

HRDC Board of Directors Meeting
July 30, 2015
HRDC Conference Room

Members Present: David Kack, Mitch Bradley, Chris Budeski, Scott Malloy, Pierre Martineau, Al Maurillo, Kris Moos, Peter Schmidt, Billie Warford and Linda Young.

Members Excused: Ron Brey, Vicki Pikul, Gene Townsend and LeRoy Wilson.

Staff Present: Heather Grenier, Kristin Hamburg, Whitt Hampton, Marjorie Hennessey, Mary Martin, and Sara Savage.

I. Call to Order

The meeting was called to order by Chairman David Kack at 8:33 am.

II. Public Comment

No public comment was offered.

III. Food & Nutrition Program Introductions

Heather introduced Marjorie Hennessey as the new Food and Nutrition Program Director. Board members introduced themselves and Marjorie gave some background information about herself.

McKenzie, VISTA Volunteer, spoke about his role in the Culinary Arts Program development. Based on the Bozeman 2011 Need Assessment employers need people that have been trained in basic soft skills such as communication and personal accountability as well as food service. The goal is to connect those wanting employment to jobs in Bozeman. The pilot program resulted in 75% being employed within 30 days. It is anticipated that the Café will act as a feeder program for Gallatin College. Linda inquired about the demographics of the class. The ages range from 17-55 years old with an equal split between male and female. Chris asked what the class schedule would be going forward. McKenzie explained they are targeting classes in the spring and fall for a 6 week program that would be 4 – 5 hours per day. Al asked how this program is being funded. Currently there is no tuition as United Way is providing the funding for this year. The Café can provide Serve Safe training, paid by individual employers. The Serve Safe class can be taken separately so an employer can refer staff as needed.

Heather provided an update on the Café deficit at year end. The Pay What You Can model has been averaging \$36 per night. Leasing of the facility and catering are also being implemented to generate more revenue. Heather reviewed the Sustainability Plan presented in the Board packet. Kristin spoke about the major sponsorships saying it is a long process as businesses want to be sure it is the right fit for their staff. The goal is to have one major sponsor per month. Heather explained the addition of a coffee hut in the parking lot is expected to generate \$15,600 per year. This estimate is based on conversations with owners of local coffee kiosks and is only based on beverage service. The Café is also planning to serve some breakfast items via the coffee hut. Linda asked if using Fair Trade coffee had been considered. Heather explained that we were going to use local coffee since HRDC efforts are to assist local families.

IV. Consent Agenda

David asked members if they had any questions or comments regarding the items on the consent agenda; minutes, new contracts, monitoring reports, and Information Memorandum. Pierre moved to approve the consent agenda. Chris seconded the motion. Upon a vote the motion was approved.

V. Financial Reports

Whitt reviewed the Financial Dashboard noting that Total Cash & Investment are \$3.5 M; the Debt is at \$2.6M which is down from last year. \$300,000 of that was due to the third phase of the West Edge project. Next Whitt reviewed the Unexpended Balance & Summary of Investments section of the Dashboard noting that the treasurer report provides more detail. Discussion ensued regarding those programs with deficits: RPM, Amos House, FB, and Section 8. It was noted that while Streamline shows a positive balance, \$50,000 per year is needed for bus replacement.

The section of the Fiscal Procedures Manual detailing the cost allocation plan has been updated to reflect requirements of the OMB Super Circular. At this time we are continuing to use direct allocation of costs while seeking approval from Montana Department of Transportation (MDT) to use this method rather than an Indirect Cost Allocation. MDT maintains that HRDC must use the Indirect Cost Allocation method. To date they are the only funder that is requiring use of an Indirect Cost Allocation.

Chris moved to approve the Financial Reports. Mitch seconded the motion. Upon a vote the motion was approved.

VI. Board Committees

Audit and Finance and Executive: Kris described the selection process undertaken to hire an Audit firm. There were eight responses to the RFP. Of those, three firms were interviewed. Kris stated it was very interesting and provided an increased level of comfort in regard to the Boards' fiscal responsibility. Ultimately, the Committee recommended and the Executive Committee approved Randall Hensel and Company as the selected audit firm. Kris moved the Committee Report to approve the action of Executive Committee. Upon a vote the motion was approved.

Nominations: David noted that five of the members' appointments will expire in July. The Nominating Committee has spoken with Chris, Peter, Kris, Scott and Al. All agreed to serve again pending appointment. David also reported the Committee is working with Faith Based organizations to fill the vacant Customer Representative position. David moved approval of the Nominations Committee actions. Upon a vote the motion was approved.

VII. Head Start Report

Heather reported Head Start was awarded a new grant for pre-school development in the amount of \$600,000. We will have three classrooms in Livingston and are working with the Bozeman School District for classroom space to serve up to 54 additional 4 year olds. This partnership will allow us to co-enroll students. We will need two classrooms each in both Bozeman and Belgrade.

Heather also spoke to the need to start planning for Ken's replacement as he will be retiring. She would like to hire an associate director position to begin the transition.

Financial: Whitt reviewed the Head Start financial report as of June. For the first three months of the contract we are 23.23% spent with 18.23% of the year elapsed. 10% of the required in-kind had been generated. Peter asked if the new tracking in-kind procedures are getting smoother. Whitt indicated yes the process is working better but is still very time consuming. An updated FY 14-15 Budget report was provided. The grant is 100% spent out including obligated improvements. Only 87% of the required match was raised. A waiver request for the match requirement has been sent to the regional office. If the request is denied we could owe \$38,000. It was noted that over \$274,000 was raised via volunteer hours. The credit card, average daily attendance and CACFP reimbursement reports were reviewed. Linda moved to approve the Head Start report. Pierre seconded the motion. Upon a vote the motion was approved.

VIII. HRDC Carnival

Kristin reminded members that the annual carnival will be at the Story Mansion on August 13th from 5 -9 pm. The goal is to sell 250 tickets.

IX. COO Report

Heather reported the Warming Center is exceeding its capacity. The owner may be willing to sell however the space does not meet the long term needs and the community will need a different location. We are working with the planning committee to address this problem.

Tim is now working full-time in Community Development. At our next meeting we will have a time line of those activities.

The National Community Action Foundation has sent a request stating they need contacts in Congressman Zinke’s office. If any members can assist please let Heather know.

Heather spoke to the need for Youth transitional housing. We have an opportunity to purchase a house for \$92,500 that could be used to house homeless youth. It is a 3 bedroom home in Bozeman. Eventually 6 youth could live in the house with an on-site staff person. Funding would come from the Department Of Labor and Chaffee grants. Scott moved to approve the purchase of this home pending written approval by the funding sources. Pierre seconded the motion. Upon a vote the motion was approved.

David reminded the Board that our September meeting is set aside for training. He requested members let him know if they have specific topics for the meeting. Linda requested we have a social enterprise speaker. Other suggestions included a presentation of the HRDC Asset Portfolio, a bus ride to Livingston to see those locations and then return to the café for lunch.

X. Adjourn

The meeting was adjourned at 11:05 am by Chairman David Kack.

David Kack, Chairman

Date