Meade, it is Melwood's Janitorial Team whose actions speak volumes. Clare Roach, Lorenzo Thompson, Robert Brooks, and Charles Richardson have been tirelessly supporting the Fort Meade team since the contract started in 2012.

As part of the Melwood Community Services program, Janitorial Supervisor, Barbara Robinson, picks her team members up from their homes each day and takes them

to Fort Meade. Once on site, they work in several Melwood-occupied facilities cleaning, straightening up, emptying wastebaskets, and mopping the floors. At least one day a week, they work in the recycling center helping to sort bottles and materials for processing. The team is always willing and eager to help. They are truly valued members of the Fort Meade team.

*We are more like a family,* said Ms. Robinson.

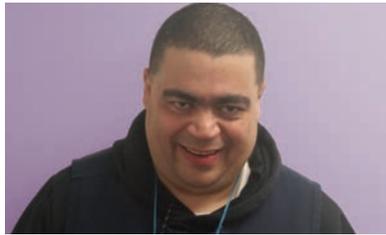
## Individual Profiles



### Barbara Robinson

Years with Melwood: 5+ years

Prior to joining Melwood in 2012, Barbara spent over 6 years working with senior citizens at Wingate Senior Apartments in Washington, D.C.



### Clare Roach

Years with Melwood: 10+ years, last 5 years at Fort Meade

When not working, Clare enjoys writing letters and listening to 70's and 80's music.



### Lorenzo Thompson

Years with Melwood: 10+ years, last 5 years at Fort Meade

When not working, Lorenzo is a die-hard Redskins fan and enjoys spending time with his family.



### Robert Brooks

Years with Melwood: 13+ years, last 5 years at Fort Meade

Robert enjoys listening to music, reading, and going to church with his family.



### Charles Richardson

Years with Melwood: 16+ years, last 5 years at Fort Meade

Charles enjoys watching movies, playing video games, reading, and going to church with family.



## PROGRAMS & SERVICES

# *Innovation*

*At Melwood, we're dedicated to enriching our communities and do so by supporting more than 1,200 children, youth, and adults with differing abilities to work and play where and how they choose. In 2016 alone, we helped 330 people receive Community-Based Services — everything from recreational programs and travel experiences to camps and much more.*

# Community-Based Services



*Melwood's Community Support Services (CSS) continues to empower individuals to gain life skills and independence through individualized programming.*

**Personal Support Services** provide the support adults and children with differing abilities need to either remain at home with their family or succeed independently, living in their own apartment or home. Melwood is proud to help **115 individuals** across all CSS programs.

**Community Connections** provide quality day rehabilitation services in integrated community settings for **15 individuals** who want alternatives to facility-based support. Community integration is realized through volunteering, self-determination and self-advocacy training, continuing education, employment, and participation in other community functions like arts, health education, and exercise.

**Traditional Day programs** support **188 people** including eight Transitioning Youth brought into the program in 2016. Our Traditional Day programs have established partnerships with outside vendors to deepen our community integration. These new partners include:

- **The Dance Place:** A dance studio where individuals can learn progressive movement and strengthen those skills into a performance.
- **Healthy Kinder including Crossroads Health and Wellness**

**and Nike Health and Wellness:** With help from a nutritionist or doctor, participants learn health and wellness skills monthly and participate in recreational activities, as well as cook healthy meals and snacks.

- **Body Shapers:** In this recreational program, participants exercise through dance and movement.
- **MGM National Harbor:** As the new resort prepared to launch, five of our day program participants were hired as greenhouse laborers within the garden center to support the new property.

We're also in the process of finalizing relationships with the University of Maryland Extension Master Gardener program in Clinton, MD, and the Jug Bay Wetlands Sanctuary in Lothian, MD.

**The Community Employment program** helps connect people with differing abilities to employment opportunities in integrated work settings. Instead of trying to mold individuals into perfect workers through extensive pre-vocational assessments and training, individuals in this program are offered the support necessary to find and retain jobs that capitalize on their personal strengths and motivation. In FY16, Melwood assisted **252 people in DORS and DIFS, and 175 in DDA.**

## Additional Community Services Highlights

1

Created a new Work Experience site by partnering with our Transportation department. A team of four Work Experience Group clients, along with a Retention Counselor, are now responsible for maintaining the cleanliness of the Melwood Transportation fleet.

2

A few of our clients and staff participated in the Prince George's Provider Council Annual Employment Awards Breakfast. This event acknowledges employers and businesses demonstrating a significant commitment to the hiring and career advancement of Individuals with Intellectual and Developmental Disabilities in Prince George's County.

3

One of our clients, Sarah Cacciaglia, was recognized at the Maryland Works Employment Luncheon for her success working at Lowe's® for several years.

# Recreation

*A key component to the fulfillment of our mission is the support we provide to children, youth, and adults of all abilities through enriching, recreational activities. With our lodge-style cabins, challenge courses, almost 10 miles of hiking trails, aquatic and equestrian facilities, and a variety of meeting spaces, all set in a serene natural environment, the Melwood Recreation Center is a versatile location that can accommodate a wide range of events.*



## Ride

Melwood is proud to offer the **Equestrian Program**, designed for riders with and without differing abilities. When they're not receiving individualized riding lessons, our riders are strengthening their understanding of how to care for horses and the importance of safety.



## Travel

For more than 40 years, Melwood's **Access Adventures** has provided fun and relaxation through our well-planned vacations for people with differing abilities. We focus on small group, community-based vacation offerings to people who may not otherwise have the opportunity to enjoy a travel experience.

In 2016, our program served more than 300 adults with differing abilities, providing services on 25 unique trips to destinations such as Atlantic City and Cape May in NJ, Virginia Beach, Hershey Park in PA, Disney World, and Las Vegas.



# Recreation



## Camp

Since 1998, Melwood's **Camp Accomplish** has provided quality, inclusive camping experiences for campers of all ability levels in day and residential camp settings. Campers between the ages of 5 and 18 receive individualized support from trained counselors and program staff with a focus on ensuring each camper feels valued and successful in a challenging but safe environment.

In 2016, Camp Accomplish served 275 individuals with differing abilities over 55 summer camp sessions. Our diverse summer staff — which included members from Australia, South Africa, Mexico, Ireland, and the UK — provided more than 600 supportive services and delivered specialty services like equestrian and adventure camps.



## Retreat

Melwood's wooded 108-acre property offers the perfect country setting for any event. For nearly 30 years, the **Retreat and Recreation Center** has hosted memorable events for groups of all kinds and sizes. With versatile accommodations, customizable food service, individualized team-building opportunities, and reasonable prices, the center meets the needs of groups large and small for single-day events and up to multiple-week stays. In 2016, we completed 38 day or overnight group rentals of the property.

In FY16, Melwood held a number of **Operation: Tohidu®** retreats to help our heroes heal. To continue our efforts to better serve our veterans, the decision was made to focus and build upon the retreats that have become a foundational and fundamental service.

# Donor Engagement

In 2016, Melwood received donations from more than 4,980 supporters of our mission. This generous community support makes it possible for Melwood to offer customized opportunities for people with differing abilities. Our supporters come through for Melwood in many ways including:

- Financial donations
- Investment-related assets
- Planned giving
- Non-monetary gifts
- Corporate & foundation grants

We are sincerely grateful to these dedicated donors who believe in our vision and mission, and help us deliver on the Melwood promise to create a world where people with differing abilities are fully included.



## Our Donors



*Car Donors*  
**4,569**



*Financial Donors*  
**350**



*Corporate Donors*  
**61**

## 4,980 Total Supporters

*Melwood is truly grateful to our family of supporters who invest in our vision of a fully-inclusive world. We could not accomplish our goals without the support, involvement, and enthusiasm of our committed donors.*

[www.melwood.org/donate](http://www.melwood.org/donate)

# Donor Engagement

## Kolls Donation Spotlight

In Spring 2016, Melwood received a generous donation from the estate of Peter M. Kolls and his wife, Geraldine "Gerry" Schaeffer Kolls, MD.

*"The gift is one of the largest that Melwood has ever received, Melwood President and CEO, Cari DeSantis, said. "The fact that they stipulated the use of the gift for programs and services for veterans in the greater Washington, D.C. metropolitan area, could not be more timely and needed."*

In addition to supporting our Veterans Services Division, the Kolls donation will also help sustain *Operation: Tohidu*<sup>®</sup>, the new and growing program taking aim at giving veterans the tools and support they need to overcome deployment-related challenges such as post-traumatic stress disorder, so they can reintegrate into their homes and communities.

The Melwood Board of Directors has also committed \$1 million from the Kolls bequest to establish a matching gift program to strengthen and sustain our veterans services work. For each dollar donated from the public between July 1, 2016 and June 30, 2017, a dollar from the Kolls fund will be invested in the program.

*"The generosity of Peter Kolls and Geraldine "Gerry" Schaeffer Kolls, MD will help Melwood improve the lives of so many more people, especially our nation's warfighters and their families. The significance of their gift is profound, and its impact will last for many years," DeSantis said. "What a wonderful legacy."*

*There's More Than One Way to Give*



Melwood Fund Development  
(301) 599-4523

Vehicle Donations  
1-877-MELWOOD

Text Melwood to 41444  
to support opportunities for  
individuals with differing abilities

View all the ways you can  
help Melwood by visiting:  
[melwood.org/donate/waystogive](http://melwood.org/donate/waystogive)



*Pictured from left: Denise Chalmers, SMECO Senior Buyer; Natalie Cotton, SMECO Community & Public Affairs Director; Austin J. Slater, Jr., SMECO President and CEO; Cari DeSantis, Melwood President & CEO; Walt Gillette, Director of Development, Melwood Veterans Services.*

## SMECO Donation through the Bike Ride & Golf Tournament

In 2016, Southern Maryland Electric Cooperative (SMECO) employees held two fundraising events and donated the proceeds to Melwood's *Operation: Tohidu*<sup>®</sup>. The events, the SMECO 75 Bike Ride and the SMECO Annual Charity Golf Outing, raised a total of \$53,475.95 and were supported by a group of volunteers, vendors, and the SMECO executive team. In December, SMECO representatives presented Melwood's President & CEO, Cari DeSantis, with this very generous donation.

*Thank you, SMECO, for your collaborative and generous efforts to help raise funds for *Operation: Tohidu*<sup>®</sup>.*

# Financial Report

We ended Fiscal Year 2016 with a record revenue and the strongest balance sheet in the history of the organization. Most importantly, our financial results led to the employment and support of even more individuals with differing abilities. Our surplus continues to be utilized to explore new and innovative initiatives that ultimately increase the number of individuals

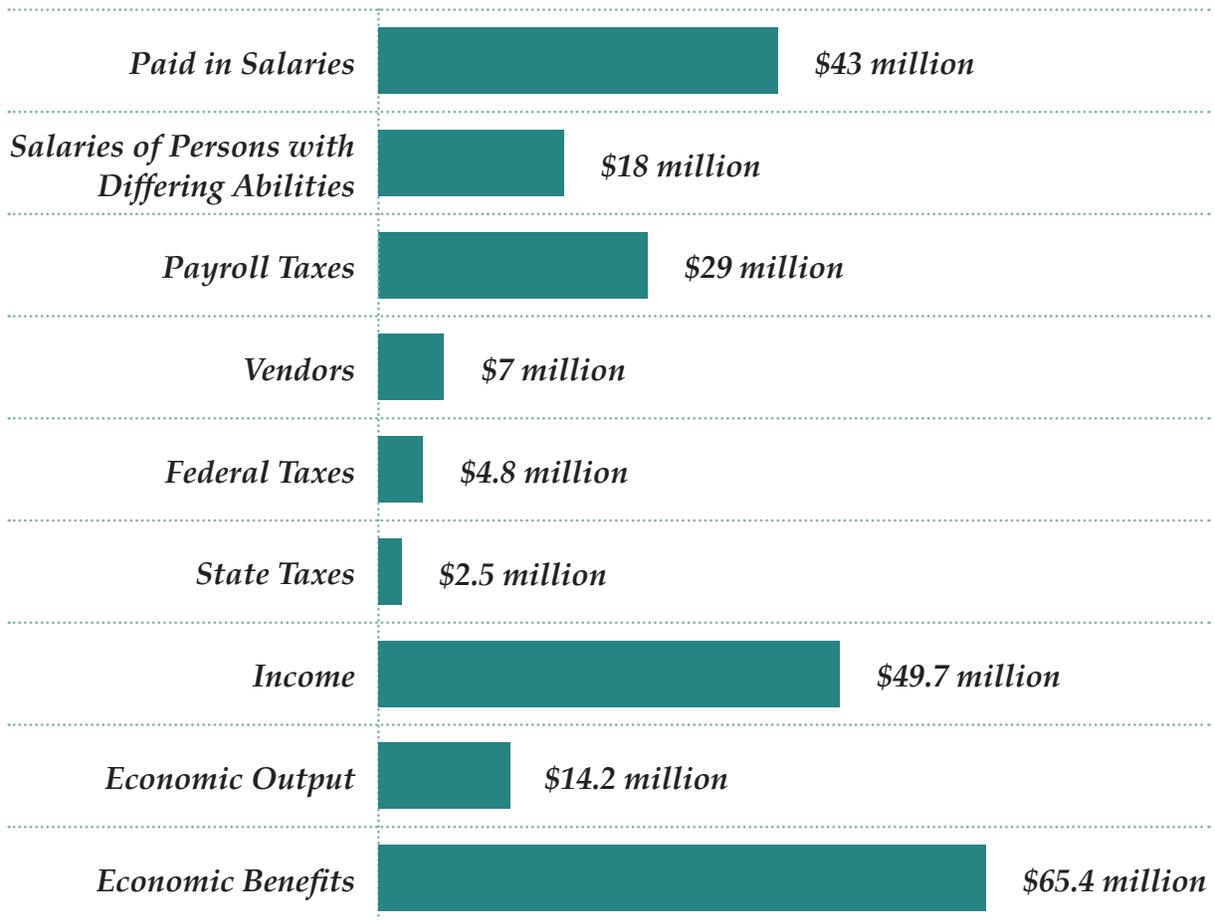
served, as well as the number of services provided to those individuals. Further, a renewed effort on philanthropic giving led to a substantial donation received that will help build the infrastructure necessary to expand services.

Melwood continues to earn certifications and credentials that position us to take advantage of

many new opportunities and differentiate us from other organizations that compete for the same federal, state, and commercial awards. Our focus on building and strengthening core capabilities while developing new capabilities is showing tremendous returns and we believe the future has never looked brighter!

## Economic Impact

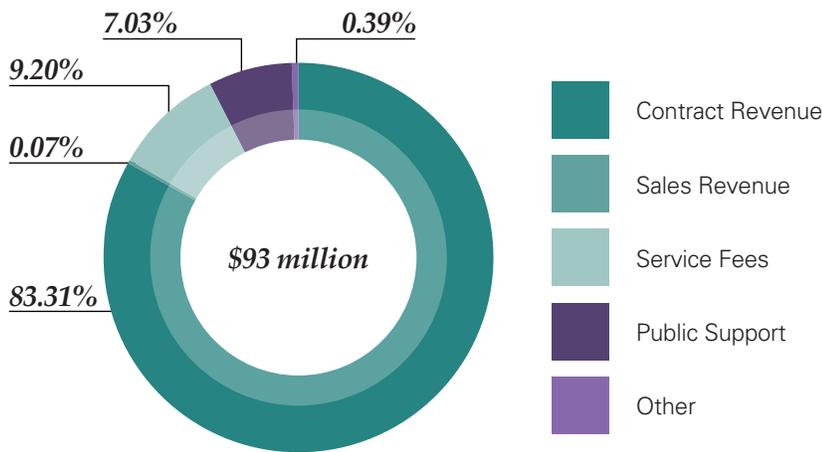
*A 2016 study determined Melwood's impact on the economy and revealed the benefits of Melwood's social-entrepreneurial model*



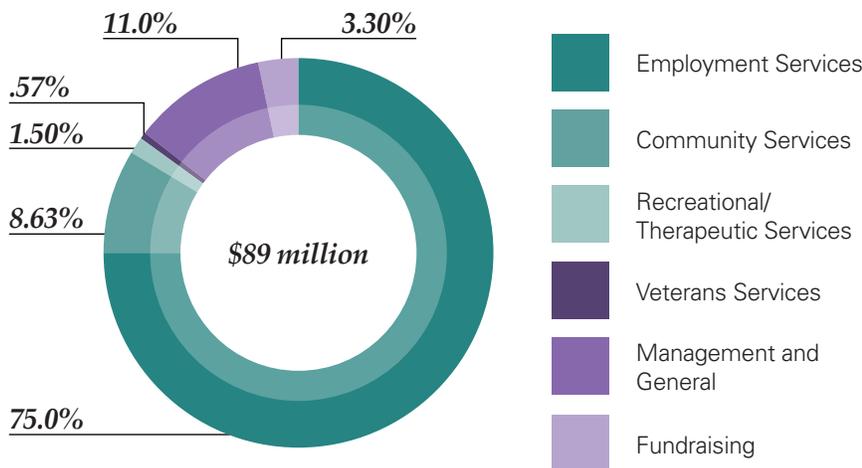
# Financial Report

## FY2016 Revenue & Expenses

### Revenue



### Expenses



Total income for FY16 was **\$93,046,000**  
with expenses amounting to **\$88,817,000**

## Melwood Overview Highlights



**\$93 million in revenue** across Melwood's service lines



**803 people** with differing abilities employed



Melwood employed approximately **1,586 full and part-time jobs** (including **160 induced jobs**)



Melwood generated **\$49.7 million in income** (including **\$6.7 million induced income**)



Operations produced **\$14.2 million in induced economic output** that benefits the region



Melwood's **\$43 million payroll** added **\$22.4 million of induced economic benefits** to its primary impact region for a **combined total of \$65.4 million**

### Melwood Economic Impact

**\$16 million** spent with over **750 regional vendors**

### Employee Economic Impact

**\$7.8 million** paid in federal taxes\*  
**\$2.5 million** paid in state taxes

\*(withholding and employee portion of FICA)



**LIVE UNITED**



[www.melwood.org](http://www.melwood.org)

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