

Rocky Mountain Development Council, Inc.
Board of Directors' Meeting
August 18, 2011
Neighborhood Center Card Room, 200 S Cruse Avenue, Helena, MT 59601

President Debbie Havens called the meeting to order at 3:35 pm with a quorum present to include: Derek Brown, Dave Kirsch, Elaine Graveley, Debbie Havens, Daniel Pocha, Lee Shoup, late arrival, Jon Chacopulos, Jerry Loendorf, Matt Kuntz, and Joan Anderson. **Members absent include:** Keith Meyer, Rachel Haberman, Helen Fandrich, Brian Garrity, Bill Roberts, and Andrea Edgar. She welcomed new member Joan Anderson to her first meeting.

President Debbie Havens asked for public comment on an item on the agenda with none given.

Daniel Pocha moved to approve the minutes as distributed. Dave Kirsch seconded the motion which passed unanimously.

President Debbie Havens adjusted the order of the agenda items around.

Acknowledge Prevention Services Staff – Curt Chisholm and Elaine Bruce

Elaine reported that RMDC just finished a four-year subcontract with Boyd Andrews to conduct prevention services. At that time, prevention services was a relatively new field. The program was designed to use community coalitions consisting of family, neighbors, County Commissioners, the local police department, and others to address at-risk youth behavior. This was a federal grant under SAMSHFA. When RMDC took on the subcontract in 2007, Will Michael was hired for Lewis & Clark County and Barb Reiter was hired to work in Broadwater County and Jefferson County. Then Mick Dennehy took over Broadwater County. Their work has included worked in the community on the DUI Task Force and sponsored Responsible Alcohol Sales and Service (RASS) Training as well as several projects with the schools to develop the youth's strength to prevent the use of alcohol, drugs, tobacco, and other at-risk behaviors that include suicide prevention. Will expanded to the greater areas of Lewis & Clark County and developed a coalition in Augusta to help heighten awareness. Mick developed the Super Bowl Party to help show youth how to have fun without alcohol. Barb is still doing work with Jefferson County. Elaine introduced Drenda Niemann from Youth Connections Coalition working on the Safe Schools – Healthy Students Program designed to help kids empower themselves to be more able to reduce at risk behaviors. As Drenda explained, substance abuse is a big issue but alcohol use has declined. Drenda thanked RMDC's Board members for the work Will, Barb and Mick have done with preventions services.

Curt Chisholm presented certificates to Will, Barb and Mick as a thank you for the work they did to help youth at risk. Board members and staff applauded their efforts and wished them the best.

Montana Mental Health Settlement Trust Update – Curt Chisholm

Curt reminded Board members that this trust was established from funds received from the law suit of Eli Lilly & Company for not properly educating subscribers as to the use of an antipsychotic medication. Montana's award was \$10 million. Supreme Court Justice John Warner is the chair of the committee to distribute the funds. RMDC applied for three trust fund grants. Montana Youth Homes received \$20,000 to help initiate clinical programs when it becomes a therapeutic program. Head Start applied for \$20,000 but did not receive a grant. Our Place applied for \$420,000 to help sustain operation of the Drop-in Center (Our Place) for adult mentally ill individuals in the process of recovery. Our Place is the only facility that is run by peers and peer Board. Elaine Bruce provides direction. Anywhere from 70 to 80 individuals visit per day. RMDC received notice that one-half of the total grant would be awarded. A letter thanking Justice John Warner and asking him to reconsider the entire grant was sent. Curt and Elaine are currently working on a letter asking him to visit the Drop-in Center. There is money left in the trust so the committee will be meeting to see what they will do. Within the next couple months, we should have a better idea if there is an effort to provide a fix to the lack of mental health services in the community and see if there is a way to reorganize the services in the community. Elaine is meeting with other stakeholders in the community and at this point we are not sure what RMDC's role is in that process. The Center for Mental Health is struggling. The consultants from Portland, Oregon did a great job when they were here in July and gave them a step by step plan but the Center for Mental Health's current structure does not have the capacity to implement the plan. Curt and Elaine will continue trying to get funding for the Drop-in Center and will continue working with the larger groups to see where the effort to improve mental health services goes.

Retirement Committee Report – Jan Kalgaard

Jan reported that the minutes from the last meeting were included in the packet. The committee reviewed the current investment mix of 60 percent stocks and 40 percent bonds and cash. The committee spent a lot of time discussing the investment strategy and decided to ride out the volatile market with the same mix. The Form 5500 and attachments were due July 31. The auditors needed additional time so an extension was filed. At this time, she is waiting for the auditor to complete the audit and offer their opinion. The auditor has not reported any issues at this point in the review.

RMDC Line of Credit to \$700,000 - Jan Kalgaard

Jan and Gene explained the elements of cash flow for RMDC including the fact that grants operate on a reimbursement basis and those programs funded with grants can't build reserves. In the area of housing development, we often spend funds and get reimbursed later. RMDC can build reserves in the housing development area and a few other programs that are fee for service like Case Management. Gene noted that our tax exempt status did not prevent us from making a profit, it does affect what we can do with that profit. Jan discussed the various funding requests and the process fiscal staff goes through with each. Currently all the lines of credit RMDC holds are limited to

specific housing projects with this one exception. Housing lines of credit will turn to permanent financing when the projects are completed.

Daniel Pocha moved to approve the Resolution to increase the Line of Credit at Valley Bank of Helena from \$300,000 to \$700,000 for up to a two-year period starting on the effective date of the new Line of Credit Agreement. All other terms of the existing Line of Credit Agreement remain the same. Elaine Graveley seconded the motion which passed unanimously.

Resolution to Accept Home Funds for River Rock Residences – Gene Leuwer

Gene stated that RMDC's Board has to accept the HOME Grant and to allocate the grant funds to the various areas of cost. There are ratios within the project that allocate the costs.

Daniel Pocha moved to approve the Resolution to accept the HOME grant funding to perform the River Rock Residences projects and expended as follows:

\$555,130 for partial construction costs

\$62,900 for partial architect design

\$129,970 for partial land purchase

\$2,000 for advertising for the architect and contractor

Elaine Graveley seconded the motion which passed unanimously.

Resolution to Extend Big Boulder Residences' Line of Credit – Gene Leuwer

Gene reported RMDC and the Limited Partnership for Big Boulder created the project and we were awarded around \$7 million in tax credit exchange and tax credit assistance to tear down the existing facilities and build the new Big Boulder Residences. We are a couple months away from completion. Gene gave a history about the tax credit collapse. Congress recognized the problem and put in place an exchange program from the US Treasury. Because the project took longer than expected, we will need to extend the existing line of credit through December to complete the project. The outstanding balance of the line of credit at the end of the project will be converted to permanent debt for the project.

Dave Kirsch moved to approve the Resolution to authorize Gene Leuwer, Executive Director, or Jan Kalgaard, Director of Finance of the Corporation, to sign an agreement with Valley Bank of Helena to extend the \$609,025 Big Boulder Residences, LP construction loan through December 31, 2011. All other terms of the loan agreement remain the same, including the Corporation's commitment to serve as the Guarantor of said loan. Derek Brown seconded the motion which passed unanimously.

Line of Credit Caird/HHA – Gene Leuwer

Gene reminded Board members that Lewis & Clark County submitted a Neighborhood Stabilization Program grant which was awarded. HUD is providing \$2 million to

purchase and conduct demolition and remediation of the site. At present, the property will require a zone change, to B1 in order to build the 30 unit senior housing project, on the property prior to the purchase. Most of the project costs will be financed through low income tax credits but that won't be available for application until early January 2012 with the award date of April 2012. Lewis & Clark County is also looking into applying for Brownsfield money to assist with cleanup. HUD regulations require and preclude the expenditure of any money until all financing is in place. At this point, RMDC is working with the state to ask for an exception to this HUD requirements that all financing is in place before any money is spent. We would like to begin the project sooner, but don't know if RMDC will receive the exception from HUD. Gene relayed that the Buy-Sell Agreement expires September 30. The purchase price is \$1 million. Gene will ask for an extension of the Buy – Sell Agreement through May 2012 next month but the cost of that may be in the range of \$30,000 and will not be refundable if the zoning change for the project is not approved. The current owners will begin the zone change process within the next week or so but the process will take 2 to 3 months. RMDC sent letters to the immediate adjacent property owners inviting them to meet and discuss the proposed zone change. The owners within 150 feet of the zone change are the ones that can protest the zone change and require a larger percentage vote to approve the change in zoning.

Gene ask that the Board approve a line of credit with Mountain West Bank of \$250,000 to cover some Caird, HHA, and general housing related expenses. Line of credit would be paid off with developer fees as they are paid on the projects. Gene stated that the purpose of the Line of Credit for the Caird project is to cover long term costs such as the \$30,000 for the buy-sell extension, some staff time and expense, consulting time, and professional service time before developer fees are paid. RMDC has spent money already having the environment assessment completed and other work on these projects. Gene stated that a Resolution will be written and he will update the Board on the status of the exception.

A motion was made and seconded (could not identify who made the motion and who seconded the motion) to approve the \$250,000 Line of Credit for the Caird project, Helena Housing Authority project and other housing activities. The motion passed unanimously.

Personnel Committee Report – Gale Anderson

Weatherization Reduction in Force - Gale referred Board members to the memo dated July 25, 2011, that was included in the packet. RMDC's Personnel Policy requires that any lay off plan be submitted to the Personnel Committee for their review. Gale discussed the staff affected.

Personnel Policy Manual Revisions – Both the Personnel Committee and Head Start Policy Council approved the recommended changes to the policy. Since that time, Jerry Loendorf submitted different language which Gale reviewed. Jerry's changes will go back to Policy Council for approval on September 8.

Derek Brown moved to approve the Personnel Policy Manual changes as presented contingent upon Policy Council's approval. Daniel Pocha seconded the motion which passed unanimously.

As Lee Shoup just joined the meeting, Patty Dahl introduced him as the new Policy Council Chairperson. Everyone welcomed him.

Daniel Pocha moved to approve Lee Shoup's appointment to the Board of Directors as Policy Council Chairperson. Elaine Graveley seconded the motion which passed unanimously.

Affordable Housing Development Update – Gene Leuwer for Mat Rude

Big Boulder Residences - So far 32 units are complete and available to be occupied. There are a few vacant apartments. Staff is processing applications so hopefully they will be full soon. The community building and storage facility is being constructed at this time. The project is slated for completion either late September or early October. If Board members haven't seen the project and would like a tour, please let Gene or Mat know and they will arrange one.

Townsend Homestead Manor – Gene explained that this is a 10 unit Rural Development project in Townsend. The rehabilitation has begun and will be financed primarily with the \$450,000 HOME grant. Some additional Department of Energy money was received for a new roof, windows and insulation. That work got underway about a month ago. The project will be completed by the end of December or January. Out of 10 units, 8 have Rural Development rental assistance.

River Rock Residences – This is a 33 unit project. RMDC was awarded the HOME grant, a CDBG grant and tax credits for the \$6.5 million project. The lot has been purchased and a Request for Architectural Proposals will be advertised on Monday. The goal is to select the architect by mid-October and go to bid for the contractor by December or early January. The project construction will begin in March 2012 with the completion date of March or April 2013. There are 6 two-bedroom apartments and 27 one-bedroom apartments in this senior housing project.

Caird/Midtown – Lewis & Clark County received the NSP grant for the project. Mat is working with county staff to access the grants and loans to help pay for purchase and cleanup of the property. Congressman Rehberg also earmarked an additional \$200,000 for the project. The tax credit application for the project will occur next January with an award anticipated in April 2012.

2011 – 2012 High School House – Gene relayed that the lot has been purchased and the architect plans are completed. The excavation is to begin next week and the students return to school August 27 or August 28. At the last meeting, the Board requested, as a way to keep the cost down, to keep the square footage lower. There is a buyer for the house that will pay a significant amount of money early in the process if the house is built to their specifications. They want a basement, which we usually do

not do and some rock and concrete work specific to the house. The home buyer would like to do the masonry work himself and teach the kids how to do it. They will pay about \$40,000 early for the basement and will pay as we go on the rock work. The increased square footage cost would be covered at the end. The risk we run is that is if something happens to them before we close, RMDC may have a difficult time selling the house. After further discussion, the Board gave their approval to move forward to negotiate a tight Buy-Sell Agreement with up-front money. Jerry hopes to have a draft Buy – Sell Agreement to the buyers tomorrow.

Head Start Update – Patty Dahl

Patty reported school begins September 13 and September 14. United Way is holding a kick off breakfast on September 21 at Carroll College. Patty invited Board members to attend and asked if anyone was interested in attending to contact her or Rose. Breakfast runs from 7:00 am to 8:00 am. Patty referred the Board members to information that she handed out. The first sheet is data from the past two months on credit card usage and corrected May meal counts for children. Patty reported that children's screenings began August 4 and will continue for the better part of the month. The second document is the Program Information Report (PIR) which was completed and sent electronically August 3. She asked the Board members to review the document as it is a great description of the 2010 - 2011 program year and is very affirming in the quality of the program provided to children and families. She then drew attention to the budget sheets for June and July; it is difficult to have an accurate picture at this time as so few staff work during the summer months. The Head Start budget has been revised to account for a \$21,700 increase in health insurance premiums, a \$20,000 shortfall in the transportation contract, loss of \$6,600 in the Townsend space rent, an audit fee increase of \$7,000, plus the additional IDC on those items. (This is why on July's budget sheet there is a CSBG transfer in of \$80,500.) Given this budget projection, the Policy Council discussed and approved moving one of Head Start's two 4¾-hour/day classrooms to 4 hours/day; this opportunity arose because of a 40 hour per week teacher resigning from the Program and that nearly all of the parents in the afternoon 4¾-hour/day classroom were not dependent on the classroom going until 5:15 p.m. Dawn Doyle, Head Start's Budget Analyst and Patty have been reviewing the budget and have determined areas where they have saved some funds and areas they can cut back on spending for a savings of approximately \$55,000. This still leaves a possible CSBG transfer needed at the end of the next grant year of \$25,000 (which given CSBG funding may not be realistic). Therefore, Head Start needs to focus on additional revenue and for Head Start that is found most significantly in child care fees and CACFP reimbursement; the plan will be to work with families to have them apply for child care scholarships and to promote attendance to increase reimbursements from BOTH child care scholarships and CACFP. Patty also reported to the Board that the final closeout for Head Start required a CSBG transfer of \$9,043.85.

Patty reported to the Board that she is working with Helena Food Share to make the "Kid Packs," otherwise known as the "Backpack Program" available to Head Start children in need of additional weekend food. This suggestion was brought to her by Board member Helen Fandrich several months ago. In the past the Backpack Program

received most of its support through the Montana Food Bank Network and cost Helena Food Share around \$5,000. Helena Food Share is now responsible for the program locally and their cost will increase to \$30,000 or so per year.

Head Start recently hired one Teacher and two Program Floaters to fill positions that were vacant due to people moving away or moving into another Head Start position. A 30-hour/week Teacher position is currently being advertised and interviews for a Teacher's Assistant in Whitehall will occur next week.

2010-11 Self-Assessment and Improvement Plan - Patty referred the Board to Head Start's 2010-2011 Self-Assessment and Improvement Plan that was in their packet. She thanked Daniel, Helen, Jerry, April, Andrea, and Lee for participating in the Self-Assessment process this past spring. There were no areas of non-compliance in the 11 sections of the assessment. There were, however, seven sections that had suggestions for "needed improvement" and for those, improvement plans were written. The Policy Council approved the 2010-2011 Head Start Self-Assessment and Improvement Plan at their meeting July 14, 2011. Patty noted that many of the improvement areas have already been successfully completed such as a financial member being on the Board. She will report back monthly to the Board and Policy Council on the progress of the Self-Assessment Improvement Plans.

Daniel Pocha moved to approve the 2010 – 2011 Self-Assessment and Improvement Plans. Elaine Graveley seconded the motion which passed unanimously.

Parent/Community Complaint Policy - Patty referred the Board to this policy that was also in their packet. Having a policy of this nature is required by Head Start Performance Standards. The changes to this policy were housekeeping due to job title and supervisor changes for some of the listed employees. Each year the Policy Council and Board review this policy; the Policy Council approved the Parent/Community Complaint Policy at their July 14, 2011 meeting. Patty also noted that the wording at the bottom of each program policy that requires a signature has been modified so it is consistent on all policies.

Daniel Pocha moved to approve the Parent/Community Complaint Policy. Lee Shoup seconded the motion which passed unanimously.

Abuse Prevention Policy – Again, Patty referred the Board to the Abuse Prevention Policy in their packet. This policy was updated to reflect program changes such as no longer having a Parent Handbook but rather having a Family Education Notebook. In the original policy there was a date of December 31 listed as the timeline for having children receive personal safety training as part of Head Start's "Talking about Touching" curriculum; the date was arbitrary so it was removed. This policy was approved by the Policy Council on July 14, 2011.

Elaine Graveley moved to approve the Abuse Prevention Policy. Derek Brown seconded the motion which passed unanimously.

Universal Precautions Policy - This particular policy underwent quite a bit of change to be more reflective of child care licensing standards and guidelines. Head Start's Health Services Advisory Committee promoted changing the policy to follow child care licensing. This Policy was also approved by the Policy Council on July 14, 2011.

Daniel Pocha moved to approve the Universal Precautions Policy. Lee Shoup seconded the motion which passed unanimously.

Communicable Disease Policy: Patty said that again this policy underwent much change at the encouragement of the Health Services Advisory Committee. Again, this policy follows the child care licensing standards and guidelines and is so much more "user friendly" than the past policy. This policy too was approved by Policy Council on July 14, 2011.

Elaine Graveley moved to approve the Communicable Disease Policy. Dave Kirsch seconded the motion which passed unanimously.

Child Guidance Policy and Procedure - This is a new policy taking the place of Head Start's Discipline Policy and better reflects Head Start's position on time out (which the previous discipline policy promoted). This policy better reflects an attitude of support and being positive. Staff will be well-instructed on this policy and procedure at Head Start's pre-service next month. This policy and procedure was approved by Policy Council at their August 11, 2011 meeting.

Daniel Pocha moved to approve the Child Guidance Policy and Procedure. Derek Brown seconded the motion which passed unanimously.

Head Start Option for 2011-2012 Program Year - Each year Head Start's Program Option must be approved by Policy Council and Board. Head Start nationally has three program options: **center-based, home-based, and combination**. The option(s) that individual programs choose must meet the needs of the children and families as indicated by Community Assessments. For the past several years, RMDC's Head Start has operated only a center-based option, although we have two models – part-day, part-year and full-day, part-year. For the past several years, when asking parents what options they prefer and would like their child to participate in, they have chosen center-based. (In the past we have operated both home-based and combination options and they later evolved to center-based options to meet the needs of families.) Surveys this spring indicate that parents want to stay with a center-based option; it remains that center-based best serves our families and communities. The Policy Council approved Head Start offering a center-based option for this coming program year at their July 14, 2011 meeting.

Jon Chacopulos moved to approve the Center-Based Head Start Option for the 2011 – 2012 Program Year. Derek Brown seconded the motion which passed unanimously.

Head Start Sites for 2011 – 2012 - Patty referred the Board to the information that was in their packet about the proposed Head Start sites for this school year. The proposed sites are:

- Neighborhood Center (4 classes) – 1 full-day, part-year class; 3 part day, part year classes (we pay for the space)
- Lincoln School site (2 classes) – part-day, part-year (classroom and office space is all donated)
- Eastgate School site (2 classes) – part-day, part-year (classroom, storage, and office space is all donated)
- Rossiter School site (1 class) – part-day, part-year (classroom space is all donated)
- Ray Bjork School site (2 classes) – part-day, part-year in collaboration with Helena Public School Special Education Preschool (classroom space is all donated)
- Townsend site (1 class) – part-day, part-year (Agency is purchasing the property, we lease space from the Agency)
- Whitehall site (1 class) – part-day, part-year (we pay for the space)
- Early Learning Center (1 class) – full-day, part-year (we pay gas and electric and a portion of the space; the remainder of the space cost is donated)

The Policy Council approved the proposed sites at their meeting July 14, 2011.

Elaine Graveley moved to approve the Head Start sites as listed above. Jerry Loendorf seconded the motion which passed unanimously.

Policy Council Report – Lee Shoup

Lee reported that everything voted on today was approved at the last two Policy Council meetings. Last night was Baseball Night with the Brewers. He also relayed there has been a lot of change ups due to the summer season but the core Policy Council group is still active.

Patty reminded everyone that the NAMI Walk is coming up September 25. Daniel Pocha reminded everyone that the Pow Wow is the third weekend in September.

President Debbie Havens asked for public comment on any item that was not on the agenda with none given.

Gene asked Dave Kirsch if he would update Board members on the meeting hosted by Montana HRDC's with Congressman Rehberg that he attended with Patty Dahl and Liz Moore. Dave relayed that there was good representation from different organizations from all over Montana in attendance. Congressman Rehberg is supportive of CSBG and will do all he can to support the CSBG funding. They had another meeting with Head Start Directors association. Congressman Rehberg is the Chairman of the Labor,

Health and Human Service, and Education Sub-Committee of the House Appropriations Committee. That Committee controls almost all of RMDC's programs' funding. Everyone at the meetings made an effective pitch of all the good work our programs and organizations do. The expectation is to have the Continuing Resolution completed by October 1. Specifics of the next continuing Resolution are all speculation at this point.

Miscellaneous

Gene relayed that Liz Moore will be leaving RMDC after 16 years of services. She has accepted the position of Executive Director for the Montana Nonprofit Association. Her last day is September 23 and he would like to present her a certificate of recognition for her dedicated service at a future meeting.


Daniel Pocha moved to adjourn the meeting at 6:25 pm. Dave seconded the motion which passed unanimously.

Respectfully submitted,




Rose Felter
Executive Assistant

Approved by the Board of Directors:



Name and Title
Sec. Treas



Date