

Rocky Mountain Development Council, Inc.
Board of Directors' Meeting
July 25, 2024, 3:30 p.m.
Neighborhood Center Card Room/Zoom Conference Call

Members present: Kate Anderson, Susan Geise, Jen Gursky, Andy Hunthausen, Teri Lilletvedt, Jerry Loendorf, Bob Mullen, Daniel Pocha, Lindsey Richtmyer, Eric Schindler

Members absent: Dannai Clayborn, Bruce Day, Trever Kirkland, Erin Lyndes, Niki Redford

Others present: Rod Applegate, Hayden Behm, Mindy Diehl, Diane Edgar, Steven Ferriter, Joanna Halland, Taya Hovan, Lori Ladas, Jean Leischner, Samara Lynde, Jim Marks, Kathy Marks, Liz Mogstad, Angela Nelmark, Ashley Peña-Larsen, Tom Robel

Call to Order/Roll Call: The meeting was called to order by Andy Hunthausen at 3:32 p.m. and a quorum was present. No public comment was received.

Approval of Minutes

Daniel Pocha made the motion to approve the May 30, 2024, Board of Directors' meeting minutes. Susan Geise seconded, and the motion passed unanimously.

Director's Report – Lori Ladas

Lori asked for any questions regarding her written report included in packets. She noted that two Board members, Jerry Loendorf and Daniel Pocha, have Board terms that will expire in September. The Nominating Committee will make plans to meet and discuss these term expirations and any necessary new member appointments to the Board.

General Fiscal Update – Lori Ladas

Cash balance is \$2,370,950, and accounts payable is \$61,764.57, which is current. Lori reported that Budget Analysts have been working on the year-end close as well as preparing for the audit which is coming up in a couple months. They've also contributed time to the budget that will be presented today.

Proposed Pay Plan Adjustments and Rocky Fiscal Year 2025 Budget – Lori Ladas

Lori reported that Communication and Management Services, LLC (CMS) completed a market study of Rocky's pay matrix this summer. The study revealed that Rocky's pay matrix is about 7% behind the current market. After reclassifying a couple positions, the recommendation was made to trend the updated matrix by 5.32%. This would cause some employee wages to fall below the entry rate for their current position. To avoid this kind of compression within the pay grades, a 2% target market ratio (TMR) increase was suggested. This increase also rewards employees for their longevity with the organization. Due to available funding from their reduction amendment, Head Start employees will receive a 5% TMR increase.

Lori highlighted some key items from the FY2024 Budget Projection. Most Rocky programs show a balanced budget for FY2024. She mentioned that the building fund shows a surplus, due to planned improvements that were not completed during the year. A State Fund dividend was received and is reflected in the General Fund along with interest on Rocky's money market

account. The Preschool shows an expected loss for FY2024, and tuition increases are planned for FY2025. Head Start showed a loss for FY2024, due to the timing of insurance payouts and renovation completion for the Helena Housing Authority location. The Energy Services loss is due to costs incurred that cannot yet be billed; Energy Share funding is available for shortfall. Transportation also shows a loss for FY2024, due to the expected depreciation of the program vehicles. Lori spoke about the year-end status of funds that carry forward, including County Mill, CSBG, Fundraising, and Rocky's cash reserves.

The FY2025 budget was reviewed next. Lori noted that the 3.5% COLA and pay plan adjustments are included in the budgets as presented. Highlighted in Rocky's programs, Congregate and Meals on Wheels was noted with a loss of over \$18,000, needing additional funding from County Mill and CSBG. Lori again reviewed the funds that carry forward. CSBG funding should remain stable, and both fundraising and cash reserves are expected to grow slightly in the upcoming year. County Mill carryover, however, is expected to reduce from the FY2024 year-end balance of \$442,768 to \$215,306 at the end of FY2025. If estimated projections for county mill funding are correct, there will be no carryover heading into FY2027. Other funding sources will need to be determined for those programs that currently rely on County Mill funding for operation costs.

Andy Hunthausen noted that the Finance Committee met earlier today and recommends approval of both the pay plan adjustments and the FY2025 budgets as presented. The sustainability of the pay plan adjustment was discussed, and in the next few months additional reviews of ways to sustain these increases in the years ahead will be held. Lori expressed confidence in Rocky's ability to support the proposed pay plan adjustment for FY2025.

Daniel Pocha made the motion to approve the proposed pay plan adjustments as presented. Susan Geise seconded, and the motion passed unanimously.

Daniel Pocha made the motion to approve the FY2025 budget as presented. Jen Gursky seconded, and the motion passed unanimously.

Andy Hunthausen thanked Lori and the fiscal staff for all the time and work that went into preparing the budget and presenting it to the Board.

Retirement Committee Update – Andy Hunthausen

Andy reported that the Retirement Committee met on July 17 with Jock Bovington and Matt Maloy, Rocky's investment advisors. The profit-sharing plan totals \$2,575,296.75 and has shown a return of 20% since the switch to LPL Financial. The committee discussed a couple of large distributions that are upcoming, which will lead to a rebalance of the plan to 70% stocks and 30% bonds/cash. The committee also reviewed the 401(k) plan, which is done annually. They reviewed the plan offerings to determine if any changes were needed; no adjustments will be made at this time. Jerry Loendorf asked for additional information regarding the retention of the current money market account offering. Lori will follow up with Jock and Matt. The committee also considered the possibility of transitioning Rocky's profit-sharing plan to a 401(k) plan, and that discussion will continue at the next committee meeting.

Eric Schindler made the motion to approve the July 17, 2024, Retirement Committee minutes. Jerry Loendorf seconded, and the motion passed unanimously.

Head Start Director’s Program Report and Budget – Ashley Peña-Larsen

Ashley noted that the Executive Committee of the Head Start Policy Council approved the items being brought forth to the Board today. Two budgets were provided in packets this month, the close-out budget for FY2024 and a new budget for the FY2025 grant. The new budget shows a significant balance and that the program has over \$301,000 to spend each month at this time. There are less program expenses during the summer months, and increased spending will be reflected in future budgets once classes are in session. Ashley mentioned the monitoring memo included in packets and spoke about the various reviews that will be upcoming for the program. The COLA notice of award was received, and Head Start was awarded funds for a 2.3% COLA. The program has been doing a lot of moving during the summer months and has furniture and classroom items available for anyone interested. Head Start finished its self-assessment and a formal write-up of the results will be presented to the Board in August. Ashley thanked the Board for its approval of the pay increases as discussed earlier in the meeting. Head Start remains short-staffed, with positions available in Townsend and Helena. The program has reached out to former employees to inquire about interest in re-joining the Head Start staff.

Daniel Pocha made the motion to approve the Head Start Director’s Program Report and Budget. Kate Anderson seconded, and the motion passed unanimously.

One-Time Funding Request Grant Approval from OHS – Ashley Peña-Larsen

Ashley reported that Rocky Head Start has been highly encouraged to apply for one-time funding over the past six months, as the Office of Head Start has a significant surplus for approved projects. Rocky would like to request funding to cover construction costs to add an office space to the Townsend Head Start building at a cost of \$80,640, with an additional \$200 cost for city permitting. The request would also include \$14,000 for cameras to be installed at Head Start locations as a security improvement.

Eric Schindler made the motion to approve the one-time funding request from the Office of Head Start as presented. Bob Mullen seconded, and the motion passed unanimously.

The meeting was adjourned at 4:34 p.m. All present enjoyed cupcakes from Vanilla Bean to celebrate Lori Ladas’s birthday this month.

Respectfully Submitted,



Diane Edgar
Executive Assistant

Approved by the Board of Directors:


Eric Schindler, Secretary/Treasurer

8/28/24
Date

