

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX
Board of Directors Meeting –
HRDC Conference Room
Thursday August 20, 2009

I. CALL TO ORDER

Donna West called the August 20, 2009, meeting of the Human Resource Development Council of District IX (HRDC) to order at 8:35 a.m. The following members were present: Chris Budeski, Joe Menicucci, David Kack, Katie Moberg, Kris Moos, Cheryl Ridgely, Ramona Stout, Kathy Tanner, Crystal Turner, Billie Warford, and Donna West. Staff: Jeff Rupp, Kristin Hamburg, Heather Grenier, Whitt Hampton, Ken Miller, Sara Fisher, Joan Davies.

II. PUBLIC COMMENT

There was no public comment.

III. BOARD CHAIR COMMENTS

Donna welcomed everyone to the meeting and told Board members she was pleased to serve as their Board Chair and welcomes open communication between her and members. Board members were given her contact information. Kristin and Jeff recognized Joe Menicucci for his service as HRDC Board Chair and presented him with a gift. Jeff officially welcomed Donna West as the new chair and David Kack as Vice Chair.

IV. CONSENT AGENDA

Chris asked if a progress report was available for the 2008/2009 CSBG workplan. Heather stated that she just completed that report and sent it to the state. Copies would be made available at the break or could be e-mailed to Board members. Heather also told Board members that Gallatin, Park and Meagher county commissioners have signed off on the workplan.

Donna commented on the generous donation given to Galavan and pointed out it was the second significant donation in just the past few months. Donna asked for additional comments on the consent agenda. There were none.

*David moved to approve the Consent Agenda. Cynthia seconded the motion, and the motion carried unanimously.

V. TREASURER'S REPORT

The Treasurer's report covered the period through July, 2009, with many programs just beginning their 2009/2010 program year.

* **Energy**

Whitt reviewed the Low Income Energy Assistance Program (LIEAP) and Department of Energy (DOE) weatherization funding. The grant cycle for these two programs runs from April through March. The LIEAP was extended through June and approximately \$243,000, or 74 percent of the total, has been spent through June. Whitt explained approximately \$109,600 was spent for infrastructure expansion to address the higher volume of business. The DOE contract was \$155,000 and was increased to \$227,000 for the new cycle beginning April 1. The Northwestern Energy weatherization contract runs from January until December, and seven percent of the \$136,000 has been spent. Total weatherization contracts are approximately \$725,000, and it is expected that the federal stimulus funding will add another \$1.1 million.

Whitt next reviewed fuel bill assistance programs. Low income home energy assistance funding runs from October through September and has spent 62 percent of the administrative funding and 23 percent of the housing funding. Energy Share is nine months through the grant cycle and has spent a total of approximately \$75,000.

*** Housing**

Section 8 Housing runs on a grant cycle July through June and has approximately \$115,000 in revenue and approximately \$119,000 in expenditures. Whitt explained running behind about \$4,000 is normal for this time of the grant cycle. Approximately \$52,000 was carried forward from previous years. The HUD emergency shelter grant is 11 months through the cycle and approximately \$29,000 of the \$33,000 has been spent.

A new grant was recently received from the Gillhausen Foundation for \$30,000 and is intended to fund the operating costs and infrastructure to run a supported housing program.

The FEMA emergency shelter grants run through September and \$16,630 is for Gallatin County and \$3,500 is for Park County. Whitt noted the amounts represent significant increases from last year.

Resource Property Management (RPM) runs July through June and is nine months through the grant cycle. RPM had total revenue of approximately \$145,000, including \$40,000 in Community Services Block Grant (CSBG) money. RPM had total expenses of approximately \$138,000. Whitt noted the improvement over this period of time in the previous year. Whitt identified the Sunset Capital Apartments as contributory since it brought in approximately \$32,000 in revenue through management fees.

Jeff asked Whitt to address the transitional duplex. Whitt explained the transitional duplex had rental revenue of approximately \$4,500 for nine months. Mary has allowed rent to be based upon the renters' ability to pay. Operating costs for nine months was approximately \$11,000, leaving a deficit of \$7,000 for nine months and approximately a \$12,000 for the year. Over the last several years, the transitional duplex had a deficit of \$16,000, which was funded by CSBG. Whitt anticipated CSBG would also supplement this year's deficit. Jeff emphasized the importance of being able to raise revenue to cover the transitional housing deficit in the future.

Whitt reviewed the contract with the City of Bozeman for the Affordable Housing Initiative and the Home Rehab contracts, including the USDA Rural Development Self-Help Home Rehab contract which ended in May 2008 and spent approximately \$82,000, leaving a surplus of \$13,000. To date,

\$25,000 has been spent. Home grants through the Montana Department of Commerce runs through September 2008 and had expenditures of approximately \$275,000 and consists of cost-reimbursement contracts. The current cycle runs through September 2009, and approximately \$162,000 has been spent to date.

The Road-to-Home program began in January 2004 and has currently expended \$1.9 million, including \$1.4 million to fund 75 down-payment assistance loans. Jeff explained the program is primarily funded through a HUD direct-counseling grant.

Chris asked Jeff to expand on the Community Affordable Housing Initiative. Jeff explained HRDC has had a contract with the City of Bozeman since 1983 and manages some of the City of Bozeman's housing projects and provides assistance with the City of Bozeman's grant work. Whitt added the contract is for \$14,400, and the contract just began in January.

* **Health, Nutrition, and Senior Programs**

The Food Banks operates on an grant cycle July through June, and the Gallatin Valley Food Bank had revenue of approximately \$517,000, expenditures of approximately \$326,00, and is 63 percent spent. Headwaters Food Bank had revenue of approximately \$44,000, expenditures of \$28,000, and is also 63 percent spent. The FEMA grant runs through September and recently received \$16,600, which is a significant increase from the last grant cycle. Donna reported that while use of the Food Bank used to be more seasonal, that is no longer the case. Donna stated \$82,000 of donations has been used to purchase food from local stores. Donna explained the Food Bank's efforts to increase donations and teach clients how to grow and prepare their own food.

The Title 3 program received a grant from the Gillhausen Family Foundation. The case management contract with Spectrum Medical was terminated as of February 28, and had approximately \$10,000 in revenue, and approximately \$13,000 in expenditures. The deficit will be funded by CSBG.

* **Transportation**

Galavan had revenue of approximately \$253,000 and received \$88,000 from the Montana Department of Transportation (MDT) for the purchase of two new vehicles. However, the total cost of the vehicles was \$103,000. Galavan is 76 percent spent. Streamline had total revenue of approximately \$786,000, expenditures of approximately \$574,000, and Streamline is 76 percent spent. Streamline also has \$46,000 carried forward for bus replacement. Whitt addressed the bus barn fund, which had a grant of \$245,000 and received approximately \$41,000 of CSBG, which has already been spent.

* **Youth Development**

The largest funding source for youth development is the Workforce Investment Act, Department of Labor, and the programs are 72 percent and 77 percent spent.

Homeless Youth program donations had total revenue of \$9,500, and \$4,000 has been spent.

* **Head Start**

Head Start's grant cycle runs April through March. Whitt reported at this point, there is approximately \$8,000 remaining, and that all of the federal grant and approximately one-half of the private funding sources have been spent. Whitt anticipated continuing expenditures and thought the end deficit would be small. The in-kind match has not yet been met. The Livingston Head Start Center has an adjustable rate mortgage, and that rate has decreased from 6.25 percent to 5 percent. Efforts are being made to refinance the Head Start centers.

*** CSBG**

The 2008 CSBG grant was extended through August 2009 and was for approximately \$256,000 and is 33 percent spent. The 2009 CSBG grant was for \$253,000. The Rural LISC grant provided \$20,000 for the Sustainable Communities Initiative. The Community First Fund has three loans out for \$93,000, and total assets of approximately \$288,000.

The sponsorship of the Volunteer Connections of Southwest Montana began in 2004 and had approximately \$29,000 in revenue, and expenditures of approximately \$18,000.

*** Corporate Board Report**

In addressing unrestricted funds, HRDC has total revenue of approximately \$29,000 and expenses of approximately \$25,000. The balance sheet indicates cash of approximately \$195,000, short-term investments of approximately \$228,000, and total assets of approximately \$545,000. HRDC's primary liabilities are vested sick-leave and vacation liabilities, which are totally funded.

Chris moved to accept the Treasurer's Report. Al seconded the motion, and the motion carried unanimously.

VII. HRDC UPDATE

*** Downtown Relief Fund**

Jeff explained that the Downtown Business Partnership has been receiving donations for people who were affected by the downtown explosion in March. Jeff explained HRDC would apply for the 501(c)(3) status for the Downtown Relief Fund. Whitt reported the fund is at First Security Bank and approximately \$150,000 in donations has been received, and approximately \$80,000 has been distributed to displaced employees and residents of the businesses that were impacted. Whitt explained that displaced employees each received \$500, and there have been two rounds of disbursements.

*** HRDC Operating Bank Account**

Whitt explained a new operating account was opened at First Interstate Bank, and that he is in the process of transitioning all of HRDC's activity to First Interstate Bank.

*** HRDC Web Site**

Kristin provided a sample page of HRDC's website and explained efforts to make HRDC's website more usable for customers and potential employees. Board members will be asked to review their

individual profiles sometime in the next couple months. Previous Board members will also be acknowledged. Kristin anticipated the website would be operational by the end of June.

*** RPM Study by MSU Marketing Students**

Jeff explained that a student group from MSU completed a review of RPM and the final report would soon be presented. Jeff would convene HRDC's committee after completion of the MSU report. Jeff emphasized that RPM has gone from \$80,000 in the hole to \$40,000, and identified the acquisition of the Helena apartments as being responsible.

VIII. HUMAN RESOURCE UPDATE

Cyndi summarized Sara's transition as Human Resources Director. Sara will be working on the insurance project and will be making her recommendations, if any, once the rates are received, and Cyndi believed there will be an increase. Cyndi directed the Board members to the request for realignment of the AFFLAC plan with the other insurance products. Sara is also looking at a variety of voluntary life-insurance products.

Cheryl asked for clarification regarding the reference to voluntary insurance being mandatory subject to bargaining. Cyndi clarified they are required to give the Union notification before bringing anything to the Board's attention. Jeff questioned the role of the Union in any changes to HRDC's plan. Cyndi explained they are proposing a separate premium for union employees. Jeff asked whether what HRDC does for its regular employees could automatically be applied to the Union employees if the other options are no longer available. Cyndi responded it would still be subject to collective bargaining, but in previous years the Union has agreed. Crystal requested clarification as to who are Union employees and who are not Union employees. Cyndi explained there are approximately two dozen employees in the bargaining unit, and those employees are the Head Start classroom staff.

Cynthia moved to endorse realignment of the AFFLAC plan with the other insurance products with a July 1 plan date and provide options during the open enrollment period. Crystal seconded the motion and the motion carried unanimously.

Cyndi stated the one-time market adjustment was done retroactive to January 1, and 34 individuals were paid with one-time market adjustments. Cheryl will be working on additional communications to ensure everyone fully understands the pay plan and the various incentive programs. Jeff talked about why market rate adjustment was made and bringing up lower grades.

Cyndi asked for additional questions, and there were no questions.

IX. STREAMLINE UPDATE

*** Advisory Board**

Jeff explained the Streamline Advisory Board will no longer operate as a stakeholders' board but will function as a board that will represent the people who are providing funding and, in the future,

could also seamlessly transition to operate as a UTD board. HRDC has two seats on the board and one seat has been filled by David. Jeff endorsed appointing Rosie Brandt to the other HRDC seat.

Crystal moved to appoint Rosie Brandt to fill the second HRDC seat on the Transit Advisory Board. David seconded the motion, and the motion carried unanimously.

David provided an update on Streamline services, which continues to be successful.

*** Bus Barn**

Jeff explained MDT was looking for large-ticket items to expend stimulus money and had asked about the bus barn. MDT has placed the bus barn request high on its list of things it would like to fund with stimulus money. Jeff identified a disconnect with the City of Bozeman street department and stated he has approached the City of Bozeman regarding building a bus barn on city land. Jeff stated the City of Bozeman and the Streamline bus barn would share land, and Jeff thought it could be a good deal for both parties. However, Jeff was concerned the City of Bozeman would not have the money to go through with the project. Jeff reminded the Board members that HRDC owns land in Belgrade and explained how the Belgrade land could be utilized for a bus barn. Jeff anticipated the bus barn would add approximately \$50,000 per year to Streamline's operational costs. After discussions with Jim Lynch, Director of MDT, Jeff stated HRDC has time to go through the City of Bozeman's process and, if that does not come to fruition, make a decision regarding the Belgrade land. Jeff explained the City's voting process and that he recluses himself from voting since a portion of his salary comes from the transportation grant. Jeff explained how off-site improvement costs would affect the feasibility of building a bus barn. Jeff expressed his concern about parking the buses on the street. Jeff noted housing the buses in Belgrade would also result in increased costs for Galavan. Jeff agreed one option could be for the HRDC to buy property and use economic stimulus money to build.

Jeff stated the stimulus money would also fund the building of eight passenger shelters and five benches, and he is currently working on those projects.

Al thought HRDC might be missing out on a public relations opportunity since most people believe the City of Bozeman owns Streamline. Jeff agreed and stated, in the past, he has not pushed HRDC's involvement. However, in the future, Jeff would like the HRDC logo on the buses to be placed in a more predominant location.

X. HEAD START UPDATE

Ken provided a history on the Head Start program and Head Start's intention to bring children out of poverty. Ken spoke about providing Head Start families with information on how to cook a nutritious meal for four people for under \$10. Ken also spoke about new plans for Head Start playgrounds and implementing garden projects for families.

*** Sale of Head Start Buses**

Ken requested Board approval to sell the Head Start buses since student transportation is no longer provided. Ken explained that since the buses were purchased with federal money, Board approval would be needed to begin the process of selling the buses. Ken will also be contacting the MDT

regarding the sale of the buses. Ken was unaware of the current value of the buses. Whitt stated insurance costs were approximately \$2,000 a year per vehicle.

David moved that Ken begin the process to sell the Head Start buses. Crystal seconded the motion. Chris clarified the motion is to only begin the process and not to actually sell the vehicles. Donna agreed. The motion carried unanimously.

*** Financial Update**

The Head Start grant year ended March 31, 2009. Ken explained the total deficit was less than expected. Ken estimated approximately \$35,000 was saved this past year by discontinuing Head Start transportation. Ken acknowledged Head Start in-kind contributions have not been met. Ken reported approximately \$270,000 in in-kind contributions is needed and recalled that an additional \$17,000 would need to be secured.

*** Program/Labor Update**

Ken stated there is a new Union representative that understands Head Start and its funding will be involved in union negotiations. Ken was hopeful this would speed up the negotiation process.

*** Early Head Start**

Ken addressed Early Head Start and the need for services for children up to age three. Ken identified the possibility of funding being available in the stimulus package but noted the funding would end in 2010.

Ken explained under the appropriation bill that passed in February, Head Start received a COLA increase. Ken explained where the money would come from and the length of funding. Ken requested Board approval to apply for the stimulus money. Ken stated there would be some money leftover that could be used for other purposes. Ken addressed quality-improvement and explained how that money could be used for improving staff qualification, skills, and education. Ken admitted hiring additional staff with one-time money would not be prudent and suggested the money should be used for training. Ken emphasized the training should focus on implementing new programs in a timely manner. The physical condition of Head Start buildings will also be a focus.

Ken stated the Head Start reauthorization process is pushing for more involvement from the HRDC Board. Cheryl asked how many children are on the Head Start waiting list for Livingston. Ken estimated eight to ten. Jeff stated children could be added to the existing classrooms in Livingston by adding morning and afternoon classrooms. Jeff identified Livingston as the only opportunity for expansion without constructing new classrooms.

Cheryl moved to accept the staff's recommendation to apply for federal stimulus funding, including COLA and quality improvement. Jeff urged caution against building on-going costs into one-time Economic Recovery Reinvestment Act (ERRA) money. Cynthia seconded the motion, and the motion carried unanimously.

XI. CEO REPORT

Jeff explained he was confident the transition process for Sara would go smoothly. Jeff also complimented Heather on her work and stated he wished Heather had more time to spend on HRDC operations. Jeff explained how the increased need for services and the availability of stimulus funding affects HRDC and increases HRDC's overall workload.

Jeff recapped money from the stimulus package and reported more funds for: Weatherization, Youth Development, Emergency Services, Head Start, Homeless services and the Community Services Block Grant. A more detailed report of funding will be given to the Board at the June 2009 Meeting.

XII. ADJOURNMENT

There being no further business to come before the HRDC Board, the meeting was adjourned.