

Rocky Mountain Development Council, Inc.
Board of Directors' Meeting
June 25, 2020, 3:30 p.m.
via Zoom Conference Call

Members present: Dannai Clayborn, Bruce Day, Mike Delger, Trever Kirkland, Jerry Loendorf, Bob Mullen, Maria Pace, Mary Pat Penley, Daniel Pocha, Lois Steinbeck, Paula Wright

Members absent: Ashley Calhoun, Jim McCormick, Mark Young

Others present: Gale Anderson, Rod Applegate, Jonathan Ballew, Shawna Donaldson, Tommy Driscoll, Diane Edgar, Taya Hovan, Chrisy Irej, Lori Ladas, Jim Marks, Kathy Marks, Liz Mogstad, Kelley Moody, Timothy Roll

The meeting was called to order at 3:30 p.m. and a quorum was present.

Approval of Minutes

Lois Steinbeck made the motion to approve the May 28, 2020 Board of Directors' minutes, the May 22, 2020 Personnel Committee minutes, and the June 15, 2020 Personnel Committee minutes. Bob Mullen seconded and the motion passed unanimously.

Director's Report – Lori Ladas

Lori reported that IHSB monitoring had been held for LIEAP, Weatherization, and the Emergency Solutions Grant earlier this month. Head Start Policy Council did not meet in June and no formal Head Start report was included with Board materials this month. Head Start had a Focus Area I monitoring in April, and Lori posted the report from that visit on the Board portal for review. The results were positive, with the only area of concern related to teaching credentials that could not be completed as needed due to COVID-19. No corrective actions were noted. Lori spoke about Northwestern Energy's COVID-related decision to not allow weatherization of homes under their contract, and the reduction of their funds by 53%. Lori joined other HRDC directors in asking Northwestern Energy to reconsider their decision, and a change in the funding reduction is being discussed. The Salvation Army is no longer interested in the Jan Shaw property, and Youth Homes cannot continue operation due to staff recruiting issues. Lori asked the Board their thoughts on the possibility of using the property as a Head Start classroom location. Rocky staff will tour the site tomorrow. The Head Start classroom currently housed at Bryant Elementary will need to relocate for the upcoming school year, and will likely return to the Neighborhood Center. After hearing public comment, the City's Cruse Avenue project has settled on two possible options. One would keep the Neighborhood Center at its current location; the other reflects the removal of the Neighborhood Center with a new building site at the current parking lot location. More public meetings on the project will be held in July. Board self-evaluation forms were included in the Board packet and need to be completed and returned by July 10. Two current Board members, Bruce Day and Trever Kirkland, have terms that expire this year. The Nominating Committee will need to meet in the next few weeks to discuss those term expirations along with the vacant low-income sector position. Maria Pace submitted her letter of resignation to the Board effective in July.

Finance Report Update

a. Finance Committee Summary Report – Chrisy Irej

Cash balance is \$935,495, and accounts payable balance is \$20,327. Both amounts are current. The cash balance is higher than most months, due to two recent Head Start draws and the fact that the Board meeting is not held during a payroll week this month. Chrisy reported that the Finance

Committee met prior to the Board meeting and discussed the FY2021 budget and the Rocky audit Request for Proposals.

b. Rocky Fiscal Year 2021 Budget – Chrisy Irely

Chrisy reported that earlier today, the Finance Committee recommended approval of the FY2021 budget, and also referenced the written report that explained the assumptions made while creating budget estimates. Chrisy thanked the Budget Analysts and Program Directors for their help in creating budget estimates for their programs. The FY2021 budget is a balanced budget, including a 2% COLA and a Target Market Ratio increase of 0.5% to 1.5% for all employees with at least one year of service who have not received an increase in the past year. This would include all programs outside of Head Start and the Area IV Agency on Aging. Also included in the budget is an increase in the health insurance premium of \$25 per employee per month, bringing the total annual insurance cost to Rocky per full time employee to \$9,300. The IDC rate is increased slightly from 13% to 13.2%, and a network rate increase of \$3 per device is also included in the budget.

Chrisy spoke about the two largest cash deficits in the budget, including Rocky Mountain Preschool Center and the Rocky General Fund, which reflects a loan to Eagle Rock Inc. to cash flow their meals program several years ago. She noted that at the end of FY2021, Rocky should have \$227,057 in developer fee from Red Alder and another \$30,000 from Firetower Housing Trust Fund administrative fees. These funds could be used to fill the Preschool and General Fund cash deficits.

Chrisy then explained the effect of COVID-19 on the programming budget, noting that the situation is changing by the minute. Rocky Mountain Preschool Center is currently operating at 60% capacity. The projections on the budget assume a continuation at 60% capacity for July, 70% capacity in August, and 100% capacity by September. The Preschool received a Payroll Protection Program loan along with a state child care grant.

Senior Corps continues to pay a \$3 hourly stipend to all active volunteers for their regularly scheduled hours through August 15. The continuation of that payment is unknown after that date, as is whether Foster Grandparents will be allowed to be placed in schools this fall. The Energy Services program received a Payroll Protection Program loan, and their budget may already be changing based on the decision regarding Northwestern Energy's funding. The Weatherization program also just received a \$10,000 social services grant. The ability to weatherize homes will impact the budget for that program in FY2021.

The congregate meals budget was based on an assumed opening date of July 1, which will not happen. Congregate expenses are shifting to Home Delivered Meals as appropriate. The revenue for the Consolidated Kitchen is dependent on congregate and home delivered meals, along with meals for Head Start. If Head Start enrollment is not full, the consolidated kitchen will be impacted. Transportation and Senior Services budgets are dependent on the re-open date for the Senior Center, and the reduction in those services impacts the amount of county mill funding needed.

Lois Steinbeck thanked Chrisy for the written report of budget assumptions provided in advance to explain the budget projections.

Lois Steinbeck made the motion to approve the FY2021 budget as submitted with the written explanation. Dannai Clayborn seconded and the motion passed unanimously.

c. Rocky Audit – Request for Proposals – Chrisy Irely

Chrisy explained that the request for proposals (RFPs) for both the Rocky financial audit and retirement plan audit were requested this year. A review team consisting of Chrisy Irely, Lori Ladas, and Joan Anderson reviewed the submissions and completed a scoring process. For the Financial Audit, the team recommended continuing with Anderson ZurMuehlen. They have extensive knowledge of Rocky and its programs, provide technical assistance throughout the year, and their proposed price was fair and consistent. Rocky and Anderson ZurMuehlen have shared a good relationship with past services. For the Retirement Plan Audit, the review team also recommended Anderson ZurMuehlen. Though their proposed cost is higher than the other submission, the team felt value was added by working with a larger firm with varied experience. Chrisy noted that the Finance Committee accepted the recommendations of the review team, with the suggestion to request a reconsideration of fees from Anderson ZurMuehlen for the Retirement Plan Audit.

Bruce Day made the motion to accept the review team’s recommendation to select Anderson ZurMuehlen for the Rocky Financial Audit and Retirement Plan Audit, with a request that staff ask Anderson ZurMuehlen to reconsider their fees for the Retirement Plan Audit based on comparison pricing. Lois Steinbeck seconded and the motion passed unanimously.

Red Alder Update – Liz Mogstad

Liz reported that the City of Helena waived \$233,237.49 in permit fees for the Red Alder project earlier this week. Liz shared a photo of wind damage at the Red Alder site, which damaged siding on some buildings but caused no major damage on site and no damage outside of the Red Alder property. The damage has been submitted to insurance and Golden Eagle Construction will do the repairs. The project remains on schedule, with minimal delays caused by short-term closures of manufacturing plants due to COVID-19. Last Wednesday, KTVH ran a Red Alder feature story and response was very good. Affordable Housing also received a \$1,500 donation after the story aired.

Trever Kirkland asked for any public comment and there was none. The meeting went into closed session to discuss the Executive Director’s employment agreement at 4:15 p.m.

Respectfully Submitted,



Diane Edgar
Executive Assistant

Approved by Rocky Board via Zoom Conference Call.

8/27/2020

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