

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX
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 8:30 a.m. The following members were present: Chris Budeski, David Kack, Joe Menicucci, Katie Moberg, Kris Moos, Ramona Stout, Crystal Turner, Cheryl Ridgely, Billie Warford, Cynthia Cheney, and Donna West. Staff: Jeff Rupp, Mary Martin, Joan Davies, Sara Fisher, Kristin Hamburg, Whitt Hampton, Ken Miller, and Heather Grenier.

II. PUBLIC COMMENT

Cindy Peterson, who transcribes the HRDC Board meeting minutes, thanked the Board for the work they have provided over the years and encouraged the Board members to contact her with suggestions or concerns.

III. BOARD CHAIR COMMENTS

Donna thanked Joe for his past service and the Board presented Joe with a gift to thank him for his contributions to the HRDC. Donna commented her door is always open for Board member comments and concerns.

The HRDC website has been updated and David thanked Heather for her work in updating the Streamline information on the website.

IV. CONSENT

David discussed the Resolution and the donation from Peg Hileman for approximately \$23,000, which will be used for future vehicle replacement. David clarified the principle and interest from the estate donation is to be used for Galavan and not other HRDC programs.

Donna requested clarification regarding the USDA RD Self-Help Home Rehab contract for services. Jeff explained the HRDC has a contract for the three counties (Gallatin, Park, and Meagher) with the U.S. Department of Agriculture which allows for energy conservation and home rehabilitation and repairs. The program is a cost-reimbursement program.

Chris wanted to know who put the Work Plan together and depicted the task as monumental. Jeff explained Heather had put together the Work Plan, as well as all the performance benchmarks and standards. Heather offered to e-mail the 2008 progress report to the Board members.

Joe moved to accept the Consent Agenda, Katie seconded the motion. The motion to approve the Consent Agenda carried unanimously.

V. TREASURER'S REPORT

The Treasurer's Report was through June 30, the HRDC's fiscal year end.

Energy

The Department of Energy grant is on a cycle of April through March and is for approximately \$227,000. Approximately \$165,000 has been spent, which represents 73 %. Whitt explained some of the DOE grant was spent as a placeholder and the qualifying expenditures will be reclassified over to the American Recovery and Reinvestment Act (ARRA) weatherization funds.

The Low-Income Energy Assistance Program (LIEAP) grants would have ended March 31, 2009, but were extended until August 15, 2009. The grant amount of \$326,000 has been spent, and the new LIEAP grant was for \$235,000. Approximately \$16,000 has been spent.

The Northwestern Energy grant for the calendar year 2009 was for \$136,000, and approximately \$81,000, or 60 percent, has been spent.

The Exxon grant of approximately \$22,000, the stripper well grant for approximately \$37,000, and the Executive Order grant for approximately \$36,000 were all spent out and were not renewed. The Warm Homes Montana grant was for approximately \$15,000, and approximately \$11,000, or 71 %, was spent.

LIEAP spent approximately \$45,000 from the LIEAP Revolving Fund, approximately \$40,000 from the Administrative Fund, and approximately \$29,000 of the LIEAP Outreach Fund.

Energy Ombudsman Services was from the State of Montana and ended June 30. Approximately \$30,000 was spent to assist with case management.

Energy Share programs end June 30 and approximately \$157,000 was available, and approximately \$148,000 has been spent. The new contract began July 1.

Housing

The Section 8 Housing contract ended June 30, 2009, and was for approximately \$215,000, and approximately \$168,000 was spent.

The HUD Emergency Shelter grant was for approximately \$33,000, and nothing had been spent as of June. Home-to-Stay was for approximately \$37,000 and included \$30,000 from the Gillhausen Family Foundation. As of June 30, approximately \$19,000 had been spent. The FEMA Housing grants included approximately \$16,000 for Gallatin County, and approximately \$3,500 for Park County. The funds have been spent out.

Resource Property Management (RPM) has a fiscal year end of June 30 and had total income of approximately \$181,000 and total expenses of approximately \$179,000.

HRDC Rental Homes had approximately \$26,000 in rental income, and approximately \$23,000 in expenses. The HRDC Transitional Duplex had rental income of approximately \$4,000 and another \$4,000 from the HUD Emergency Shelter grant. Expenses were approximately \$13,000, so there is a deficit of approximately \$5,400, which will be covered by the CSBG.

The Livingston Homeowner Rehabilitation program consists of fee for service contracts with Livingston and USDA Rural Development, and each of those contracts finished with a surplus. The largest source of funding for these programs is a Home grant through the Montana Department of Commerce. The first cycle ended September 2008. Approximately \$2,200 remains to be recouped. Whitt next addressed the Home grant that runs September 2008 through September 2009. Approximately \$268,000 has been spent and approximately \$104,000 has been reimbursed. Joe asked for an estimate of the maximum amount spent on home rehab, and Jeff estimated the average is approximately \$8,000.

The Road-to-Home home ownership initiative has had total revenue of approximately \$2.1 million, and expenses were approximately the same. Whitt stated there have been 80 down payment assistance loans made which totaled \$1.5 million. Donna asked whether the funding would continue, and Whitt depicted the funding source as “rolling.”

Mary addressed the West Babcock Apartments and clarified the property is still experiencing vacancies.

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

Whitt reported the Gallatin County Food Bank is on a fiscal year ending June 30 and had total revenue of approximately \$587,000 and expenditures of approximately \$430,000. Whitt stated the Food Bank has approximately \$80,000 in its reserve account, and \$100,000 was placed in a Certificate of Deposit Account Registry Service (CDARS). The \$100,000 will eventually be used toward acquiring a new facility.

The Headwaters Food Bank had approximately \$45,000 in revenue, approximately \$37,000 in expenditures, and has approximately an \$8,000 surplus.

The FEMA grant for the purchase of food was for approximately \$16,000, and the grant has been spent since June.

The Retired Senior Volunteer Program (RSVP) is on a grant cycle ending June 30. RSVP had total revenue of approximately \$156,000, a surplus that was carried forward of approximately \$15,000, and approximately \$143,000 has been spent.

The Title III Home Care Program's grant cycle ended June 30. Last year's revenue was approximately \$78,423.21, and there was approximately \$76,000 in expenses.

Case Management had approximately \$14,000 in revenue, and its now 100 % spent.

· **Transportation Programs**

Galavan Senior Transportation had total operating revenue of approximately \$239,000 and expenditures of approximately \$257,000, leaving a deficit of approximately \$17,000. The deficit includes the restricted donation for vehicle replacement of approximately \$23,000. Two vehicles were purchased for approximately \$103,000.

The Galavan and Streamline Bus Barn had approximately \$287,000 in revenue and approximately \$136,000 in expenditures.

The Streamline Bus System had approximately \$788,000 in revenue, a carryover of approximately \$42,000, and expenditures of approximately \$788,000.

· **Youth Development/Employment and Training Programs**

The Workforce Investment Act had revenue of approximately \$134,000 for Gallatin/Park Counties and approximately \$6,500 for Meagher County. Expenditures for Gallatin/Park Counties were approximately \$140,000, and expenditures for Meagher County were approximately \$6,800. Whitt expected the deficits to be taken care of from other funding sources. The grants were renewed for the new fiscal year.

Youth Court and Homeless Youth donations had revenue of approximately \$20,000 and approximately \$9,000 in expenditures.

· **Executive Programs**

The CSBG contract was extended through August and had revenue of approximately \$256,000, and the 2009 CSBG grant was for approximately \$253,000. The Rural LISC grant was for \$20,000 and had expenditures of approximately \$8,700.

The Community First Fund has three outstanding loans for approximately \$90,000 and investments of approximately \$200,000.

The West Babcock Affordable Land Trust Reserve for street improvements has net cash on hand of approximately \$53,000, and the West Babcock Affordable Housing Land Trust Reserve for continued affordability has Net Cash/CDARS on hand of

approximately \$228,000. The Livingston Community Land Trust has net cash/CDARS on hand of approximately \$74,000.

- **Community Programs - HRDC Non-Profit Sponsorship**

Volunteer Connections of Southwest Montana has approximately \$30,000 in revenue, almost \$19,000 in expenditures, and has an account balance of approximately \$11,000. Whitt believed HRDC's sponsorship would end as the program transitions to The United Way.

- **American Recovery and Reinvestment Act (ARRA) Funded Grants**

Whitt directed the Board to the list of ARRA contracts and noted the grants marked with an "N" represented new contracts.

Cheryl moved to accept the Treasurer's Report of August 20, 2009. Crystal seconded the motion.

Jeff commented on the Home To Stay Program, which is emergency services to keep families in their homes. Jeff explained the program was regrouped after the conversations with the United Way. Jeff was pleased the emergency services program no longer relied on outside sources and believed the program was less vulnerable. Jeff directed the Board to the City of Bozeman Housing contract for \$14,400 and explained the HRDC has acted as public housing authority since 1983. Jeff expressed concern that continuing the contract would be a topic of discussion with the City of Bozeman in the future as funding becomes scarce. Additionally, in addressing the Road-to-Home program, Jeff depicted the \$60,000 HUD grant as vulnerable.

Cheryl's motion to approve the Treasurer's Report carried unanimously.

Whitt added the Downtown Relief Fund had approximately \$191,000 in donations and 546 contributions have been received.

VI. HRDC MISSION STATEMENT

Heather facilitated a discussion among the Board regarding HRDC's Mission Statement.

Donna stated she favored a mission that reflected "To empower families, community, and agency." Heather added "strengthening community" was also a favorite. Cheryl suggested organizations will develop long mission statements in an effort to incorporate everything they do and suggested focusing on "why." Cheryl cautioned against getting the mission and vision confused. Cheryl also suggested staff could step back and look at the various programs to ensure the programs fit within the mission of the organization. Cheryl thought "Building a framework of sustainable community resources" reflected HRDC's focus.

David believed “individuals” should also be referenced in the statement. Jeff agreed it would be appropriate to reference “individuals, families, and community.” Crystal suggested “Building a framework of sustainable resources to strengthen our community.” Chris questioned the use of “empower” and wondered what was being done to empower people. Heather emphasized the importance of being able to support any mission statement with results. Chris saw the goal as helping families to become self-sufficient. David suggested reversing the words, so the emphasis would not be on building the framework but on strengthening the community. Ramona believed the mission statement should be clear to individuals both inside and outside the agency. Mary suggested shortening the mission statement to “strengthening our community.” Ramona agreed shorter would be better and thought it was important for the mission statement to include an action.

Crystal moved to accept the proposed mission statement of “**strengthening our community.**” Katie seconded the motion, and the motion carried unanimously.

VII. AMERICAN RECOVERY AND REINVESTMENT ACT

Jeff informed the Board that ARRA funds will add an additional \$4 million to \$5 million to the HRDC. Jeff explained the added work that ARRA funds have added to HRDC. Jeff identified the challenge as turning one-time money into services.

Jeff wanted the Board to be aware that the ARRA funding has taken a substantial amount of his time. Jeff thought the next Legislative Session would be difficult because the ARRA funding will have gone away.

VIII. OLD BUSINESS

· Neighborhood Stabilization (NSP) Project Update

Jeff directed the Board to information regarding the NSP project. Jeff explained Heather put together an application for \$5.84 million to purchase a 24-unit condominium project that was in foreclosure with Mountain West Bank. If the grant application is approved, HRDC would gradually construct more units. Jeff has not been notified of the status of the application. Jeff stated the new project would be affordable housing and have a very low income requirement. Jeff explained 80 percent of the existing units would have to be sold before HRDC would begin any construction. Jeff stated Gallatin County’s name was on the grant application because non-profits were not eligible. Heather explained Unit 104 was sold and would be exempt.

Cheryl noted there is already a buy/sell agreement in place which specifically states if there is no grant award, there would not be any obligation. Cheryl was concerned about being able to meet the time line. Heather explained there is a four-year time line for the units to be occupied. David asked whether “occupied” would include renting the units. Heather responded “80 % occupied” would also refer to renting. Cheryl

commented her concern was whether the HRDC could afford to hang onto the property until the market comes back. Heather depicted the project as low risk. Jeff added many of the funds do not allow for land banking. Whitt commented that while the risk is limited, there is still a risk. Chris wondered what would happen with the current renters. Heather explained HRDC would get the rental income, and no renters would be asked to vacate at the time the property is acquired. Heather believed approximately 40 % of the current tenants would be potential homeowners.

Crystal moved to proceed with the project if grant funds are approved. Cheryl seconded the motion, and the motion carried unanimously.

IX. RPM UPDATE:

· Arrowwood Property Sale

Heather stated there was an error and the balance was not \$18,000 but rather \$38,956.

Jeff addressed the cash-flow problems experienced by the West Babcock Apartments and stated on June 30, 2009, there was a deficit on the cash flow side of approximately \$110,000. Jeff stated the deficit is due to past rents that will probably never be collected. Jeff stated some CSBG dollars for the contract end in August. Therefore, enough money was saved from the CSBG to take the deficit from June 30, 2009, back to January 1, 2008, and approximately \$62,000 will be applied to the West Babcock deficit.

David commented last year's audit review revealed the West Babcock Apartments were being subsidized by approximately \$60,000 by HRDC. Therefore, the Subcommittee is recommending selling the Arrowwood Apartments and using approximately \$50,000 of the proceeds, as well as the CSBG money, to zero out the West Babcock balance. The Subcommittee also recommended keeping a marker within HRDC that says if the West Babcock property is sold, HRDC would recoup the funds.

Chris emphasized it would not be a loan to the West Babcock Apartments, but rather the funds would be transferred internally.

Mary suggested it could be difficult for any potential buyer to get a loan because of the substantial structural problems that would need to be addressed. Mary believed it would be necessary to do a several thousand dollars worth of work to address all repairs/improvements that need to be made.

Chris moved to direct staff to move forward with the sale of the Arrowwood property located at 149 Arrowwood Drive, and a portion of the proceeds from the sale be used to reduce the accounts receivable/deficit at the West Babcock Apartments. Joe seconded the motion. The motion carried unanimously.

Audit Committee

David directed the Board members to the engagement letter from Loren Randall. The Audit Committee recommended engaging Loren Randall, CPA, to perform the HRDC audit for fiscal year ending June 30, 2009.

Joe moved to engage Loren Randall, CPA, to perform the HRDC audit for fiscal year ending June 30, 2009. Kris seconded the motion, and the motion carried unanimously.

X. HUMAN RESOURCE UPDATE:

· Compensation/Insurance

Sara explained progress on locating new health insurance and stated she has partnered with Mountain West Benefits which has provided suggestions on how to get out of the Montana Non-Profit Association, which is part of Blue Cross Blue Shield. Sara was interested in researching health savings accounts tied to health insurance. Sara explained that in order to go out for bids for new health insurance, all eligible employees will need to complete health surveys. Sara believed the employees are reluctant since they have been through the process before. Therefore, Sara and Mountain West Benefits will meet with small focus groups to hear employee's concerns and gain employee support. Sara plans to initially meet with the Head Start group. Sara hopes to have numbers for the HRDC Board at its next meeting. Mountain West Benefits has also suggested changing eligibility requirements in an effort to increase the participation rate. HRDC's contribution rate would be pro rated based on the number of hours worked. Sara explained the benefit of offering a mini-med or reduced medical plan.

Jeff explained the health census information is needed before HRDC can go out for health insurance bids. Currently, HRDC pays 75 % for full-time employees only, and 60 p% for full-time employees plus dependents.

Chris suggested staying away from the mini-med plan, and the Board agreed the coverage is unclear and more details would be needed. Jeff emphasized nothing is proposed at this point and invited Board members to participate in the process and believed employees should have access to Board members. Sara agreed and stated the purpose in having small focus groups is to determine what employees would like to see in the benefits package. Cheryl commented that some employees will want a salary option in lieu of health insurance if they have other coverage available. Sara invited the Board members to any future meetings with Mountain West Benefits. Cynthia acknowledged Sara's hard work and time in attempting to secure new health insurance and the frustration to the HRDC and its employees. Sara explained the Mountain West Benefits has not charged HRDC for its services.

XI. HEAD START UPDATE:

· Program/Labor Update

Ken circulated copies of Head Start's credit card statements for the past two months. Ken stated Head Start has not expended any ARRA funds and believed the ARRA funds would be beneficial. Ken stated two Head Start buses are being leased to the public transportation system in Havre and thanked David for facilitating the lease.

Regarding the Board's desire to request decreased enrollment for Head Start, Ken reported he believed the Denver office had rejected the proposal. Additionally, Ken had requested that the in-kind contributions for ARRA funds be waived, but did not receive any answer.

Ken believed the Head Start budget is better than it has been in past years. Ken believed future one-time money could be used for one-time expenses rather than using one-time money to fund ongoing expenses. Ken believed Head Start would be in good shape for the next two years.

· Financial Update

Whitt distributed Head Start's budget report to the Board members.

Ken stated all the Head Start staff has been hired, and Head Start would begin its new year after Labor Day. A verbal agreement has been reached with the Union. Head Start has committed to a \$500 bonus per year to teacher's with a bachelor's degree and the maximum would be \$4,500 a year for all nine teachers. Ken hoped to recoup that money from the federal government. Ken explained the Union has severed itself from other HRDCs, so there will no longer be automatic longevity. Ken stated Head Start's liability is limited to eight percent.

Jeff stated there is an agreement in principle, but that he has not seen anything in writing. Ken explained HRDC will retain the right to manage Head Start. Head Start employees will have an expanded grievance procedure. Donna recalled in negotiations that HRDC agreed to a one-time bonus of \$200. Ken clarified the amount was \$250 and it was a one-time bonus.

Ken believed it was worth the time involved to obtain a good contract with the Union.

Chris asked about the minimum enrollment of 168 students. Ken explained current enrollment is at 149 students, and he anticipated meeting the minimum enrollment. Jeff stated that Head Start needs to have enrollment of 168 within 30 days of the first day of class

Cheryl addressed the Risk Management Report and asked for an explanation of the PRI indicators. Ken responded PRI refers to the Program Information Report and is

used for nation-wide comparisons. Ken also explained the medical screening requirements for students and compatibility issues between the PRI report and the Child Plus program and the resulting discrepancies in percentages. Cheryl asked if Ken was comfortable that there really were no gaps in performance. Ken stated he would report back after the meeting with program staff. Jeff commented on established federal benchmarks for Head Start programs.

Joe moved to accept the financial update presented to the HRDC Board for budget year 2009-10. David seconded the motion, and the motion carried unanimously.

Cheryl moved to accept the Director's report given to the Board on August 20, 2009. Ramona seconded the motion, and the motion carried unanimously.

XII. CEO REPORT

Jeff directed the Board members to correspondence regarding the donation for Galavan from the Emily Smyth Trust.

Jeff and the Board congratulated Sara on becoming certified by the HR Certification Institute and earning her PHR credentials.

The HRDC Board also thanked David for his many years of service as the Chairman of the Galavan and Streamline Board and congratulated Chris Budeski the new Chairman of the Galavan and Streamline Board.

XIII. ADJOURNMENT

David moved to adjourn the meeting.

Donna West, Chairperson

Date