

# 2017 Annual Report

**Pride. Purpose. Paycheck.**



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## Find Us Online

**Web:** [vectorindustries.org](http://vectorindustries.org)

**Social Media:** [facebook.com/VectorInd](https://facebook.com/VectorInd)





Staff

- Chief Executive Officer**  
Chrissy Johnston

**Director of Human Resources/Corporate Compliance**  
Cheryl Moran
- Director of Logistics/IT**  
David Tanner

**Director of Accounting**  
Angie Critzer

**Director of Production**  
Stephanie McKee

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Former Americans with Disabilities Coordinator,  
City of Waynesboro

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Controller, Berry Plastics

Richard Baldwin  
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Denney, Ward & Lawson  
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Real Estate Brokers LLC

Leonard Pittman  
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Market Bank

Jerry Thomas  
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VCSB  
Retired Human Rights  
Advocate, Western State  
Hospital

chairman’s report

On behalf of the Vector Industries Board of Directors, I would like to thank you for your interest in Vector’s future by taking the time to read our 2017 annual report. You will see that we have had a record-breaking year, with net income of \$79,323. Our staff and employees have worked tirelessly implementing efficiencies for assembling and packaging products. Throughout the world, one will find products and materials assembled and packaged at Vector in Waynesboro. This, in and of itself, says so much about our employees and their efforts serving customers’ needs. In our part of the Valley and beyond, Vector is a jewel in the crown.

Since 1969, Vector has proven its relationship to our community by maintaining a mission to employ individuals with diverse disabilities and giving each a place in their respective communities to interact with peers. The board of directors sincerely appreciates the citizens who support and encourage our employees’ successes and acceptance in society.

It has been two years since the move to our current location on Hopeman Avenue, and it continues to meet our expectations. The additional warehouse space has enabled us to grow our existing business and meet new customer needs. Additionally, we established a Wellness Store to offer employees an opportunity to purchase non-perishable items and healthy food choices. This has been a significant support to those employees who do not drive. And, if that were not enough, an added bonus is that many of our employees help run the store providing them useful vocational training.

As you all know, transportation continues to be a large barrier to employment for persons with disabilities, and Vector continues to meet that need by transporting 60 percent of its employees from home to work. Every day our buses travel throughout Waynesboro, Staunton and Augusta County providing door-to-door service to those employees who would otherwise not be able to work.

While Vector’s Board of Directors continues to be committed to providing transportation, the cost of this service continues to rise. In order to help offset the increasing costs of this needed program, we initiated a \$2-a-Mile campaign where donations can be made to help keep our buses on the road. The campaign is ongoing as we continue to assess how transportation services affect Vector’s profitability and annual bottom line. **PLEASE DONATE TO THIS IMPORTANT COMPONENT FOR VECTOR’S SUCCESS!**

The board is very pleased to see Vector move beyond just our Valley to find companies which offer products that our employees can package and assemble. Our sales and marketing team has been approached by potential businesses that can offer opportunities and open an array of networks. We continue to assess future opportunities that will cultivate the hands that work for present and future customers.

An initiative opening opportunities is Vector’s certification as a partner in SWaM; (Small, Women-owned, and Minority-owned Business). SWaM is a Virginia government program designed to enhance procurement opportunities for businesses participating in state-funded projects. Again, this could certainly expand Vector’s work base area-wide and throughout the Commonwealth. The board commends Vector for achieving this recognition.

Finally, I encourage each you to find the time to schedule an appointment for a tour of the plant on Hopeman Parkway. Thank you for dedicating your time to learn about the bright future at Vector Industries!

Sincerely,

Robert L. Wade, Jr.  
Chair



history

In 1969, a group of community and civic leaders in the Shenandoah Valley launched Vector Industries with the mission to operate a business that trains and employs people with diverse disabilities to enable them to reach their potential as productive community members.

The approach is unique. Vector Industries operates as a non-profit business, partnering with a number of business and industrial clients in Virginia to provide services including assembly, logistics and operational support. Since its inception, Vector has provided pride, purpose and a paycheck to thousands of employees in the area.

Located in Waynesboro, Vector Industries is a valuable resource for outsourcing projects that require a team of highly qualified and uniquely specialized individuals.

In 2015, Vector Industries moved to an 82,000-square-foot facility on Hopeman Parkway, after having outgrown the 27,000 square feet of space that had housed its operations in a complex of buildings on Fairfax Avenue since its founding.



mission

To operate a successful business that employs persons with diverse disabilities to enable them to reach their full potential as productive community members.



Vector Industries is a non-profit organization that is self-supporting in day-to-day operations through its contract work for a variety of customers across Virginia. As such, Vector contributes significantly to our local economy – both directly through its employees and indirectly through partnering with businesses, both large and small, allowing them to expand and increase output with low overhead – which also supports other jobs in our community.

Demographics

Total employees: 74

Residence:  
Staunton 15  
Waynesboro 39  
Augusta County 20

Gender:  
Male 36  
Female 38

Age:  
Under 30 13  
30-40 10  
40-50 17  
50-60 23  
60+ 11



1,921,800  
The number of bottles of Devils’ Backbone Beer that Vector employees handled in 2017.





## 2017 highlights



A \$12,000 KOVAR grant from The Knights of Columbus helped Vector offset the cost of replacing the upper warehouse roof in the spring of 2017. KOVAR is a Virginia Knights of Columbus charity established in 1971 to provide financial assistance through grants and home loans to tax exempt organizations providing training and assistance to citizens with intellectual disabilities.

The Community Foundation of the Central Blue Ridge awarded Vector Industries an \$8,000 grant to help with the purchase of a new Ford Transit van. Transportation to and from work is a critical need for persons with disabilities. This generous grant enables Vector to stay on the road and provide reliable transportation to our employees.

Additional grants received in the fall of 2017 included a \$500 grant from the Michael Clay and Mary James Moore Quillen Family Advised Fund, and a \$100 grant from the Ntelos Wireless Foundation, both of which are administered by the Community Foundation of the Central Blue Ridge.

Many thanks to these organizations for their generous support of Vector and for their work in the Waynesboro-Augusta County community.



## 2017 challenges

2017 was a banner year for Vector, as we added several new customers to our prestigious list of area companies. We have grown our expertise in order fulfillment and mass shipping. We have perfected our kitting abilities and continue to be sought out for the valuable handwork our employees accomplish. Our volume is growing, and our phones are ringing, which is a great thing!

However, it continues to be a challenge for Vector Industries to fully serve its mission of providing meaningful employment to persons with disabilities in Waynesboro, Staunton and Augusta County. In summary, recent regulatory and system changes have resulted in the disqualification of Virginians with significant disabilities who choose to work but cannot sustain traditional employment. Those individuals are not made aware of Vector and the opportunities for success that we offer. Instead, many individuals are referred to traditional employers with no long-term supports – often resulting in a cycle of short-term employment and worse, long-term unemployment. Vector Industries offers employment opportunities to those who want to work but cannot sustain traditional employment for a variety of reasons.

While we all agree that competitive integrated employment for persons with disabilities is the optimal goal, these policy and regulatory changes simply go too far in limiting choices for these individuals. This made no sense to us, and it made no sense to the handful of Virginia legislative representatives who toured Vector Industries on July 31, 2017. Those representatives witnessed a vibrant place of employment with plenty of opportunity. They witnessed the products that area manufacturers have outsourced to Vector Industries. They witnessed tractor trailers loading and unloading to the rear of the building. They witnessed a large-scale operation that bears absolutely no resemblance to a “sheltered workshop.” Most importantly, in the eyes of our employees, they witnessed the pride and purpose that each feel when given the opportunity to earn a paycheck.

We would like to thank Del. Steve Landes, Del. Dickie Bell, Del. Ben Cline and Sen. Emmett Hanger and his legislative aide, Holly Herman, for engaging with Vector Industries and taking our cause to Richmond in 2017. We would like to thank all of the news organizations such as the News Virginian, Augusta Free Press and Channel 29 from Charlottesville and Channel 3 from Harrisonburg that came out in July and reported on the value and challenges facing organizations like Vector Industries. Finally, we would like to thank Bob Sorgen, the father of one our employees, who spoke from the heart about the importance of Vector Industries to his family, the special employees who derive benefit and the entire community.

Vector is not alone in the fight to preserve employment choice for persons with disabilities. Many organizations across the country are speaking out against these narrowly defined regulations. Our voices are being heard and we are collectively gaining traction. We hope to report positive news in the coming year.

It really does take a village.

“

I was in search for an outside source to fill a timely void in my production schedule ... we found Vector. The great staff and employees at Vector were able to meet my timelines, justify my cost and eliminate the disruption of flow in our production area. For this, I would highly recommend Vector, for they were able to meet my sourcing needs.”

- Shawn Litz, Production Mgr,  
Klann Plastics Inc.

2,000

The number of boxes shipped to summer school camps.

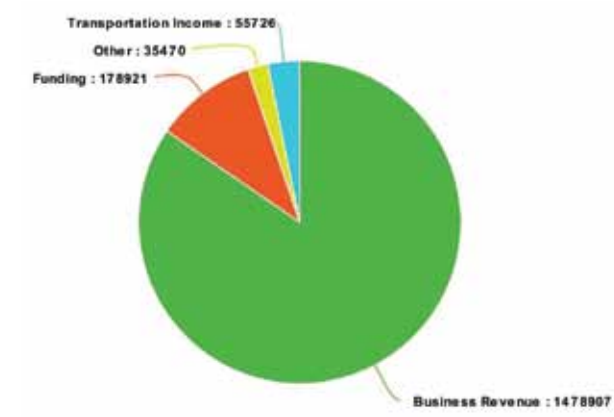


Our Customers

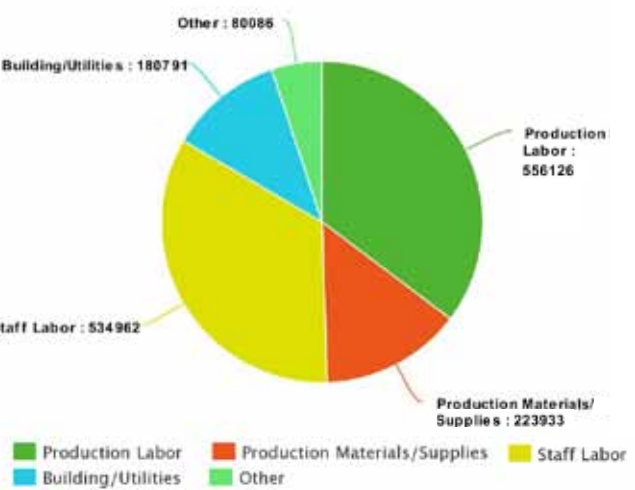
- Accutec
- Ancestry Pet Food
- Anhueser Busch
- Bageladies
- Bloomaker
- Blue Planet Environmental
- Bold Rock Hard Cider
- Cadence
- CORT
- Devils Backbone
- ET Games
- Federated Auto
- Graphic Packaging
- Hershey Chocolate
- Hollister Incorporated
- Invista
- Klann Inc.
- McKee Foods
- Mid Valley Press
- National Optronics
- Natural Spa Bath
- Oryx Designs and Promotional Products
- Parker Bows
- PCG Education
- Reynolds Consumer Products
- Shields Self Storage
- Skyler Innovations
- Supply One

2017 financials

Overall



Revenue	
Business Revenue	\$1,,478,907
Funding	\$178,921
Other	\$35,470
Transportation Income	\$55,726
Total	\$1,749,024



Expenses	
Production Labor	\$556,126
Production Materials/Supplies	\$223,933
Staff Labor	\$534,962
Building/Utilities	\$180,791
Other	\$93,603
Transportation Expense	\$80,086
Total	\$1,669,501

\$2 a Mile Campaign

In 2016, Vector kicked off the \$2 a Mile Campaign to offset the expense of transporting employees to and from work each day.

Every weekday, three buses travel out from Vector Industries across Waynesboro, Staunton and Augusta County to pick up employees. More than half of the 70 employees at Vector, a unique nonprofit business that employs and trains persons with diverse disabilities to enable them to reach their potential as productive community members, wouldn't be able to get to work without the bus rides. This all comes at a steep cost to Vector, which spends more than \$90,000 a year to keep the buses running, roughly \$2 per mile.



Vector Industries raised more than \$11,000 toward transportation in 2017.

2017 Donors: \$2 a Mile Campaign		
Baldwin LLC*	J.S. Swartz	Marvin Schaff
Devils Backbone Brewing*	Judy & Charles Lendermon	Dottie Fisher
Elizabeth Lumadue*	Julien O'Dell	Bonnie Baker
Hollister, Inc.*	Ken & Sandi Dickinson	Skyline Roofing, Inc.
Jerry Campbell*	L. Carol Sloan	Crozet Lions Club
Faye & Fred See*	Leo Cormier	Charlie Obaugh Group
Swann Contruction, Inc.*	Moira Coleman & Joseph Leigh	Jollivue Barterbrook
The Hershey Company*	Tad & Denise Nelson	Ruritan Club
Don & Susan Hicklin	Bill & Kyle Hausrath	
First Bank		* Multiple year donor

Transportation

Revenue	
United Way Grant Funding	\$1,327
Employee Contributions	\$40,172
Caregiver Contributions	\$2,412
\$2 Mile Campaign	\$11,823
Total	\$55,704

Expenses	
Wages	\$40,704
Fuel/Maintenance/Insurance	\$39,382
Total	\$80,086



“ This is more than a job. It’s family. I couldn’t get to work without the bus.”  
- Erica Johnson, Employee



Transportation Breakdown

Year	Loss
2011	(\$32,525)
2012	(\$42,262)
2013	(\$53,253)
2014	(\$34,990)
2015	(\$47,104)
2016	(\$14,518)
2017	(\$24,382)

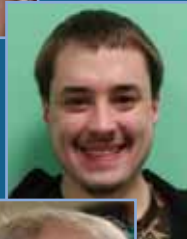
## Faces of Vector



**2017 Employee  
of the Year: Jeff**

### 2017 Employees of the Month

January – Kevin	May – Shannon	September – Jeff
February - Briana	June – Steve	October – Dakota
March - Leana	July – Ricky	November – Ron
April – Holly	August – Monica	December – Ben



## foundation

Created in 2011, the purpose of the Vector Industries Foundation is to provide for the long-term capital needs of Vector Industries, Inc. Those needs can include the purchasing of facilities, facility upgrades, program funding and investing, to name a few. Employment and services for persons with disabilities in Staunton, Waynesboro and Augusta County are the focus of the organization, and the Foundation ensures that the organization has the necessary tools to be successful.

The Foundation is comprised of a Board of Trustees who serve a three-year term. The current roster of Trustees includes Paul Dryer, Rob Wade, Bill Hausrath and Richard Baldwin.

All donations made to Vector Industries, unless specified for another purpose such as the "\$2 Mile Campaign," are managed by our Foundation, which is a 501(c)3 public charity. As such, all donations are tax deductible.

### For information on giving, please contact:

Chrissy Johnston  
(540) 943-8444, ext. 1



**VECTOR**  
INDUSTRIES  
FOUNDATION