

**Minutes of the
Rocky Mountain Development Council, Inc.
RMDC Board of Directors' Meeting
June 20, 2018**

Members present include: Daniel Pocha, Trever Kirkland, Mark Young, Mike Delger, Jerry Loendorf, Susan Geise, Becky Blend, Lois Steinbeck

Members absent include: Bruce Day, Debbie Havens, Bob Mullen, Maria Pace

Guests: Lori Ladas, Joan Anderson, Rod Applegate, Mindy Diehl, Shawna Donaldson, Diane Edgar, Joanna Halland, Debbie Hansen, Chrisy Irey, Jean Leischner, Kathy Marks, Liz Mogstad, Heather Nicholson, Jaymie Sheldahl, Jacque Smith, Becky Weninger, Gary Mihelish

Call to Order/Roll Call: The meeting was called to order at 3:31 p.m.

Approval of Minutes

Lois Steinbeck made the motion to approve the May 31, 2018, Board of Directors' Meeting Minutes and April 26, 2018 Finance Committee Meeting Minutes. Trever Kirkland seconded. Mark Young noted one typographical error on page 3 of the Board minutes, changing the phrase "\$3 per foot" to "\$3 per square foot". With the noted correction, the motion passed unanimously.

Director's Report – Lori Ladas

Lori reported that RMDC has been invited to submit a full application for the Red Alder Housing project. Thank you notes have been sent to the community representatives who spoke on behalf of the project at the June 4 presentations. The Helena Community Needs Assessment forum is scheduled for Thursday, July 12 at the Neighborhood Center, with a start time yet to be determined. Yesterday was the Open House at the Head Start Valley site, which was well attended. The environment there was described as very inviting and a big change from start to finish. Lori thanked the Head Start staff who worked to prepare the space for the Open House event. The Augusta Senior Center is planning to serve lunch again tomorrow and deliver Home Delivered Meals where possible with the current flooding situation. All Home Delivered Meals clients in the area have been contacted by phone to make sure they are okay while meals are unable to be delivered.

Finance Report Update – Chrisy Irey

a. General Update

Cash balance is \$576,915, and Accounts Payable balance is \$65,865. All amounts are current, and bills will be paid tomorrow.

b. RMDC Fiscal Year 2019 Budget

Chrisy began her presentation by introducing the Budget Analysts who helped prepare the budget: Rod Applegate, Jean Leischner, Becky Weninger, Joan Anderson, and Taya Hovan. She then gave a quick overview of the three handouts that were provided: the FY2018 June Projection, the FY2019 budget, and the FY2019 Senior County Mill Allocation Request. The FY2018 June Projection was included mainly for reference and general information.

Chrisy gave a brief explanation of the layout of the FY2019 budget spreadsheet, where the top half of the spreadsheet shows revenues and expenses and the bottom shows cash. FY2019 is projected as a balanced budget based on current operations. The projected ending cash balance (after compensated absences) for Rocky programs is positive at \$79,509; the total ending cash balance is \$816,061 after compensated absences.

Chrisy then directed everyone to the County Mill Allocation Request spreadsheet. As discussed at last month's meeting, Chrisy spoke about how RMDC is slated to run out of county mill carryover funding in

2020, based on current budget estimates. In 2019, Rocky is projected to receive \$406,180 from County Mill funding. To continue to operate at present FY2018 and budgeted FY2019 levels, \$566,695 in County Mill (or other funding) would be needed. Based on current funding levels, RMDC is projecting a deficit of \$136,820 at the end of FY2020 if funding needs are not addressed or if a reduction of programs/service levels is not considered. This same projection was discussed at last year's budget presentation; however, now Rocky is one year closer to running out of County Mill Carryover and the projected deficit is larger. The projected deficits will be the start of discussions during strategic planning, as decisions will need to be made on how programs will be operated going forward. Chrisy also mentioned that some changes could be implemented earlier than the strategic planning process, and that information will be brought forward to the Board at a future meeting. Susan Geise suggested inviting Nancy Everson to a future Board meeting to speak about County Mill funding at some point, to provide education on that source of funding.

Chrisy then highlighted each program on the spreadsheet and noted items of significance. The IDC rate for FY19 will remain the same, at 12.8%. Rent costs at both the Neighborhood Center and Jackson Street facilities will slightly increase for programs; capital improvements including roof work and parking lot repairs are needed. Network rates will also increase slightly next year. Chrisy mentioned that the Eagle Rock loan repayments are included under "General/Other", and repayment is estimated at \$10,000 in FY19. Income for Affordable Housing comes from property management fees, expenses include salaries and benefits for staff. Spirit of Service is intended to be a self-sustaining program, with money coming in from partner fees. Rocky Mountain Preschool Center is projected to break even this year, and a \$25 increase per month per child is necessary for the upcoming year. Head Start's funding includes not only the Head Start grant but also funding from United Way and the Montana Preschool Development Grant (MPDG). FY19 will be the last year for the MPDG grant (as of the information we have today), and if no new source of funding replaces that, reductions may be necessary in terms of children served by Head Start. Weatherization/LIEAP projects a balanced budget, with upcoming discussions planned about balancing the number of jobs required each year to the contractor's ability to maintain that pace. The Consolidated Kitchen works as an internal service fund; meals are prepared for multiple programs such as congregate meals, Head Start, and Meals on Wheels, and then the programs are charged (internally) accordingly.

Chrisy then spoke about the programs eligible to receive County Mill funding. The Senior Corps programs are budgeted to receive \$92,621 in County Mill funding, along with \$15,000 from CSBG. Area IV Agency on Aging will receive \$26,000 from County Mill. Congregate and Home Delivered Meals will receive \$282,201 from County Mill, and \$20,411 in CSBG funding. Transportation includes the bus that transports seniors to RMDC locations or volunteer jobs. Senior Services includes the Neighborhood Center Senior Center, Augusta Senior Center, and senior space. Commodities involves food available to income-eligible seniors every two months at several locations in Rocky's service area.

A question was raised as to whether the accumulated debt attributed to Rocky Mountain Preschool Center could be written off; after discussion, further education on the topic was requested.

After the budget was presented, Chrisy asked for approval of the budget including a \$25 per month, per employee increase in health insurance, a 1.5% COLA, and a 0.5%-1.5% target market ratio (TMR) increase for any employees who have been with Rocky for longer than a year. Chrisy noted that while the budget is balanced as presented, it will likely be a work in progress throughout the year.

Lois Steinbeck made the motion to approve the FY19 budget as presented, with the understanding that there will be upcoming presentations of subsidies and long-range plans involving the budget. Susan Geise seconded and the motion passed unanimously.

Head Start Update

- a. Director's Program and Budget Report* – Debbie Hansen

Debbie referenced the Director's Report and budget that were included in the Board packet and asked if there were any questions. Mark Young noted that the 2018 Head Start budget is now zeroed out, and the new grant funding has started.

Susan Geise made the motion to approve the Head Start Director's Program and Budget Report as disseminated. Trever Kirkland seconded and the motion passed unanimously.

b. Approval of 2017-2018 Child Outcomes* – Debbie Hansen

Debbie referenced the handout from the Board packet with Child Outcome Information. Head Start data shows tremendous growth in all areas. Overall growth by outcome category is as follows: Social/Emotional: 39%; Physical, 19%; Language, 28%; Cognitive, 26%; Literacy, 41%; and Mathematics, 43%.

Lois Steinbeck made the motion to approve the 2017-2018 Child Outcomes as presented. Susan Geise seconded and the motion passed unanimously.

c. Review of Self-Assessment Plan* – Debbie Hansen

Debbie reported that the self-assessment team met on June 8 from 8:00 a.m. until 12:00 p.m. Ashley presented an orientation of the self-assessment process and lots of data was reviewed. Ashley is compiling notes from the discussion of the meeting at this time. The next meeting of the team will be held on July 10 from 9:00 a.m. to 11:00 a.m. The team invited any interested Board members to attend. A self-assessment folder was given to Lori for an interested Board member. Following the meeting in July, the final assessment will be completed in late July or early August.

Trever Kirkland made the motion to approve the self-assessment timeline as presented. Lois Steinbeck seconded and the motion passed unanimously.

d. Head Start Community Needs Assessment* - Jaymie Sheldahl

Due to the loss of a quorum at the meeting, this presentation was moved forward to next month's meeting agenda.

Red Alder Housing Update

Liz reported that the Red Alder housing project was invited forward to submit a full application during the meeting on June 4. The HOME grant will be submitted at the same time as the tax credit application. Liz has e-mailed the attorney for buy/sell document review, and his main concern was environmental assessments; a phase one environmental assessment will be completed in 2 weeks. The deadline for inspections is June 30, but an amendment will be completed to extend that date to July 31. The attorney also suggested creating another reference document to go along with the buy/sell for additional changes. They have advertised for architectural services for preliminary plans. There will be a pre-application meeting with the City on Monday to explain the project and discuss any hurdles or additional requirements. Supportive services will also be sought out, such as asking the library to make a bookmobile stop at the Red Alder location regularly, or offering homebuyer counseling to tenants. Liz asked if the Board would like regular updates on the project as it moves forward. She will present regularly at upcoming Board meetings to update members on the progress of the project.

Review Board Member Term Expiration

Board members whose terms will expire in 2018 are Daniel Pocha and Jerry Loendorf. Head Start Policy Council representatives on the Board of Directors have terms that expire annually, and Angel Kramer recently resigned from her Policy Council position, creating a vacancy on the RMDC Board. The Policy Council will vote in a new Board representative at their next meeting.

Trever Kirkland made the motion to adjourn the meeting. Mark Young seconded and the motion passed unanimously.

The meeting was adjourned at 5:12 p.m.

Respectfully submitted,



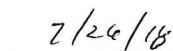
Diane M. Edgar

Administrative Assistant, III



Lois Steinbeck

Secretary/Treasurer



Date