

**Minutes of the
Rocky Mountain Development Council, Inc.
RMDC Board of Directors' Meeting
June 29, 2017**

Members present include: Susan Geise, Mike Delger, Debbie Havens, Trever Kirkland, Lanessa Littrell, Bob Mullen, Daniel Pocha, Lois Steinbeck

Members absent include: Rebecca Blend, Bruce Day, Helen Fandrich, Jerry Loendorf, Keith Meyer, Maria Pace, Roberta Spengler

Guests: Lori Ladas, Chrisy Irej, Walt Hanley, Ashley Peña-Larsen, Linda Nolan, Shawna Donaldson, Taya Hoven, Rod Applegate, Brian Garrity, Diane Edgar

Call to Order/Roll Call: Susan Geise called the meeting to order at 3:30 p.m.

Approval of Minutes

Debbie Havens made the motion to approve the May 25, 2017 Board of Directors' meeting minutes. Daniel Pocha seconded and the motion passed unanimously.

Director's Report – Lori Ladas

Lori began her report by discussing the housing tax credit presentations which were held on Monday, June 26, in front of the Montana Board of Housing. Eighteen organizations sent a letter of interest and eight projects were selected to move forward. North Stone property, a potential RMDC project, was not selected this year. However, Lori said RMDC will try again in future years.

Lori notified the Board that RMDC offices will be closed on Monday, July 3; employees must either use vacation time or take leave without pay. The Preschool will be open on that day.

Lori continued by discussing the appraisal of the Helena Valley classroom. The appraisal is not required for the bank loan, but needed to be submitted in the Head Start 1303 application, and Head Start is waiting to hear back on that submission. Head Start is interested in the appraised value of the property after all renovations and updates are complete. The appraisal report valued the property currently at \$20,000 less than the purchase price based on the buy/sell agreement. The buy/sell is contingent on the appraisal results. RMDC plans to get a second opinion on the market value of the property and determine next steps based on that report. In other Head Start news, Lori reported that 10 children are currently enrolled for the Whitehall Head Start location in the fall; Susan and Bob thanked the Policy Council for their consideration regarding the future of the Whitehall location.

Lori referenced a letter received by some Board members regarding a resident at Townsend Homestead Manor; she wanted to report on it in case any other Board members were contacted, and reported that the individual in question is no longer residing at Townsend Homestead Manor.

Finance Report Update – Chrisy Irej

a. General Update

Chrisy reported that the current cash balance is \$440,941, and the current AP balance is \$43,894. Chrisy noted that the fiscal staff is currently importing budgets into the fiscal system for the new fiscal year. She also reported that going forward, Finance Committee minutes will first be approved by the committee itself, and then brought to the full Board of Directors the following month.

b. Approval of Fiscal Policies – Record Retention

Chrisy referenced the draft record retention policy that was included in the Board packet. This policy is being added to the fiscal policy manual, and while it is something that has been part of the fiscal process,

it has not previously been written. Retention periods included in the policy came from a number of sources, including State of Montana Records Retention, WIPFLI, Montana Non-Profit Association and Anderson ZurMuehlen.

Daniel Pocha made the motion to approve the Records Retention policy as presented. Lanessa Littrell seconded and the motion passed unanimously.

c. **Approval of Fiscal Policies – Sub-recipient Monitoring**

Chrisy referenced the draft policy included in the Board packet. This policy is another new addition to the fiscal policy manual. Programs with sub-recipients for RMDC are Area IV Agency on Aging and the Emergency Solutions Grant. The funding for these two sub-recipients is Federal, and the new Uniform Guidance led to the development of this new policy. All pass-through federal funding to subrecipients is represented in the RMDC financial statements as federal dollars and we are responsible for making sure it is spent in the right way

Daniel Pocha made the motion to approve the Sub-recipient Monitoring policy as presented. Lanessa Littrell seconded and the motion passed unanimously.

Committee Reports – None

While no committee reports were presented, Susan Geise noted that the Executive Committee will need to make recommendations for the Nominating Committee soon, as election of officers will take place in September.

Approve Letter to Senators and Representatives – Lori Ladas

Lori referenced the revised draft letter and fact sheet to be sent with it, and asked for feedback from the Board. Lois Steinbeck commented that she liked the revised version of the letter better than the first version, but still felt it needed specific statistics near the beginning. Susan suggested adding percentages or data as discussed, and then consider the letter ready to send. Rather than collecting signatures, the decision was made to list all members of the Board of Directors on the letter.

Lois Stenbeck made the motion to approve the sending of the letter to senators and representatives once discussed adjustments are made. Daniel Pocha seconded and the motion passed unanimously.

High School House Update – Lori Ladas

Lori reported that discussion had begun with Greg Upham, Assistant Superintendent of the Helena School District. Walt Jones, teacher with Helena Public Schools, has been the main contact for this project in the past. Historically, RMDC has provided financing, paperwork oversight, payment to vendors, and assisting with obtaining additional funds. Vendors have often donated supplies as well. In recent years, finding an affordable lot in a location close to both high schools has been a challenge; a few years ago, a private owner had a lot available and then ended up buying the house once complete. Two years ago, the high school students decided they wanted a veteran to receive the house that was built, and that led to a Go Fund Me fundraising page which went beyond RMDC's control of the project. At that point, the Board of Directors agreed to take a one year break from the High School House project and revisit at a later date.

At this time, RMDC does not have a lot for a High School House project in the fall. Greg Upham was very interested in continuing the High School House partnership with RMDC. The possibility of having income qualifications for the buyer of the home was suggested as an option in the future. Lori and Greg also discussed the possibility of the project not being an annual one, but one where the collaboration happens when possible.

Several Board members offered opinions on the project. Daniel Pocha referred to it as a "feel good program", and felt it could be productive to the level of Spirit of Service with a level of community participation, such as from the Homebuilder's Association or Realtors. Debbie Havens agreed that it is a great program, but did emphasize that an MOU with the school district would need to be in place to set restrictions, so a situation like the Go Fund Me fundraising would not happen again. Trever Kirkland asked for clarification regarding an acceptable price for a lot,

given that price has been a factor. The grant money used for the High School House project is \$50,000, and that money is put back into the account at the end of each project for the next round's lot purchase.

Head Start Update

a. Policy Council Report – Lanessa Littrell

Lanessa reported that the last Policy Council meeting had excellent attendance. Some topics on the agenda were tabled until the July meeting. Items moved ahead to the full Board of Directors included the Duration Start-Up Fund Carryover and the 1.0% COLA increase. After discussion regarding the future of the Whitehall site, the decision was made to move out the final decision one more month to allow for maximum time for enrollment of students.

b. Director's Report – Ashley Peña-Larsen

Ashley referenced the handouts sent to the Board of Directors in their Board packet, including the Director's Report and two budget reports. One budget was the closeout for April, and the second was the start of the current budget, which is still being entered in to the system. Next month, the budget will show all normal categories and reporting. Ashley reported a good end to the Head Start program year, with 90% attendance overall; one classroom reported 97% attendance for the year. Ashley will be participating in the Early Childhood Impact Steering Committee and Early Childhood Coalition, and also reported that the Head Start teacher in Townsend was asked to serve on an Early Childhood Committee in that community. Head Start has agreed to sponsor a sister school in Guatemala and looks forward to reporting on the activities with that school next year. Ashley also mentioned that she had included the Dispute Resolution Procedures with the Board packet this month, in case the Policy Council and Board of Directors end in disagreement regarding the future of the Whitehall Head Start location. In summary, 14 students need to be fully enrolled at the Whitehall location by July 10 in order for the site to have any possibility of staying open. If the 14 students are enrolled by that date, further considerations for the site include the hiring of a teacher, a pledge of participation from the Whitehall parents, and a contribution from the Whitehall community to keep operating numbers down.

Daniel Pocha made the motion to approve the Head Start Director's Report and Budget. Trever Kirkland seconded and the motion passed unanimously.

c. Duration Start-Up Fund Carryover – Ashley Peña-Larsen

Ashley proposed approval of the carryover funding resulting from the Duration of Services grant. This carryover funding is slated to be used for renovations and the building of a playground for the proposed Valley location at 1275 Fern Road. The funding is tied directly to that property and if the project would be discontinued, the carryover funding would be discontinued as well.

Daniel Pocha made the motion to approve the request for the Duration Start-Up Fund Carryover. Lanessa Littrell seconded and the motion passed unanimously.

d. 1.0% COLA Increase – Ashley Peña-Larsen

Ashley reported that Head Start received notice of a 1.0% COLA grant at the beginning of June, and it required a quick turnaround in order to be turned in by June 30. Ashley asked the Board of Directors for approval to accept and use the COLA grant funding of \$20,242 as a 1% increase in Head Start staff salaries, to continue to move their staff up the current pay plan, not increasing the base rate. The question was raised about maintaining equity across programs; meaning if Head Start was getting a pay increase, would the rest of the staff at RMDC? Lori Ladas reported that while the general consensus of the Board in the past has been to make the effort to maintain equity amongst programs and implement a similar COLA for all RMDC staff, under the current budget, management does not feel comfortable giving the rest of the staff a 1% increase at this time. Lori added that it has been very rare in the history of RMDC that a COLA increase was not done for all employees when driven by a Head Start COLA grant; that this year was a little different because of the recent fiscal adjustment of implementing the new pay plan. Discussion followed about the impact of an increase just for Head Start, and how it would affect employee morale throughout other RMDC programs. Ashley acknowledged that all programs may not be able to

receive increases at this time, but 60 employees working for Head Start could, and she urged the Board to approve accepting the Federal funding while it is being offered, as there is no guarantee it will continue to be in the future. She added that it would hurt the Head Start program to know that the funding was there but not be able to use it.

Lanessa Littrell made the motion to approve the use of the funds from the COLA grant to implement a 1.0% pay increase to Head Start staff. Daniel Pocha seconded the motion. Five votes were in favor, three opposed. Motion carried.

As follow-up, a request was made by the Board that the cost of implementing a 1% increase for the remainder of the RMDC employees at various times of the year be researched, along with how such an increase would be funded.

Renewal of Executive Director's Employment Agreement – Susan Geise

A quorum was no longer present, so discussion regarding the Executive Director's employment agreement will be moved to next month's agenda.

Review Board Member Term Expiration – Susan Geise

There are two Board members whose terms will expire in 2017: Roberta Spengler (low income) and Keith Meyer (Private Sector). As mentioned earlier in the meeting, the Nominating Committee will need to meet soon in order to get those seats filled for the upcoming year.

Board Survey – Lori Ladas

Lori referenced the Board Survey sent out in the packet prior to the meeting. She asked all Board members to complete the survey and return it to Diane Edgar before August 1.

Other Comments

Susan Geise commented that she believes that leadership and attitude starts at the top of the organization. The communication between RMDC's Executive Director and the staff has led to improved morale throughout the organization, with Lori expressing both her own appreciation and the Board's appreciation. With this knowledge, Susan commented that she was dismayed to hear comments during the COLA grant discussion, noting that Head Start teachers feel disrespected by the Board. Susan emphasized that Head Start is but one program among many at RMDC. The Board and Head Start have had to work through many issues over the past six months, and Susan reaffirmed that the Board of Directors holds Head Start in the highest esteem. Susan asked that the leadership of RMDC and also the leadership of Head Start communicate the Board's appreciation to the Head Start teachers, and emphasized that the Board of Directors has full respect for each and every employee at Rocky.

The July Board of Directors' meeting is scheduled for Thursday, July 27, at 3:30 p.m.

The meeting was adjourned at 5:00 p.m.

Respectfully submitted,



Diane M. Edgar

Administrative Assistant, III



Bob Mullen

Secretary/Treasurer

7-27-17

Date