

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX
HRDC Conference Room
Thursday, October 22, 2009

I. CALL TO ORDER

Donna West called the October 22, 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, Cynthia Cheney, David Kack, Joe Menicucci, Al Maurillo, Katie Moberg, Kris Moos, Cheryl Ridgely, Kathy Tanner, Crystal Turner, Billie Warford, and Donna West. Staff: Jeff Rupp, Mary Martin, Joan Davies, Tim Trizinski, Sara Fisher, Kristin Hamburg, Whitt Hampton, Ken Miller, Caren Couch, and Heather Grenier.

II. PUBLIC COMMENT

There was no public comment offered.

III. BOARD CHAIR COMMENTS

Donna thanked Cindy Peterson for attending the August 20, 2009, Board meeting. Kristin relayed a message from Jim Nolan complimenting the HRDC on its Board meeting minutes.

IV. NEIGHBORHOOD STABILIZATION PROJECT UPDATE

Heather provided an update on the Neighborhood Stabilization grant project and explained the final written approval is still pending from the Montana Department of Commerce (DOC). The tenant income survey had to be resubmitted, and Heather explained difficulties in getting tenants to complete and return their income surveys. Heather explained of the tenants who responded, only one tenant would be ineligible for the services, and the requirement is that 50 percent of the current tenants need to be income eligible. Heather was uncertain what the DOC's turnaround would be.

Jeff reminded the Board about the opportunity to purchase a 25-unit condo project with the possibility of building an additional 25 units. The grant would completely fund the project. Jeff expressed concern about the slow pace of the process and the project time frames. Jeff addressed the need to redesign the current structure to include more green space and play area for families. Jeff was excited about the possibility of providing home-ownership opportunities for families making 50 percent or less of the area income. Heather addressed the specifics of the time frame, which began in March 2009, for a contract to be in place.

Cheryl asked whether the November 1 deadline for the application approval/denial was an arbitrary deadline. Heather responded the November 1 deadline was the target deadline. Heather stated the DOC had assured her they would act quickly to approve or deny the application. Jeff identified the specificity required in the application and wondered whether additional requirements could slow the process down and result in an inability for the HRDC to meet the 18-month guideline. Heather explained after the 18-month guideline is met, the HRDC would have four years to complete the project.

Chris asked what the selling price would be for the units. Heather responded the units would sell for between \$125,000 and \$140,000, with an option for a soft second mortgage which would be provided by the grant. Jeff explained the money realized from the sale of the units would roll forward to build the future units.

Upon question from Cheryl, Jeff agreed the closing date could be modified and stated Mountain West Bank had been very supportive.

V. FOOD BANK UPDATE

Tim Trizinski, Program Manager for the Food Bank, addressed the growth of the need for Food Bank services. By the end of the year, Food Bank will have served 36,000 people. Tim depicted the Food Bank facility as inadequate; therefore, the Food Bank is aggressively seeking expansion. The Food Bank needs approximately 4,000 square feet of warehouse space in order to store enough food to serve its mission. The Food Bank's needs assessment revealed a need for greater warehouse space, parking, and distribution area. Tim identified the members of the team which included Tim Wagner, Battle Ridge Construction, Mark Wyrich, project architect, and Melody Dyba, Richard Engineers. Tim explained the specifics of the proposed expansion which included more services for seniors and the summer lunch program. Tim hoped to have the design portion of the expansion completed by February 2010.

Chris asked whether there was a variance for the set back. Melody responded the current regulations require a 75-foot set back and that a decision regarding the requested 35-foot set back would be made shortly and the request was expected to be granted, which would eliminate the need to file for a variance.

Cheryl asked whether the tree line near the parking area was an existing tree line, and Melody explained the trees are existing but are very thin, and very few trees would need to be removed to accommodate the parking area.

Tim stated at this point, the Food Bank is only committed to the design process. A preliminary cost estimate for the project is between \$500,000 and \$600,000. The Food Bank Advisory Board has designated and set aside \$100,000 of the Food Bank's cash reserve for the project.

Tim stated the Food Bank's current storage capacity is approximately 2,800 square feet, so the project will essentially double the Food Bank's capacity.

Chris stated Northwestern Energy has funding available to help relocate utilities and suggested contacting Chuck Busta at Northwestern Energy.

Jeff complimented the Food Bank Advisory Council and its diligence and fiscal responsibility in addressing the expansion project.

VI. CONSENT AGENDA

Jeff explained the proposed Resolution is required by the Department of Health and Human Services (DPHHS) and states:

Per contract requirements for operating the Homeless Prevention and Rapid re-Housing Program (HPRP) the HRDC District IX, Inc., must enter client data into the Montana Homeless Management Information System.

Jeff stated the Resolution will allow the HRDC to increase the time line housing from 30 days to 18 months and will allow the HRDC to assist with deposits. The database will assist Housing and Urban Development (HUD) to track and report nationwide statistics.

Crystal moved to accept the Consent Agenda (Board Minutes and Resolution) without the contracts. Cynthia seconded the motion, and the motion carried unanimously.

Donna offered condolences to Sara on the passing of her mother.

Sara addressed the review of the 401K plan and discussion about changing the third-party administrator. The recommendation is to change the third-party administrator effective January 1, 2010. Ann Schlenker of Edward Jones explained changes are being considered because of difficulties with the current third-party administrator. Ann identified a need to incorporate language redefining groups of employees who were never intended to receive benefits. Ann recommended reviewing at a base level what is liked and disliked with the current plan. Ann envisioned a need to make the plan easier to administer for the HRDC by automating enrollment, and allowing employees to make salary deferral changes and plan investment option changes on-line. The other concern was how to limit the costs. Ann identified Hartford as the better option because Hartford would save the HRDC money and provide more options to participants.

Benefit Plan Corp

Ann identified target retirement date funds as being a key benefit. Ann explained the differences in plan expenses between Hartford and American Fund. Ann stated there would not be any additional expense for the employees going into the new plan on a per-participant level outside of the individual fund expenses which will increase slightly. Ann explained how the new plan's performance will be monitored, as well as past and future efforts to educate employees.

Ann clarified the third-party administrator's role with the Hartford and stated she would be much more in the loop and in touch with Hartford. Ann stated she needs to proceed with paperwork within the next several days.

Cynthia moved to place the issue of Benefit Plan Corp. Plan on the agenda. David seconded the motion and the motion carried unanimously.

Cynthia moved to accept the change from American Funds to Hartford as proposed. Joe seconded the motion, and the motion carried unanimously.

Jeff explained the public notice requirement for HRDC agenda items and asked that in the future, notice requirements be strictly adhered to for items that require Board action.

· **New Contracts**

Whitt explained that Employee Benefit Management Services (EBMS) had managed HRDC's 401K plan and flexible benefits plan. Several years ago, Employee Benefit Resources (EBR) acquired the administration of 401K plans from EBMS.. Over the next several years, changes in the plan began to occur, including a different interpretation of eligible employees.

Whitt directed the Board to the New Contracts Report, which included new contracts in the past two months. Three of the contracts have to do with the American Recovery and Reinvestment Act (ARRA). Whitt identified a contract for \$1.2 million for the construction of the bus barn. Another contract was from HUD for \$289,000 for Homeless Prevention and Rapid Rehousing Program. The third contract was for State of Montana funds in the amount of \$95,000 specific to assisting existing emergency shelters, and most of the money will go to Family Promise. The annual grant contract for Title 3 from the Department of Public Health and Human Services (DPHHS) through the Agency on Aging was for one year for \$2,500 and will be used for the Retired Seniors Volunteer Program (RSVP). Youth Development Programs has a fee for service contract and comes through the Gallatin County Youth Probation Office. Warm Homes Montana received \$20,000, and that grant began August 1 and runs through June 30. The Low-Income Energy Assistance Program's (LIEAP) cycle began October 1 and consisted of an increase in administration to \$98,000 and \$63,000 for LIEAP outreach.

Joe moved to accept the new contracts. Cynthia seconded the motion, and the motion carried unanimously.

Whitt addressed the ten ARRA contracts, and stated he would address those contracts at the end of the meeting.

Whitt also addressed the current financial position of the Food Bank and stated the Gallatin County Food Bank has \$100,000 in the Certificates of Deposit Accounts Registry Service (CDARS) program. The Food Bank Board set that money aside from prior years' reserves and surpluses for a future expansion project. Whitt explained the \$100,000 is in a short-term investment and is earning interest. Another \$80,000 is in a money market reserve account at D.A. Davidson. Whitt explained these amounts are not part of the Food Bank's operating cash. The Headwater's Food Bank also has a small reserve, and that amount is not earmarked for any specific purpose.

VI. COMMITMENT TO COMMUNITY LUNCHEON

Kristin announced the second annual Commitment to Community Luncheon would be held on October 28, 2009, from 12:00 - 1:30 p.m. at the Emerson Cultural Center Ballroom. Kristin encouraged all HRDC Board members to attend.

VII. HEAD START UPDATE

Financial Update

Whitt reviewed Head Start's financial status through August. Head Start's grant cycle runs April 1 through March 31. Head Start's total funds for the grant cycle is approximately \$1,232,948, and consists of approximately \$1.2 million in federal grants, and approximately \$13,000 in private grants. Head Start has reserves of approximately \$62,000. Expenditures to date are approximately \$374,000, approximately 30 percent of total funding.

Billie asked about in-kind contributions and Whitt explained those contributions count as long as they are used within the program.

Joe moved to accept the Head Start financial report. Kathy seconded the motion, and the motion carried unanimously.

Program/Labor update/On-site Review

Ken explained this year Head Start has started seeking in-kind contributions earlier and is ahead of last year's pace. In-kind contributions must be spent within the contract year. Kathy inquired about the ARRA money and Whit explained the \$85,000 ARRA funds are outside the regular grant. Ken stated the influenza season has resulted in lower student attendance and has also impacted Head Start staff. Ken wanted the Board to be aware that he expected attendance to be down next month as well. Ken also reviewed the Visa bill, and Donna asked about the teacher's retreat. Ken next asked the Board Members to look at the spreadsheets provided in the read packet. These spreadsheets are being used to more closely monitor, enrollment, wait list, attendance and expenditures, on a monthly basis. Ken reported they are fully enrolled, there is a waiting list however the children waiting are all three year olds. Ken also discussed the future need for expansion to the west end of the valley i.e. Belgrade, Manhattan, Three Forks area as that is where more of our low-income families are residing.

VIII. BUS BARN

Jeff reminded the Board this is a joint project with the City of Bozeman to construct a vehicle storage/maintenance facility and the City should be credited with the concept of this joint venture. Jeff stated a groundbreaking ceremony for the new bus barn would be held on November 4, at 3:00 p.m. The multitude of funding sources, City, Federal and State make this project one of the most difficult in terms of compliance and fiscal reporting.

Jeff introduced Sash, Place Architecture. Sash provided the Board with conceptual drawings of the facility and discussed the layout, physical and mechanical features of the building. Energy conservation features include, south facing windows for passive solar heat in the offices, underground cistern system that collects water runoff from the roof to

be used to wash the vehicles. The roof is also designed to add solar panels in the future. There is a waste oil collection system that is used to heat the building.

Cheryl asked for clarification on the ownership of the facility. Jeff reviewed the structure; that being we have a 99 year land lease at fair market value of \$142,000 and the building with wash bay is owned by the HRDC with the accompanying federal use restrictions covering the life cycle of the building for 40 years.

IX. CEO REPORT

Jeff explained ARRA funds for energy consists of \$1.5 million, and 45 percent of the contract has expired, and 7 percent of the funds have been spent. Jeff explained that certain weatherization workers will be subject to the Davis Bacon Act.

Jeff emphasized that the ARRA funding is one-time money, so the Head Start ARRA funds will be utilized for one-time wage awards.

Jeff addressed the Community First Fund Bylaws and summarized his past efforts to raise private funds that would not governed by federal requirements. Jeff envisioned a need to create another non-profit to address private funds and stated the new non-profit could not be entitled the "Community First Fund" because of trademark restrictions.

Whitt stated Jeff had requested \$100,000 be transferred into the Community First Fund, and the fund currently has \$200,000 in cash and \$9,000 in loans.

Jeff clarified the new non-profit would be separate from the HRDC and would have its own Board of Directors.

Joe moved to create and submit the Community First Fund Articles of Incorporation and 501(c)(3) application. Cynthia seconded the motion, and the motion carried unanimously.

X. ADJOURNMENT

Joe moved to adjourn the meeting.

Donna West, Chairperson

Date