

**Minutes of the
Rocky Mountain Development Council, Inc.
RMDC Board of Directors' Meeting
April 26, 2018**

Members present include: Daniel Pocha, Bruce Day, Mike Delger, Susan Geise, Debbie Havens, Trever Kirkland, Jerome Loendorf, Lois Steinbeck, Mark Young

Members absent include: Becky Blend, Angel Kramer, Bob Mullen, Maria Pace

Guests: Lori Ladas, Gale Anderson, Hannah Danzer, Mindy Diehl, Taya Hovan, Chrisy Irej, Kathy Marks, Liz Mogstad, Linda Nolan, Ashley Peña-Larson, Jacque Smith, Amber Dushin, Paula Jacques, Mike Schechtman, Diane Edgar

Call to Order/Roll Call: Daniel Pocha called the meeting to order at 3:04 p.m. Since a quorum was not present at the start of the meeting, the agenda order was rearranged to begin with non-action items.

Director's Report – Lori Ladas

Lori introduced Mindy Diehl as the new Senior Corps Program Director who will fill the position vacated by Linda Nolan's retirement at the end of May. Lori referenced two letters in response to recent DPHHS monitoring, which were provided at the meeting. There were two findings, including the need for a structured new Board member orientation and the completion of a Risk Assessment. The second letter referenced the QCI inspection that happened after the initial monitoring. Four items were noted for correction, and all will be completed by the end of the month. The Senior Companion Program also had a recent review, and Lori noted the many compliance requirements of that program noted in their letter. There are no findings associated with fines or ramifications for the program, and most findings will be addressed through Policy Handbook updates.

Spirit of Service is coming up on June 5, with a rain date of June 7. RMDC received the Excellence in Non-Profit Communications Grant, and Mike Schechtman was present at the meeting to provide some information about the grant. Friends of Head Start Extravaganza will begin at 5:30 this evening, and tomorrow is All Staff Day; Board members are encouraged to attend both events. A retirement party for Linda Nolan will be held on June 15, and the Head Start Valley Center will have an open house and ribbon cutting on June 19. Lori concluded by commenting that she and Liz Mogstad had attended the city commission meeting this week and reported on the housing project RMDC is pursuing this year.

Excellence in Non-Profit Communications Grant – Lori Ladas

Mike Schechtman from Big Sky Institute for the Advancement of Non-Profits addressed the Board and provided two handouts with information about the Excellence in Non-Profit Communications Grant. He mentioned that RMDC was viewed as too complicated to assist during last year's grant submission. This year, it was clear the staff had taken the feedback provided last year and addressed ideas and improvements, and showed that work had been done to advance the organization's communication efforts. He said that going forward, the emphasis will be in developing a broader and deeper community understanding and awareness of RMDC as an organization, and the number of lives engaged by the programs RMDC provides. Improving communication to increase fundraising will be addressed, looking at ways to diversify income and be more self-reliant. Board participation and involvement is encouraged throughout the duration of the grant work.

At this point, a quorum was present for the meeting.

Approval of Minutes

Lois Steinbeck made the motion to approve the March 29, 2018 Board of Directors' minutes and the February 22, 2018 Finance Committee minutes. Trever Kirkland seconded and the motion passed unanimously.

Finance Report Update – Chrisy Irely

a. General Update

Cash balance is \$523,813 and AP balance is \$29,623. Both amounts are current. Chrisy reported that Becky Weninger had been hired as the new part-time Budget Analyst, working 20-25 hours per week with the Senior Nutrition and Transportation programs.

b. RMDC 2016 Form 990 – Amber Dushin, Anderson ZurMuehlen

Amber Dushin from Anderson ZurMuehlen reviewed the draft 990 report, which was included in the Board packets this month. She explained various elements of the report, including tax compliance information, governance and policies, grants to organizations and individuals, balance sheets and financial reconciliation. Following the 990 report in the packets were the schedules, which show items such as contributions; land, building and equipment; and related organizations. The form 990-T was included to show unrelated business income, which was completed due to the for-profit status of Rocky Mountain Preschool Center.

Committee Reports

1. Retirement Committee

a. Retirement Committee Update – Lois Steinbeck

Lois began by noting the two retirement funds provided at RMDC, a profit-sharing account with a discretionary (currently 3%) contribution by the employer, along with a 401(K) account option with employee contributions. The benchmark typically used to compare retirement funds is the S&P 500, which contains only stocks. The RMDC profit-sharing account underperforms the S&P 500 benchmark, as it should, as the account includes bonds for less risk overall. Year-to-date, the account shows a loss of -.2%, which is comparable to the S&P 500 benchmark, and Jock Bovington expressed confidence at the meeting that the accounts are keeping up to standards. Lois complemented the minutes kept for the meeting, as the meeting discussion is complex and detailed.

b. Approval of April 3, 2018 Retirement Committee Minutes

Lois Steinbeck made the motion to approve the April 3, 2018 Retirement Committee minutes. Mark Young seconded and the motion passed unanimously.

c. Approve FY17 Retirement Plan Audit

Chrisy reported that the Form 5500 had been filed on April 16. She referenced the retirement plan audit and the letter to the Board of Directors included in the Board packet. The retirement plan is separate from RMDC's financial audit. RMDC is the plan sponsor. The audit had a clean opinion. As of June 30, 2017, the 401(K) account had a value of \$1.567 million, and the profit-sharing pooled account had a value of \$2.161 million dollars. Benefits paid out to plan participants exceeded total additions in 2017, showing a net decrease of \$159,454. The discretionary contribution made by RMDC for 2017 was 3.053%, which will need to be approved by the Board of Directors. Chrisy noted that on page 14 of the audit report, column D showing original costs of investments is blank. Department of Labor rules indicate that these costs must be included, and there will be numbers included next year; Jock Bovington will help determine those costs. The letter to the Board notes no misstatements, no disagreements with management, and no deficiencies in internal controls. A note on page 3 referenced testing that indicated contributions were not applied to donated sick leave; this issue has already been corrected.

Lois Steinbeck made the motion to approve the FY17 Retirement Plan Audit. Bruce Day seconded and the motion passed unanimously.

d. Approve FY17 Discretionary Retirement Plan Contribution

The question was raised as to what the 3% contribution totaled; Chrisy reported that for plan year 2017, the contribution totaled \$87,588. The Board requested that a comparison be created to show the total contribution at varying percentage points above the 3% contribution. The suggestion was also made to contact Liz Moore for information on retirement plan contribution amounts for comparable non-profit agencies.

Jerry Loendorf made the motion to approve the 3.053% Discretionary Plan Contribution for FY2017. Lois Steinbeck seconded and the motion passed unanimously.

2. **Comprehensive Community Needs Assessment Committee – Daniel Pocha**
Daniel reported that survey responses for the Community Needs Assessment have been good, totaling around 651 responses. A separate survey was sent to community partners, and nearly half of those were completed as well. The next step will include some open community public forums to gather additional information, which will be held at the Senior Centers in the tri-county area. Daniel provided the 2017 Helena Point in Time survey, which provides an opportunity for partnering to gather information; the current Housing Needs Assessment and an assessment being completed by St. Peter's Hospital will also provide additional information. All of the data collected will lead into strategic planning.
3. **Nominating Committee – Daniel Pocha**
Daniel reported that Helen Fandrich submitted her letter of resignation from Board of Directors, which leaves two vacancies in the low-income sector of the Board. He spoke with Matt Kuntz from NAMI about participation on the Board, but he is unable to fill a seat at this time. Since mental health is a top concern according to the Needs Assessment results thus far, it is an important area needing representation on the Board. The Nominating Committee will be meeting soon; anyone with recommendations for low-income sector nominees should provide them to Lori to pass along to the committee.

Head Start Update

- a. **Policy Council Report – Mark Young**
Mark reported that the Policy Council met earlier in the day and approved an Intermittent Substitute Teacher Assistant. The fundraising committee has been working on preparing tickets and getting them out to classrooms for distribution. First prize from the ticket drawing will be a \$200 VISA gift card and a kids' bike; second prize will be a \$100 VISA gift card with a bike. Tickets will cost \$2 each, and will be available at the Head Start office.
- b. **Director's Program and Budget Report* – Ashley Peña-Larsen**
Ashley began her report by discussing a change made to the budget, to make totals look more realistic. A new row was added to the right side of the budget, labelled as Revenue Adjustments. The adjustment provides a more realistic monthly amount to spend of \$239,555.91. This amount needs to be spent by the end of the month, and will be spent by replacing furniture, buying office supplies, and planning ahead for other needed items. The MPDG budget will start to see more changes once the Head Start grant is completely spent. Next month, two budgets will be presented; one showing the 2017-2018 grant budget, and one for the 2018-2019 budget.

Head Start is fully enrolled. A question was asked about the status of the Whitehall location. The average daily attendance in Whitehall has been 78.57%. Fourteen children have been enrolled all year, though two have struggled to get to classes. There is no waitlist for the Whitehall location. Ashley mentioned that the Boulder Head Start center has had similar struggles this year. The Head Start grant came back with minor changes, and transportation changes will be an amendment to the grant. Fixes to the annual report will happen as well. The Valley Center renovations are complete and the fence is also finished. Three staff will move to the new location from the Neighborhood Center in the fall. All children have had their dental screenings and 218 have had well child exams completed. Ninety-four children have been screened for lead.

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

Approval of Buy-Sell Agreement – Liz Mogstad

Liz provided an update on the current housing project, noting that the Buy-Sell Agreement is not yet complete. The decision has been made to pursue the lot on the corner of Henderson and Brady, which totals 9.62 acres. A provision will be added that 20% of the lot will be held, so the seller can purchase that back if he chooses. A developer out of Billings is also interested in the same lot, so RMDC is working with the seller to establish a relationship. A site plan is in development, where apartments will be built away from the tracks, and the 20% plot of land will create a buffer from the busy street and the railroad tracks. The letter of intent must be submitted by May 14, and a full Buy-Sell agreement will be presented at the next meeting. All progress of the project is contingent on funding, and no earnest money is required on the lot if the project is not funded. A limited partnership will need to be set up for ownership of the land.

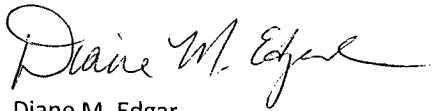
Appointment of Board Members – Liz Mogstad

Liz referenced the list of Housing Board members included in the Board packet. Appointments for RMDC Eagle Rock, Inc., Penkay Eagles Manor, Inc., and Eagles Manor Project No. 2 were requested with the same Board members nominated for each Board: Daniel Pocha, Jerry Loendorf, Kathy Marks, Jeff Miller, Larry Middaugh, and Bob Bushnell. Daniel noted a needed correction to the housing Board assignment dates listed in the housing by-laws, and Liz said the by-laws can be amended at the upcoming annual meetings on May 22.

Susan Geise made the motion to approve the suggested Housing Board appointments as presented. Lois Steinbeck seconded and the motion passed unanimously.

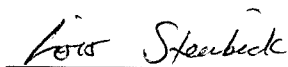
Daniel asked for any public comment for items not on the agenda. Seeing none, the meeting went into a closed session to discuss the Executive Director Performance Appraisal.

Respectfully submitted,



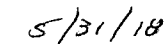
Diane M. Edgar

Administrative Assistant, III



Lois Steinbeck

Secretary/Treasurer



Date