

Rocky Mountain Development Council, Inc.
Board of Directors' Meeting
February 27, 2025, 3:30 p.m.
Neighborhood Center Card Room/Zoom Conference Call

Rocky Board Members present: Kate Anderson, Susan Geise, Debbie Havens, Andy Hunthausen, Paula Jacques, Trevor Kirkland, Cory Kirsch, Teri Lilletvedt, Erin Lyndes, Dan Rispens, Jesse Swenson

Rocky Board Members absent: Dannai Clayborn, Bruce Day, Charlie Lane, Lana Larson

Others present: Sarah Adydan, Hayden Behm, Jock Bovington, MacKenzie Chatriand, Laura Craft, Mindy Diehl, Diane Edgar, Steven Ferriter, Joanna Halland, Lori Ladas, Jean Leischner, Samara Lynde, Matt Maloy, Jim Marks, Kathy Marks, Liz Mogstad, Angela Nelmark, Ashley Peña-Larsen, Tom Robel, Jonathan Schmitz

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

Approval of Minutes

Debbie Havens made the motion to approve the January 16, 2025, Board meeting minutes. Andy Hunthausen seconded, and the motion passed unanimously.

Director's Report – Lori Ladas

Lori asked for any questions or comments regarding her written update included in packets. She mentioned that the retirement celebration for former long-term Board members Jerry Loendorf and Daniel Pocha was well-attended and appreciated by both honorees.

FY24 Rocky Audit and Financial Report – Laura Craft and Sarah Adydan, Pinion

Laura Craft noted that she and Sarah Adydan met with the Finance Committee earlier today and provided an in-depth review of the audit report. She explained that the Board report outlines the responsibilities of both the auditors and Rocky. The risks noted in the letter are standard, not specific in any way to Rocky's operations. This was the first year Pinion prepared financial statements for the Rocky audit, and safeguards were implemented by Pinion surrounding that process. Rocky adopted a new accounting standard, Financial Instruments – Credit Losses. The auditors reported no misstatements in the audit or disagreements with Rocky's management. The audit report provided a clean opinion of the financial statements, noting that they were fairly stated and presented. Since Rocky receives more than \$750,000 in federal funding, specific program testing was required. The programs selected for the single audit were the Community Services Block Grant (CSBG) and Head Start. No compliance issues with these programs were identified. Rocky is not classified as a low-risk auditee, due to a late audit submission two years ago. Next year, the classification will return to low risk, barring any further delays. The Finance Committee recommended approval of the audit to the Board during its meeting today.

Susan Geise made the motion to approve the FY24 Rocky Audit and Financial Report. Erin Lyndes seconded, and the motion passed unanimously.

Finance Report – Lori Ladas

Cash balance today is \$2,539,713, and the accounts payable balance is \$86,613.78. Lori reported that Rocky's contract with WIPFLI is nearing the one-year mark. Changes to the scope of the agreement for the next year are currently being discussed and will likely be ready to present to the Board next month. Jonathan Schmitz from WIPFLI reviewed the most current financial statements. He highlighted the fact Rocky has enough cash available to cover two months of expenses. Those funds are bolstered by county mill carryover funds, which will start to be spent around April. Rocky Mountain Preschool Center is showing a net loss of \$38,386 through December of 2024. The difference between Rocky's budget and actual financials shows a variance of \$122,725. Lori noted that identifying and analyzing trends in the financial statements will be a focus going forward.

Retirement Committee Report

Trever Kirkland made the motion to approve the January 15, 2025, Retirement Committee meeting minutes. Teri Lilletvedt seconded, and the motion passed unanimously.

The Retirement Committee has been discussing the possibility of transitioning Rocky's pooled profit-sharing account to a self-directed 401(k) option. Jock Bovington and Matt Maloy from LPL Financial explained some of the considerations involved, and the ways this change could benefit Rocky staff. Currently, Rocky makes contributions for all employees into the pooled account, with no match required. The account is a mix of 70% stocks and 30% bonds and considers the average risk level for Rocky's employees. The pooled account is valued only once per year, and those wishing to take a distribution from the account must wait until the annual valuation to do so. The switch to a 401(k) would provide transparency to participants, with daily valuations and the ability to check the status of their account in real time. The 401(k) option would also allow employees to choose their own level of risk with the invested funds. For those who prefer not to choose their own investment allocations, target date funds are available, basing allocations on projected retirement date. With this proposed change, Jock and Matt's fiduciary role with the Rocky account would transition to more of an educational resource role for employees. If approved, the transition to a 401(k) would happen following the June 30 valuation of the current pooled account. The Retirement Committee recommends approval of the transition to the Board.

Andy Hunthausen made the motion to approve the transition of Rocky's pooled profit-sharing account to a self-directed 401(k) as presented. Susan Geise seconded, and the motion passed unanimously.

Preschool Ad-hoc Committee Report – Lori Ladas

Paula Jacques made the motion to approve the January 13, 2025, Ad-Hoc Committee meeting minutes. Erin Lyndes seconded, and the motion passed unanimously.

Lori spoke about the budget projection included in Board packets, which was based on actual financial data through January and assumptions for the remainder of the fiscal year, with a consistent enrollment of 57 children in the program. The committee discussed possibilities for savings that the Preschool could implement. The top expenses of the program are staffing, rent, and Rocky's indirect cost rate. One option discussed was moving the Preschool to Rocky's Warehouse Avenue location, where Rocky's Agency on Aging currently resides. Rocky owns that

building, so rent costs per square foot would be reduced. The building would require interior structural changes to accommodate childcare requirements, and there is no playground at the site. Also, zoning would need to change at the location. Another option considered was trying to set up the Preschool as its own entity, similar to Eagle Rock Inc., which would save indirect costs for the program. After further consideration, this option will not be pursued because of the benefits to the preschool obtained through its contributions to Rocky's IDC rate, such as HR guidance and budget support. The current projections for the program reflect net income at the end of the fiscal year to be slightly above break-even. This is lower than the original budget for the year, due to vacancies in the summer and fall, along with losing a couple families after the most recent rate increase. Two Teacher Assistants have recently left their positions, and while one position will be re-hired, the other position will be split between Program Director Hannah Danzer and intermittent staff. The Ad-Hoc Committee will reconvene next month to further explore the option of moving the Preschool to the Warehouse Avenue location.

Head Start Update – Ashley Peña-Larsen

The Policy Council met last Tuesday. Their discussion centered around the Non-Federal Share Requirement and brainstorming ideas to meet this requirement. They also considered options for upcoming family events. Ashley reported that the Head Start program is preparing for STARS reviews as well as their Child and Adult Care Food Program review. Rocky Head Start hosted a training from SPARK Montana, a resource for childcare providers in the state. Head Start has hired and onboarded seven new substitutes recently. The program budget is looking good and will be closing out at the end of April.

Debbie Havens made the motion to approve the Head Start Director's Program and Budget Update. Andy Hunthausen seconded, and the motion passed unanimously.

Ashley spoke about the Non-Federal Share Requirement and waiver request. Rocky Head Start has struggled to meet the 20% non-federal share match required for Head Start funding, which totals \$776,676. The program is asking for approval to make a waiver request of \$370,000, which is the highest waiver the program has requested. Ashley noted that almost every program in the region she is aware of will be requesting a waiver or has already requested one, and this issue is not specific to Rocky Head Start. She noted that the removal of Head Start classrooms from several local school buildings has reduced in-kind contributions, as rent from that space was often donated. The program continues to consider new partnerships and is working actively on plans to increase contributions. Ashley also said families will continue to be educated on which activities can be included as part of meeting this requirement.

Susan Geise made the motion to approve the Non-Federal Share Waiver Request as presented. Erin Lyndes seconded, and the motion passed unanimously.

Executive Director Performance Appraisal – Joanna Halland

Joanna provided an overview of the Executive Director's performance appraisal process. The Personnel Committee will convene next month to review the appraisal tool and make any necessary changes. The tool will then be sent to all Board members and Program Directors, and all were encouraged to complete and submit the form. Each category on the appraisal offers an option of selecting "not sufficiently observed", and selecting this option does not impact the overall performance score. After appraisals are returned and results tabulated by Joanna, the committee

meets with Lori to review the results and set goals for the upcoming year. The final presentation of the performance appraisal will be on the agenda of the April Board meeting.

Affordable Housing Program Presentation – Liz Mogstad

Liz provided an overview of Rocky's Affordable Housing Program, which includes 382 apartments in the communities of Helena, Boulder, Townsend, and Augusta. The housing entities have a variety of funding sources, including low-income tax credits, Section 8, the HOME and HTF programs, and USDA Rural Development. Each funding source has its own regulations for compliance. Liz then spoke about each property operated by Rocky, beginning with the Helena locations. Eagle Manor Residences consists of three entities: Eagle Rock Residences (Penkay), Eagle Manor II, and Eagle Manor III. Penkay and Eagle Manor II have a mandatory meals program, with meals prepared on-site by two staff members and delivered like the Meals on Wheels program. For each housing unit, Liz also provided an overview of the property's ownership and property management responsibilities. Helena's North Side locations include Ptarmigan Residences, Pheasant Glen Residences, and River Rock Residences. Red Alder is Rocky's newest development property. The largest issue has been regarding the heat pumps that were installed and have been difficult to maintain. Landscaping has been difficult on the site, and some fencing is needed for privacy and safety. Rocky operates one site in Boulder, Big Boulder Residences. The site has 36 apartments, and 35 of those utilize project-based assistance. The two locations in Townsend (Homestead Manor and Townsend Housing), along with Rocky Mountain Front Properties in Augusta, are Rural Development properties. Liz spoke about the challenges of managing these properties from a distance, since no property manager works on-site at any of these locations. Liz complimented the work of Rocky's property site managers, who go above and beyond in their work to keep people housed.

Other Business

Steven Ferriter provided an overview of *Rocky Presents Chopped*, the annual fundraiser which will be held on April 5. Tickets are available now and cost \$75. The three local chefs competing this year are Shea Conley from Dear Potato, John Wolf from Eat Greekish, and Andrew Maynard from On Broadway. Judges will be Margaret Corcoran, Wilmot Collins, and last year's winner Emma Ramriz of Citystack Catering. The event will also include a silent auction, and Steven invited anyone interested to donate baskets or opportunities for an experience-based auction item. The Board will contribute a basket for the event, and all contributions should be directed to Lori.

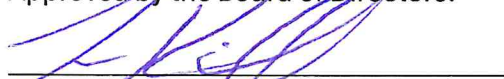

The meeting was adjourned at 5:09 p.m.

Respectfully Submitted,



Diane Edgar
Executive Assistant

Approved by the Board of Directors:


Name
Date