

**Minutes of the
Rocky Mountain Development Council, Inc.
RMDC Board of Directors' Meeting
May 25, 2017**

Members present include: Susan Geise, Lois Steinbeck, Roberta Spengler, Daniel Pocha, Bob Mullen, Jerry Loendorf, Trever Kirkland, Debbie Havens, Helen Fandrich, Becky Blend

Members absent include: Bruce Day, Mike Delger, Lanessa Littrell, Keith Meyer, Maria Pace

Guests: Lori Ladas, Chrisy Irey, Kathy Marks, Gale Anderson, Ashley Peña-Larsen, Liz Mogstad, Sam Hall, Joan Anderson, Taya Hoven, Rod Applegate, Jean Leischner, Diane Edgar

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

Approval of Minutes

Daniel Pocha made the motion to approve the April 27 Board of Directors' Meeting Minutes, the April 27 Finance Committee Meeting Minutes, and the April 18, 2017 Retirement Committee Meeting Minutes. Trever Kirkland seconded and the motion passed unanimously.

Director's Report – Lori Ladas

Lori began her report by referencing the draft letter to Senators Tester and Daines, regarding the proposed Federal budget cuts which would impact several RMDC programs. The Board members were given a few moments to review the letter and then asked to provide feedback. Lois Steinbeck recommended that the message about the impact of the budget cuts should move to the beginning of the letter rather than at the end, and that it would be powerful to include a total number of individuals impacted by these programs. Susan Geise agreed that it would be good to include data such as how many meals are served or how many people would be affected by these proposed cuts. Bob Mullen also suggested we remove the President's name from the letter, and rather reference "the proposed executive budget". The letter will be revised based on these comments and will be ready for signatures at the next Board of Directors meeting.

Lori recognized both Kathy Marks and Jacque Smith for their work in coordinating Spirit of Service. Roberta Spengler shared a story from a Helena Food Share client who expressed her gratitude for the work done at her residence. Lori continued by asking for any questions regarding the Head Start updates sent out prior to the meeting, involving the Valley location and the Whitehall classroom status.

Jerry Loendorf questioned the vacant positions listed on the Director's Report. Gale Anderson mentioned that the intermittent positions are often posted on an ongoing basis, and are difficult to hire for some programs. Ashley Peña-Larsen confirmed that one application had been received for the vacant teacher position in Whitehall, but the individual does not have the required qualifications. The position was re-posted on May 25, and is open until Monday, June 5. Bob Mullen reported that he had contacted schools in Wyoming and North Dakota with Early Childhood Education programs, to expand the reach of the job posting to recent graduates at those schools. Bob also mentioned the possibility of Jefferson County paying travel and rent costs for a new hire who might need to relocate; Lori suggested checking the tax law implications of such an offering, and Gale noted that the union might possibly have an issue with an employee at one rural site receiving different benefits than other union employees, even if the benefits are not an RMDC offering. Susan emphasized the fact that anything Jefferson County does in regards to additional benefits for this position, such as housing or mileage, is totally the responsibility of Jefferson County and Rocky Mountain Development Council has no part in those additional benefits.

Finance Report Update – Chrisy Irey

a. General Update

The current cash balance is \$344,404. Current AP balance is \$26,243.

b. RMDC Fiscal Year 2018 Budget

Chrisy handed out three spreadsheets: a fiscal year 2017 projection as of April 2017; the 2018 fiscal year budget; and the Senior County Mill Allocation Request for FY2018. Chrisy began her budget presentation by introducing the Budget Analysts and explaining what programs they assist. Budget Analysts in attendance included Taya Hoven (Head Start, Area IV Agency on Aging, and Emergency Solutions Grant), Jean Leischner (Accounting Manager and Internal Service Funds), Rod Applegate (Senior Nutrition/Transportation, Weatherization/LIEAP, SOS, and Fundraising), and Joan Anderson (Affordable Housing and Preschool). Chrisy continues to serve as Budget Analyst for Senior Corps Programs, CSBG Funding, and the Indirect Cost Pool.

Chrisy started with an explanation of the layout for the April 2017 spreadsheet. She explained that this spreadsheet projects where RMDC will end fiscally at the end of fiscal year 2017. Programs are listed at the top of the spreadsheet, with revenues and expenses as well as additional funding that may be available for each program. Sources of additional funding include County Mill, which can only be used for Senior Programs, and CSBG, which can be allocated for low-income programs. As of April 2017, \$238,073 in unrestricted County Mill funds are not allocated and will be carried over to FY2018.

Chrisy then referenced the Senior County Mill Allocation Request Spreadsheet for FY2018, showing no increase in requested allocation to reflect how no change would impact future years. For FY2018, the County Mill carryover would be \$124,179; FY2019 would show a projected carryover of only \$4,271, and FY2020 would show a loss of \$115,637. Since FY2014, Area IV Agency on Aging has received (and allocated to the RMDC Senior Nutrition Program as a subrecipient agency) \$121,988 in additional funding, which has saved the need to spend all available County Mill funds, allowing for carryover. We are never sure whether or not Area IV will receive this money. We do not expect to receive it for FY17 and we cannot rely on it in future FYs.

Chrisy directed the discussion back to the FY2017 spreadsheet, to note a few numbers of interest. She referenced the water damage at the "Our Place" Drop In Center at the Jackson Street location this year, and that the cost of repairs is reflected, showing a loss of \$21,532 in the budget. We are currently working with insurance and hope to have less of a loss. Affordable Housing shows a budgeted loss of \$29,654, which is actually a transfer to the IDC pool, taking care of a prior deficit there. The negative balance for Townsend Homestead Manor is a planned loss, reflecting depreciation. The consolidated kitchen also shows a planned loss of \$2,027, which is a cash balance that needs to be absorbed. The total cash balance for FY2017 after compensated absences is projected at \$108,324, which is similar to the most recent projections (January 2017).

Discussion moved to the FY2018 budget spreadsheet. The budget allows for a 12.8% IDC rate for all programs. One change to the budget this year is a health insurance premium increase of \$25 per employee per month, which RMDC will absorb. This is projected to total \$26,400 in the FY2018 budget. The Neighborhood Center shows a planned loss of \$10,712, to absorb a cash surplus. Townsend Homestead Manor again shows a loss due to depreciation. Rocky Mountain Preschool Center is shown breaking even for FY2018, reflecting a 3.54% vacancy rate and a staffing plan that includes the Director, three full-time Teachers, three full-time Teacher's Assistants, and two part-time Teacher's Assistants. Head Start has \$11,730 allocated from CSBG funding, due to the MPDG Grant capping their IDC rate at 8%; CSBG funding will be used to subsidize the difference. RMDC Eagle Rock, Inc. will be paying \$11,000 back to RMDC in FY2018, based on available cash. The option of building a High School House in FY18 was discussed, and the topic will be added as an agenda item at next month's meeting. The High School House project will not impact the overall RMDC budget for the year because it is intended to be sold at a break-even. Total cash balance projected for FY2018 after compensated absences is \$107,036, which is comparable to the current year.

Daniel Pocha made the motion to approve the RMDC FY2018 budget, including the health insurance premium increase absorbed by RMDC. Helen Fandrich seconded and the motion passed unanimously.

Approve Head Start Valley Location Loan – Chrisy Irely

Chrisy reported that four banks were initially contacted regarding obtaining loan financing for the Head Start Valley location, and Valley Bank and First Interstate Bank offered the top options. The decision was made to obtain the loan through Valley Bank, which offered a fixed 10-year rate of 4.89%, and would offer the loan unsecured, with no deed of trust or lien. The loan for the property at 1275 Fern Road is for 20 years, at a 10-year variable rate (adjusted in year 11) and no penalty for early payment. The total amount financed will be \$219,920, and monthly payments will be \$1,438.

Debbie Havens made the motion to approve the Valley Bank loan option for the Head Start location at 1275 Fern Road. Bob Mullen seconded and the motion passed unanimously.

Head Start Update

a. Policy Council Report – Lanessa Littrell

Lanessa Littrell was absent. Ashley reported that the Policy Council did meet.

b. Director's Report – Ashley Peña-Larsen

Ashley handed out an updated copy of the Head Start Director's Report and Budget. Head Start reported full enrollment in April. One hundred thirty four Head Start children are preparing to enter Kindergarten in the fall, and Kindergarten coupons were provided by the Policy Council and are available for redemption at K-Mart. Head Start had a Child and Adult Care Food Program (CACFP) review and had no deficiencies noted. An expected COLA payment has come out of the Federal Head Start budget and is not expected to be put back in. All inspections for the new Valley location are now complete. Class Scores from the Head Start Federal review came back as being in the top 10% in the nation for the 2016 National scores, which is a great improvement. Weekly meetings are being held in Whitehall to discuss the vacancy at the Head Start location and plans for moving forward. Friends of Head Start Extravaganza was a great success, with \$18,516 raised. The end of the school year for Head Start classrooms is June 6.

Daniel Pocha made the motion to accept the Head Start Director's Report and Budget. Helen Fandrich seconded and the motion passed unanimously.

Approval to convert both Ptarmigan Residences Limited Partnership and Big Boulder Residences Limited Partnership to an LLLP – Liz Mogstad

Liz reported that in discussion with St. Peter Law Offices, the suggestion was made to change the current LP status for Ptarmigan and Big Boulder Residences from a LP to a LLLP. As a LP, the General Partners are liable for all the partnership obligations. As a LLLP, the General Partner is only liable if they personally guarantee the obligations. It's basically just a structure change that will not impact insurance or taxes, and St. Peter Law Offices will handle any follow up paperwork if required. Both General Partners for Ptarmigan and Big Boulder approved the conversion to a LLLP at the annual Housing Board meetings in April.

Jerry Loendorf made the motion to approve the conversion of Ptarmigan Residences Limited Partnership to a LLLP. Daniel Pocha seconded and the motion passed unanimously.

Jerry Loendorf made the motion to approve the conversion of Big Boulder Residences Limited Partnership to a LLLP. Daniel Pocha seconded and the motion passed unanimously.

Affordable Housing Program Presentation – Liz Mogstad

Liz handed out some new flyers recently designed by Jacque Smith, which explain features of the various Affordable Housing units. Liz reported that Affordable Housing typically has 21 budgets to manage (sometimes 22) and has 10 sites. She offered a few facts about each residence. The first was Eagle Manor, which is 140 units

combined in three separate properties. Many of these units are subsidized, and the others operate on a sliding fee scale. The vacancy rate is typically below 5%. RMDC Eagle Rock, Inc. serves the two meals offered per day, and the dining room has been opened at night for a social hour. Processed foods have been eliminated from the menu. The change in meal service to two meals instead of three has allowed for eight hour shifts for the kitchen. As of July 1, 2017, health and retirement benefits will be offered to the RMDC Eagle Rock, Inc. employees.

Ptarmigan Residences includes 22 townhouse-style one-bedroom apartments. These are not subsidy units but rather tax credit units, so they are rent-restricted. The rental rate ranges from \$450-\$565 monthly. Off street parking is available for all tenants. The vacancy rate is less than 2%. The vacancy rate is similar at both Pheasant Glen and River Rock residences. Pheasant Glen has 32 apartments, some restricted to seniors but others available as family units. These are single-level townhouse-style units. River Rock residences offers 33 apartments, including some 2-bedroom units. River Rock offers parking for residents only; Ptarmigan and Pheasant Glen also offer some limited visitor parking spaces.

Big Boulder Residences is a Section 8 Rental Subsidy Family Property, which offers 36 apartments, both one and two bedroom. The property typically only has one or two vacancies. The property has a 32-unit apartment building as well as a single-level four-plex. A community garden has recently been built at this site.

Townsend Housing offers 26 units, all one-bedroom, and all but four are subsidized through USDA. There are no vacancy issues with this property. Rent for subsidy units are calculated at 30% of adjusted gross income. All units are designated for seniors or people with disabilities.

Rocky Mountain Front Properties in Augusta offers eight one-bedroom units. There has been a lot of turnover this year, and the property may lose money this year due to that. Being in a small community like Augusta sometimes makes finding residents a challenge. This is a rural development apartment complex and all units include Rural Development Rental Subsidy, with rent calculated at 30% of adjusted gross income.

The next meeting of the RMDC Board of Directors will be held on Thursday, June 29 at 3:30 p.m. A Finance Committee meeting will be held the same day, starting at 2:30 p.m.

The meeting was adjourned at 5:16 p.m.

Respectfully submitted,



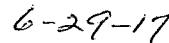
Diane M. Edgar

Administrative Assistant, III



Bob Mullen

Secretary/Treasurer



Date