

HRDC BOARD OF DIRECTORS
HRDC CONFERENCE ROOM
MINUTES
MARCH 26, 2015

Members Present: Ron Brey, Scott Malloy, Pierre Martineau, Al Maurillo, Vicki Pikul, Peter Schmidt, Gene Townsend, and Billie Warford.

Members Excused: David Kack, Mitch Bradley, Chris Budeski, Kris Moos, LeRoy Wilson and Linda Young

Staff Present: Jeff Rupp, Kristin Hamburg, Heather Grenier, Robin Mayer, Sue Cook, Sara Savage, Ken Miller, and Whitt Hampton

I. Call to Order

The meeting was called to order by Vice-Chairman, Gene Townsend at 8:30 am

II. Public Comment

No public comment was offered.

III. New Board Member Introduction

Kristin introduced Vicky Pikul as the new Head Start Policy Council representative. Members introduced themselves and welcomed Vicky to the Board.

IV. Consent Agenda

Gene asked if there were any comments pertaining to those items on the Consent Agenda: Minutes, New Contracts, Monitoring Reports and the Information Memorandums and Program Instructions presented in the read file. Pierre moved to approve the Consent Agenda. Ron seconded the motion. Upon a vote the motion was approved.

V. Head Start Report

Jeff recapped the previous Board discussion regarding the problems associated with documentation of In-Kind matching funds. He noted that our Fiscal Officer is now tasked with reviewing the data entered, appropriateness of the items/services provided and financial calculations. Additional staff has been added to the Head Start program and improvements in technology systems have also been made to address this issue. Whitt provided a handout showing results of spot-checking In-Kind for April, May 2014 and January, February 2015. He noted the improvement from April 2014 when 3% of the number of transactions, 3.8% of the dollar amount, needed correction. In February 2015 the error rate was less than 1% for both categories. Whitt explained this is exactly what the Auditor wanted so that if we find errors they are corrected prior to 3rd party review. Billie expressed concern and frustration regarding the amount of time and expense required to track in-kind. Whitt stated we are human however we are striving for 100% accuracy. Jeff reminded the Board an error rate of 5% is allowed. Peter asked if this was common among Head Start programs. Jeff and Billie agreed that yes this is a common problem however we are held to standards.

When reviewing in-kind, the amount of time and effort on behalf of kids is amazing. Scott asked about the remaining amount to be documented. Ken explained that there were still substantial amounts of in-kind coming in from the classrooms and waiting to be recorded. Whitt stated he was confident we would have the required amount of match by the time the grant closes. Ron asked if the 5% is transactions or dollar amount. Whitt noted the Auditors have done both, so we are tracking both. Jeff thanked Whitt for his diligence on this issue.

Heather spoke regarding the corrective action plans for in-kind, enrollment and attendance. Detailed plans were presented in the Board read file. Heather noted there will be a Class review in April and if we do not meet standards we will go back in to competition for future funding of Head Start.

Jeff addressed the selection criteria presented for Board approval. He also noted we have not been able to meet the disabilities enrollment of 10% and would be asking for a waiver of this requirement. Ken addressed the problem of income restriction for the high cost of living in our area. We can enroll 35% of the families between 100 – 130% of poverty level. Ron asked if the issues with enrollment and attendance are related to transportation and can we address this in any way? Ken related enrollment reasons people dropped out; only 2 were related to transportation. In regard to attendance the largest problem is people moving out of Bozeman without providing notice.

Jeff asked members if there were any questions in regard to the credit card and CACFP charges presented in the Read file. The current financial report was reviewed by Whitt.

Ron moved to authorize the submission of a request for waiver on required match, disabilities enrollment, and financial obligations for renovation at centers to be used in summer, approval of the Selection Priority Criteria, the Director's Report and the Financial Report. Billie seconded the motion. Upon a vote the motion was approved.

VI. Board Committee Reports

- Executive Committee – Gene reported the Executive Committee had met to review and approve the Streamline Grant submission to the Department Of Transportation.
- Audit and Finance – Whitt reported that the Audit and Finance Committee met on Feb 25, 2015 to discuss preparation of an RFP for audit services. A timeline was given to the Board. If approved the RFP would go out for bid April 1, 2015 with a response date of April 30, 2015 and a recommendation from the Audit Committee would be presented at the May Board of Director meeting.

Pierre moved to accept the actions of the Executive and Audit Committees. Motion was seconded by Scott. Upon a vote the motion passed.

VII. CEO Report

Jeff referred to the letter from the Trust for Public Land, which was in the read file. He reminded the Board we had been working with this group to purchase 4.7 acres of the old Story Mill property with the intent of providing 40 – 50 cottages; half at market and half at 60% AMI. TPL is unwilling to move forward at this time. Jeff stated this was a rare opportunity and is very disappointed in TPL's decision. He is afraid TPL did not think we were capable and will use a private developer however, they did leave door open for further discussion. At the same time, the City of Bozeman is having affordable housing discussions, and this provides an educational opportunity regarding costs and rewards.

Jeff reported there are two bills currently in the State Legislative that if passed would be beneficial to HRDC. Senate bill 150 proposed a USB charge on energy bills to be used for energy conservation and direct payment; N.W.E. wanted to increase our share. The looser in this discussion is conversation of renewable sources such as wind and solar. Senate bill 180 is proposing that 50% of the rental car tax, approximately 3.5 million, be diverted to transportation. It has passed the Senate and is now in the House appropriations committee.

At the National level they are currently voting on the budget. Sequestration will come back if a budget is not worked out. Jeff reported he has met with Representative Zinke. Mr. Zinke stated goal is to protect the constitution. Jeff does not have any expectations of support.

VIII. Existing Business

- CSBG Work Plan- Heather reviewed the 2016 work plan programmatic goals and agency goals within the six national goals. County approvals are also needed for this work plan. The recently completed Information Survey report shows outcomes for every goal. Section G is of particular interest as it shows \$10M was generated with the \$300K of CSBG funds. This translates to \$730 per person served. We can only count unduplicated customers so this does not reflect those programs where we do not have the ability to provide unduplicated counts such as Streamline, RSVP, Café, and summer lunch programs.

Peter moved to approve the 2016 CSBG Work Plan. Pierre seconded the motion. Upon a vote the motion was approved.

- Food Bank Director Search – Heather reported that they had started interviews and there is good pool of applicants.

IX. Financial Reports – Whitt reviewed the Financial Dashboard noting this covers eight months to date. Total cash is \$3.5M. The \$498,000 on the NSP Program Income line is our appreciation share at resale. Debt is at target level. Whitt referred members to the Investment summary detail in the file showing the \$1.5M in the investment portfolio. The Unexpended program balance is for the current operating period. The Community Café has a plan in place to address the deficit. Jeff asked for clarification

of imbalance in budget to actual. Whitt responded this is typical due to the quarter billing lag for Streamline.

Pierre moved to accept financial report. Al seconded the motion. Upon a vote the motion was approved.

X. Upcoming Events- Kristin spoke about the multitude of activities planned. May is Community Action month and HRDC IX 40th birthday. Events planned include an Open House at HRDC on May 1st with birthday cake, Mayor Krauss will declare May Community Action Month at the May 4th City Commission meeting, May 20 is the Commitment to Community Luncheon, May 22nd we will be hosting an evening Donor Appreciation recognition; hors d'oeuvres and cocktails here at the main office starting at 6:30 pm, we will have a float in the Memorial Day Parade and numerous other activities throughout the month.

XI. Adjourn: Pierre moved to adjourn. Gene adjourned the meeting at 11:30 am.

David Kack, Chairman

Date