

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX

Board Meeting
HRDC Conference Room
April 21, 2011

I. CALL TO ORDER

David Kack, Chairman of the Human Resource Development Council of District IX (HRDC) called the April 21, 2011 meeting to order at 8:30 am. The following members were present: David Kack, Cheryl Ridgely, Mitch Bradley, Chris Budeski, Kris Moos, Ramona Stout and Gene Townsend, (Ron Brey joined the meeting following seating by Board). Staff present: Jeff Rupp, Kristin Hamburg, Mary Martin, Whitt Hampton, Ken Miller, Heather Grenier and Guest Jennifer Sherman.

II. PUBLIC COMMENT

No public comment was offered.

Heather provided Board with an update on the Warming Center following its March 31st closing. Community donations were very generous and the \$6000 requested from the city was not needed. The Warming Center operated for 92 days and served 72 people. Heather said the majority of costs accrued were staff costs. 10% of the guests were veterans, 58 males and 12 females. Ages ranged from 17-65. 88% stayed less than 30 days. 44% were local and 20% were residents of Montana. 16 people have now found permanent housing with 4 working on housing. Heather was pleased with the staff and volunteers and talked about the relationships made with the guests. Heather said the Greater Gallatin Homeless Action Committee has made a recommendation that a similarly run Warming Center should operate next year. David Kack asked if guests could store items at the Center. Heather explained that they had to get up and pack up their items each morning. Jeff thanked the HRDC staff that was involved. No other comments or questions.

III. NOMINATING COMMITTEE

Chris Budeski reported that two letters of interest were included in the Read File from individuals wanting to serve on the HRDC Board. Chris referred members to read information on Courtney Lehman and Ron Brey. Chris stated that the nominating committee made a recommendation to accept both applications for appointment to the HRDC Board. Chris Budeski made a motion to nominate Ron Brey and Courtney Lehman to the HRDC Board. Kris Moos seconded the motion. Jeff commented that both fill community representative seats and added that the Greater Gallatin Homeless Action Coalition nominated Ron and the Head Start Policy Council nominated Courtney. Upon vote the motion was approved.

The Board then welcomed Ron Brey to the meeting. Ron thanked the Board and said it was a privilege to be a part of this Board and that he was an admirer of the HRDC. Jeff commented that Ron was a 1 am – 7 am volunteer at the Warming Center. The Board members went around the room to introduce themselves.

David reported that the nominating committee would continue to work to fill the vacant seat in the private sector. He reminded everyone that Cynthia Cheney the HR Director of First Security Bank had held this seat. Jeff commented that Kris Moos had talked about the value of having a human resource representative. Jeff also reported that he has recently received an application from Peter Schmidt from Big Sky Western Bank. Discussion continued regarding potential representatives in the HR field. David commented that Al Maurillo through his work with Job Service is a good HR resource. Jeff noted that Al is on the personnel committee. Chris Budeski, on behalf of the nominating committee, stated they would continue to work on Board membership.

IV. CONSENT AGENDA

Minutes

New Contracts

David comment on the electronic read file and asked how others liked it. Chris said he liked it and that it was easy to read and he printed out what he wanted. Kristin commented that due to the size of the text for the Treasurer's report she would always have a hard copy for everyone.

David asked for any questions or comments on the consent agenda. Chris moved to accept the Consent Agenda and Mitch seconded it. Upon vote motion passed.

V. TREASURER'S REPORT

Whitt asked if everyone had their copy of the report and stated that it covered through March 31, 2011. Whitt first reviewed the Energy Programs -the first section shows the major sources for weatherization – Department of Energy Weatherization Grant, LIEAP Grant and Northwest Energy. Whitt updated the Board on the status of those grants. The next section Whitt covered the LIEAP program, the client revolving fund, the administrative expenditure grant and the client education or outreach grant. He reported that all are on track. Energy Share has \$76,000 in expenditures.

Whitt commented that Jeff had asked him to highlight programs throughout the Treasurer's Report that are currently not expected to be fully renewed. DOE Weatherization Contract for \$105,000 is currently not expected to be renewed for the new grant cycle. Chris asked if the weatherization funding remaining would be spent prior to the end of the cycle. Whitt's commented that yes there are plans to use all funds and that it was being stretched to last through June.

Whitt referred members to the next page – Housing Programs, starting with Section 8 Housing, total revenue of \$130,598 for nine months through March. Carry forward of prior year of about \$13,000. Expenditures for nine months are \$122,000 so there was an operating surplus for this cycle of \$7,800. Home to Stay Program has a number of funding sources, for nine months through March the program has about \$41,000 in revenue and \$61,000 in expenditures. Whitt noted that the foundation grant at the top was a carryover from the Gilhausen Family Foundation and in the last week we have received notification of a new grant from the Gilhausen Foundation for about \$30,000. HUD Emergency Shelter Grant runs May through April the grant amount is about \$33,000 and we have spent about \$19,000. The rest is being

spent through transfers to other local organizations. FEMA Emergency Shelter Grant ended in September and we have been awaiting renewal. Heather reported that we have been given word that it will be renewed on a reduced basis.

Whitt pointed out that the HUD Counseling Grant is not expected to be renewed. Whitt reported that this Grant is reflected in three places under Section 8 Housing, Home to Stay and the Road to Home.

Whitt reported on RPM and referred members to the budget and stated that it included some CSBG that has not yet been transferred. Whitt pointed that it had called for operating deficit aside from CSBG of about \$35,000 the actual nine months show net income of \$21,000 negative so compared to the budget RPM is doing better than projected to date. Whitt highlighted the accounts receivable for units managed by RPM.

HRDC has two rental properties – the Koch and Lippincott houses – 9 months show a deficit of \$4,400 and accounts receivable of \$30,000 we had discussed in the past a tenant in the Koch Condo that we have had problems collecting on. They were issued an eviction notice and they have moved out. The receivable is not expected to be collected and Whitt pointed out we will be writing off that as bad debt. Whitt reviewed the transitional units. David asked if they were filled and Mary commented that the units are full and do remain so. Mary commented that the tenants pay rent based on income if income is available. Chris asked how long tenants could stay. Mary commented that there are no limits but we work to move the family to permanent housing.

Whitt referred members to the next page continuing Housing. City of Bozeman Housing Contract -Rehab program summarizes the two sections – Self Help Home Rehab Contract and the Home Grant for Home Rehab. Whitt updated the Board on the Rehab Program and the revenue and costs associated with the program. By using surplus of the RD Program the director Caren Couch expects to break even.

The last section is the Road to Home and Whitt updated members on the program stating that 97 loans have been made to date.

Board members were then referred to the next page – Food Bank – for nine months the revenue through March is \$550,000 and expenditures of \$372,000. Whitt reminded the Board that the program has income coming in heavily during the holiday season. The expenditures include costs associated to the expansion - \$84,000 to-date. Headwaters Area Food Bank has revenue of \$42,000 and \$28,000 in expenditures. Chris asked if the revenue number reflected food and cash. Whitt reported that this number is strictly cash. Mitch commented on how well the Food Bank has done and how amazing the community support is. Chris asked just where the donations come and Heather commented on the variety of donations given to the Food Bank throughout the year from individuals, corporations and private donations. Whitt talked about the number of donations received during the holidays. The Food Bank has the longest list of sources more than any other program by far. Mitch again, commented how generous our community has been and how they have stepped up during difficult economic times.

Whitt asked everyone to look to the next page the RSVP Program which through nine months has revenue of \$131,000 and expenditures of \$97,000 that is about 74% spent and is right on track. There is about \$28,000 available from prior years carry forward. Whitt reported that

RSVP is a program that is at great risk of not having its primary funding renewed. The Corporation for National Service Grant of \$98,000 runs through June 30th.

Home Care Programs nine months \$58,000 in revenue, which is almost all, spent. This program is supplemented by a grant from the Gilhausen foundation and CSBG.

Transportation Programs - Galavan nine months through March has revenue of \$256,000. Whitt reported that this includes all the sources that have been committed through the year. Expenditures through March are \$221,000 and reserves or carry forward funds of \$61,000. Whitt reported that Streamline through nine months through March \$1,054,000 and expenditures of \$767,000 approximately on track with prior year carry over of \$75,000. Whitt noted that the New Contracts included the two new buses and that local match Streamline's portion is 20% or \$75,000.

Whitt then asked members to move to the Youth Development Programs. The first section - Workforce Investment Act through nine months shows total revenue of \$154,000 and expenditures of \$117,000 approximately on track. One of the New Contracts listed is a Foster Care Youth Program through the Department of Public Health and Human Services, Child and Family Services Division; brand new to the agency \$63,000 and we will be spending that through September.

Whitt referred to the next page – Head Start and noted that there will also be a financial report under the Head Start Directors report. Whitt discussed expenditures to that Grant and expects the grant to be spent out. Ron asked what the future looks like for Head Start. Whitt commented that the expectation is about a 5% increase. Jeff agreed with the projection of 5%.

Next page Community Services Block Grant (CSBG) Whitt reported that traditionally the HRDC extends those grants past June to August and will do so this year as well. Whitt reported that CSBG is one of the funding sources that is currently at risk and commented that Jeff would discuss this in greater detail in his CEO report later in the meeting.

Whitt reviewed the LISC Grant and the status of the Community First Fund and the three outstanding loans. Whitt then reviewed the land trusts.

Neighborhood Stabilization Program (NSP) Whitt referred to the grant of \$6,468,500. Whitt reported that we have used \$2,850,000 to acquire the first phase of 23 units and phase two is under construction we have currently used \$618,000. The total expenditures through March are \$6,451,000 out of the grant. Predevelopment and soft costs of about \$400,000, which include architect fees. Whitt reported that six condos have been sold for a total of \$744,000 and second mortgage loans have been made for a total of \$338,000.

Chris Budeski asked about the predevelopment soft costs the line item project management year to-date of \$130,000 who is that to? Heather reported that it is to HRDC. Cheryl asked for clarification. Heather provided the clarification that it is staff time and costs for the management of the units and development of the project. Jeff explained the costs associated in the project management. Chris asked if there was a Realtor. Heather answered that we have a staff person in house and work with Realtors at 2%. Heather broke down the different uses of the funds and the HRDC staff dedicated to this project.

Whitt directed members to the last page which summarizes the ARRA (American Recovery and Reinvestment Act) bottom line total is \$ 4,259,000 from ARRA funded grants of which we have spent \$3.6 million leaving about \$650,000. The grants that are still active are Home Weatherization, which has been extended through December, and ARRA Homeless Prevention Rapid Rehousing Program through July 13, 2011 - \$389,000, the House Bill 645 Grant that ends in June and ARRA Vehicle Facility Construction 1.2 million almost spent and is drawing to a close. Chris asked if any would be renewed. Whitt and Jeff commented that these grants were one-time opportunities. Whitt asked for additional questions. Cheryl made a motion to accept the Treasurer's Report for April 21, 2011. Chris seconded the motion. Upon vote the motion was approved.

VI. PERSONNEL COMMITTEE

Sara referred everyone to e-mail correspondence in the read file. The personnel committee members were not available to attend the meeting. Sara said that every year around this time the agency makes a cost of living adjustment recommendation. Sara reviewed cola's for the past few years. Last year a 2% cola was given. Sara read e-mail from the committee recommending a 0% cola for 2010/2011. Sara added that program managers do have the flexibility under the new pay scale to make adjustments to their employees pay based on performance and availability of Grant funding. Gene asked what programs she was unsure of in regards to their funding. What is making you lean towards this decision? Sara listed programs that were vulnerable with funding. Jeff said funding is a pretty fluid situation that seems to change every week. Jeff reported that many programs are facing potential cuts in discussions for October 1st. Jeff stated that it is his feeling that if you're on any of those preliminary lists you are on those lists forever. Jeff said he is certain RSVP and the Community Service Block Grant will be back on the list for elimination. Chris asked if the state and federal government look at cost of living for the area for the past year and did Sara take a look at that. Sara reported that she did and the proposal was 1.5 to 2%. Discussion followed on what drives the cost of living up. Jeff acknowledged that he knows the costs of living has increased but faced with cuts and Sara added that we have an unofficial projection of 6% increase in health insurance costs. Discussion followed on the financial affect to the agency with a 2% COLA. Sara explained the programs manager's abilities to provide a pay increase based on performance. Jeff talked about the difficulties of equitable and manageable health insurance. Sara reported on what the family pays and what the agencies pays. Cheryl asked the number of HRDC employees. Whitt reported that we have about 100 employees and 28 participate in the health insurance option and there are 47 eligible employees. Sara stated that we are currently at 62% participation. Sara explained that to go out to bid we need 75% participation rate. We need to get that number up to try and leave the MNA group. Gene asks what it costs to run the insurance. Sara reported that the agency picks up 75% of the bill and employee's premiums are around \$500. Family coverage the agency picks up 60%. Sara added that employees must work 32 hours to qualify. Chris asked the deductible – employee only the deductible is \$1,500 and up to \$4000 out of pocket. From the \$1,500 to \$4000 it is a 50/50 share rate. Chris asked the provider. Sara reported that it is Blue Cross Blue Shield. Ron comment that the read file was informative for someone who is new and asked about concern within the agency regarding the cola about unfair treatment of employees that isn't based on performance but increase based on which program you are fortunate or unfortunate to be working in. Is there some concern about that? Jeff commented that it is the nature of the beast and employees realize that some funding is more secure than others. He added that we do move people around and he assumes that part of that may be the employee looking for security. Sara talked about options available to managers to recognize and incentivize employees other than just a once a year increase. Chris made a motion to approve

the 0% cola for 2010/2011. Mitch seconded the motion. David asked for additional discussion. Chris asked if the increase in costs of health insurance is a benefit to employees. Mitch commented that yes it should be viewed that way. Cheryl called it a part of the total compensation. Sara added some of the positive benefits of the new plan including improved wellness and preventative coverage. Motion passed with Gene voting no.

VII. HEAD START DIRECTORS REPORT

Ken explained the Contract Amendment for transfer of a teacher in the Head Start Program. Because of labor ruling the transfer of an employee is a negotiated item. In our contract initially the employees waived their right to negotiate transfers. We have that waiver but when the contract expires that waiver expires. If a dollar amount is attached it gives it permanence. That is why the decision was made to offer a one time \$400 stipend to help an employee with the transition. Ken reported that he thought it was fair and the Advisory Council was comfortable with that as well. Jeff asked how many people were transferred last year and Ken reported that there were nine last year. Transfers are common each year. Ken asked for additional questions. Ron pointed out that the amendment should use the word 'and' instead of 'or'. Chris agreed. Gene asked about individuals who are affected with additional mileage costs above \$400. Sara explained the history of this negotiation and the portal-to-portal act. The end result was the \$400, which all parties were comfortable with. Chris asked if the employee has the right to refuse a transfer. Ken said no, and there have been cases where people have been upset. The transfers are important to the program and all the reluctance is worked through to keep a positive relationship and morale. Cheryl asked if there was a limit to how many times you could be transferred. Ken said there is no limit. Chris asked if the union supports this amendment and Ken answered yes. Sara explained that staff does provide input regarding the transfers through a staff survey each spring.

David asked for a motion to accept the amendment with the addition of 'and' between items one and two to clarify that both items have to be met to warrant the \$400. Chris made the motion and Cheryl seconded the motion. Following no further discussion all voted in favor and motion passed.

Financial Report - Ken reported that staff would be able to spend out the current grant and that the program met in-kind requirements. Jeff asked Board members to please read the memo written by Ken in the read file. Jeff said the memo is a great summary of in-kind and is very well done. Ken complimented his staff for doing such an outstanding job of gathering the in-kind. Ken reported that he recently attended a conference and learned that our agency is not alone in our struggles with in kind. Ken also reported that the Statewide Head Start Association is up and running and handed out their most recent annual report.

David asked for any questions. Mitch made a motion to accept the Financial Report of the Head Start Program, Ron seconded the motion and all were in favor.

VIII. AGENCY UPDATE

Heather reported on the CSBG Workplan for 2012-2013 and referred members to the read file. Heather commented that ROMA goals are in the work plan and are also reflected in the program overviews given to Board members each meeting. Heather explained how all the ROMA goals from the overviews are tied into this workplan. The workplan is driven by the findings of the community needs assessment and strategic plan which is done every five years. Heather commented that 2012-

2013 funding is very tentative. Should funding be renewed this plan reflects how the agency will utilize those dollars. Heather added that much is dependent upon the details of funding across many of our programs. Heather explained that this plan must be reviewed and discussed with the Gallatin, Park and Meagher County Commissioners. Those visits and discussions have been scheduled. Following the commissioners' approval and approval from the Board it will then be sent on to the state.

Heather reported that there are a couple of new additions in the plan. The first is a partnership with the local VITA program to provide free income tax and earned income tax credit information and assistance. The second new addition is the Warming Center and Heather reported that she had a final fact sheet for all Board members. Finally there is the addition of the mobile outreach unit project. This project is a way to access customers in outlying areas. The mobile unit will be a way to make sure we have a presence in all of the communities we serve. This will be accomplished with the assistance of the HRDC Program Navigators. Heather asked if there were any questions regarding the Work Plan. Jeff asked the unduplicated number of customers. Heather reported 14,400 individuals have made contact with the HRDC for assistance in the past year. Heather cautioned that this number maybe lows as some programs are not participating in the collecting of the data. Chris asked if this is a one count. Heather said yes it is an unduplicated number. Heather reported that next years data would be even more complete with a new software system.

Chris made a motion to accept the 2012-2013 Community Services Work Plan; the motion was seconded by Gene and with no further questions the motion passed.

Heather then went on to refer Board Members to the Information Survey Report (IS Report). It is essentially the report of how we are doing on all our workplan goals and the national performance indicators. Are we completing our goals and meeting our projections. Heather explained to the Board that at the national level they look at how accurate we are at projecting what our outcomes will be not necessarily what the outcomes are but how well we know the impact of our service. Heather referred members to the narrative pages and the highlights of activities in the past year. Heather also referred to the financial summary and the program participation characteristics noting that it is a very informative page. Heather asked if the Board had any questions or comments. Chris asked if there was anything of concern in this report. Heather reported that there was nothing alarming and suggested that members read the notes section as the detail there is worthy. Jeff thanked Heather for her report.

IX. CEO REPORT

Jeff stated that David recently sent him a reminder of three goals made at the September 2010 Board Training. The first of which is a glossary of terms and that has been given to all Board Members. The second is an updated program chart also handed out prior to the meeting and finally a review of the five subsidiary corporations. Jeff reported that he has been in contact with the attorney and the attorney has not been able to get to the task. Jeff stated that he compiled some information and referred members to slides. Jeff reported that the Home Corporation membership is the same as the HRDC Board and the terms are the same. The next subsidiary corporation is the Miles Building – 42 apartments and seven commercial spaces. The membership is five to seven members and they are appointed annually. It specifically says you the HRDC Board have made three appointments the CEO, Finance Officer and Community Development Director. It also stated that the HRDC Board

should make 2 appointments annually. Jeff reported that this has not been done regular and he will readdress this at the next Board Meeting.

Jeff then reported on the Summit Apartments a small complex in Livingston. The by-laws call for three to seven members with three year terms appointed by the HRDC to include the CEO and Finance Director. Board Members have ability to appoint more members.

Jeff then reported on the Sherwood Apartments a 50 unit project in Livingston again three to seven members currently your CEO, Finance Director, Community Development, Housing Director are members. This membership is up to the Board.

Darlington Apartments, the HRDC is a very limited partner with a very small role. Jeff stated that again three to seven members and again there are three appointments, CEO, Community Development and Finance Director.

Jeff said he was paying close attention to the Miles and the Sherwood and the funds they have available.

Jeff reported that the attorney will review these five subsidiary corporations prior to the next meeting and will report at that time. David reminded the Board of the concern brought to the Boards attention at the September training by Bonnie Satchatella-Sawyer. Jeff ended with a promise that more information will be presented in June.

Next Jeff talked about a goal from the Strategic Plan of the functional realignment of the HRDC. The goal of the realignment is a better more inclusive delivery system for HRDC customers and to look at the HRDC more by function. What are the functional groupings of the HRDC? Jeff reported that a committee headed by Heather and including Kristin, Tim, Sara and Tracy looked closely at the agencies program alignment. They have put a report together and all Board members have a copy before them today. Jeff stated that he just wanted to report that he has reviewed the report and discussed it with key staff. Jeff stated that it would be a major change within the HRDC. Jeff commented that it directs him to do things differently but he stated he is excited about it and sees that it will help us run more efficiently and effectively and move the office forward. Jeff stated that it is a process and in that process different people and programs will be working together in different ways ultimately improving communications and collaborations. Jeff reported it is one of his goals and he is moving forward with the plan with excitement, noting that change is not always easy.

Jeff talked about a suggestion for a new position –a Chief Operating Officer. Jeff felt this position was a very important piece of the functional realignment and noted that he would implement that recommendation.

Finally, Jeff reviewed some conversations going on in Washington DC. Jeff spoke that he has concerns regarding funding for programs such as RSVP and the Road to Home. Road to Home will lose some \$40,000. Jeff commented that he is certain these conversations will continue and programs reflected on the first list will most likely be on future elimination or reduction lists as well.

Jeff said if he could suggest watching one conversation closely it would be the one regarding the Community Service Block Grant because it will have the biggest impact on the HRDC. CSBG is the heart and sole of the definition of the community needs assessment. Jeff talked about two

investments that he feels are important to make even during this uncertain time. The first is new data base software. This conversation has been lead by Heather and will allow the HRDC to gather the data we need to implement the cultural change on performance data and then we will feed that data to the states system. Next is a Development Director. This will be first time for the HRDC. Jeff stated he feels now is the time and that the stories and need is there. He commented on the success of fundraising for the warming center. He also talked about the Homemaker Program and the stories within that program that would be interesting to potential donors.

Discussion continued by Board members regarding the impact some programs would have with cuts. The weatherization program was discussed extensively. Chris had questions regarding the costs per home and benefits per home, do we have data? Jeff reported that data is available.

David added that he wanted to remind the Board that CSBG is so important because of its flexibility and connection with the agencies strategic plan. He added that it is important to tell that story and used the example of the conversation recently with Senator Tester and he seemed to understand the importance. Jeff talked of the value of CSBG to the rural community - it gives us resources to direct towards the need. Cheryl commented on the Development Director position and the importance on focusing on the programs and services we do in the HRDC that no one else in the community is doing. David added that the HRDC does have a good story to tell and used the Warming Center as an example as well as the upcoming fifth anniversary of Streamline. Both are examples of HRDC stepping up based on community need. David said telling this story is vital. More discussion followed regarding the role and duties of a Development Director. Jeff talked about being ready and willing to commit corporate dollars to this position. Cheryl commented about donor fatigue within our community and competition for dollars. Chris talked about the importance of long-term relationships with donors and added that it is important that this person work exclusively for the HRDC with no other conflicts. Cheryl talked about the importance of grant research and Jeff added that each program manager has responsibilities for grant writing. Cheryl commented that someone to coordinate those opportunities would be helpful.

Finally, David passed on the invitation to Board members to attend the upcoming Spring Celebration. Jeff commented that it is a great opportunity to see the outstanding work of the Food Bank. Chris commented on the positive experience his daughter has had as a Food Bank Volunteer.

X. ADJOURN

Mitch moved that the HRDC Board of Directors meeting be adjourned. David thanked Board members and staff for their work and the meeting was adjourned.

David Kack, Chairperson

Date