

HRDC Board of Directors Meeting
November 19, 2015
Minutes
HRDC Conference Room

Members Present: Mitch Bradley, Ron Brey, David Kack, Pierre Martineau, Kris Moos, Peter Schmidt, Gene Townsend, Billie Warford, Leroy Wilson, Linda Young. Excused: Scott Malloy, Chris Budeski and Vicki Pickul.

Staff Present: Sue Cook, Heather Grenier, Tracy Menez, Sara Savage, Kristin Hamburg, Whitt Hampton.

Guest: Robert McMahan

I. Call to Order

The meeting was called to order by Chairman David Kack at 8:35 am.

II. Public Comment

No public comment was offered.

III. 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. David reviewed all items in consent agenda and asked for a motion to approve. Mitch made the motion to approve the Consent Agenda and Pierre seconded the motion. All were in favor and motion carries.

IV. HRDC Update

Heather provided members with a strategic plan update. We are currently at the end of year three. New changes to CSBG now require a three year needs assessment and strategic plan instead of the previous five year plan. Heather reviewed all strategic planning action items as well as goals and outcomes. Heather spoke of ever changing housing needs and challenges. Heather let Board members know that Tracy would give a more detailed presentation on HRDC's approach to housing later in the meeting. Heather continued by discussing plans to address transportation options in the West end of the Valley and explained to Board members a new initiative in Three Forks. A Galavan vehicle is in Three Forks and volunteers who are coordinated and trained by Galavan staff provide rides back and forth to Belgrade and Bozeman. Billie and Ron comment on the success of Streamline and how well received it has become by the community. David provided a quick update on Streamline ridership and future.

Heather reviewed with members a power point of HRDC properties with details regarding values, purchase price, history of funding sources, and list of improvements, assets, debt and customers served. Board members asked questions regarding many of

the properties with much conversation regarding the Belgrade Armstrong Subdivision located on the Frontage Road between 6th and 8th. This property is an asset of the HRDC and there are no current plans for development or sale. Board members commented on how helpful it is to see the full scope of HRDC's properties and are always amazed to see HRDC impact on housing in our service area.

V. Financial Review

Whitt reviewed the Financial Dashboard and noted the information was through 10-31-15 or four months into the fiscal year. Whitt reviewed cash position, operating cash, reserves, investments, debt and pointed out new debt acquired through the purchase of the Youth House. Purchase price was \$92,000.

Whitt continued with review of page two and noted a correction made on line 4 – RPM – debt reduced to -\$10,541. Whitt reviewed all yellow line items and provided more detailed information and referred members to the Treasurer's Report. David asked about Amos House deficit and Heather talked about a plan moving forward and explained the new restriction plan put into place. Whitt also reviewed items in green. David asked for an update on CSBG funds and Jeff commented that the budget covers the next two years with level funding. Jeff also spoke of best practices in housing study that shows prevention and transitional services are the most cost effective and best way to address housing insecurity.

Whitt reviewed the Balance Sheet and Budget to Actual through October 31st. He explained that the vehicle line item reflects two new Streamline buses being purchased and partially funded by a MDT Capital Grant. Kris asked about cash and if there are any plans to reinvest. Whitt said there was currently \$500,000 to \$750,000 available for short term investment with low risk. Discussion of the limited investment alternatives continued with Peter and Kris giving options.

David asked for more questions or comments. Pierre made a motion to approve the Financial Report and Gene seconded the motion. All were in favor and motion passed.

VI. Board Committee - Audit and Finance

Kris provided an update on the audit fieldwork exit conference with the Audit Firm. Kris said the meeting was positive and that the Audit firm commented that the audit field work went well. The Auditors will be at the January Annual Meeting and will give a full presentation at that time. Jeff reminded everyone that the Audit Committee had led an RFP process and interviewed audit firms this past year. Randall, Hensel and Company was the audit firm selected. Jeff commented on the significant impact of the recently issued OMB Uniform Guidance (SuperCircular). Some of the HRDC's major federal funding sources, namely the Montana Department of Transportation, have taken a conflicting position with our own. Having an audit firm with a long history with our agency was very beneficial.

VII. Standing Business Head Start Report/Directors Report/Financials

Jeff reviewed the Head Start Directors Report and discussed the Federal Match Waiver that had been requested and awarded. Jeff said we are still in a good position but the waiver will have to be requested again. Jeff talked about the Striving Readers and Preschool Development Grants as not being able to count for match. Billie added that Federal dollars cannot be matched with Federal dollars.

Jeff went on to report that we are fully enrolled at a reduced number but approval for that reduction has still not been granted. He added that a very important review was coming up and Board members will be engaged. Jeff reviewed the attendance records and enrollment as well as meal plans and the last quarter credit card statements. Whitt pointed the board to the financial report and gave a thorough review. Noting that 53% of the grant has been spent and on track. In-kind through September is \$56,000 and that is behind what he is comfortable with. He assured the Board that in-kind is under very regular review by Head Start staff.

Jeff engaged discussion on Head Start Classrooms again being in the Public Schools. He feels that success of this program may be tied to that placement. Linda asked if going back to the public school would look different than it did in the past. Yes, Billie spoke of a more integrated classroom but cautioned that one factor that sets Head Start apart from school based pre-school is the importance placed on family support and the wrap around service offered by HRDC. She spoke of the dedication of Family Support Specialists in building up the entire family and strengthening the family in numerous ways. Billie, Jeff and Linda lead a discussion of pro's and con's of school partnerships and obstacles. Heather spoke of the importance of school readiness and reviewed an extensive handout to the Board on School Readiness.

Gene made a motion to accept the Head Start Report including all attachments. Pierre seconded the motion and all were in favor.

VII Standing Business Youth Development

Jackie Haines was introduced. Jackie is the Economic Development Director who oversees the Youth Development Program. Jackie spoke of the opening of a house for youth who are experiencing homelessness to live in while transitioning to self sufficiency. The house is officially opened and two young people are currently in place along with a house manager. Jackie provided a review of the budget and partnerships including a strong partnership with Bozeman High School. She spoke of the importance of case-management and the investment needed to be made with these young people. The ages of the youth vary from 16-21 and the goal is to help youth to transition to independence, pursue education or full employment with a living wage. Jackie spoke of housing being a frequent and common barrier in this population and stressed again the importance of finding resources to cover staffing costs. Noting that the investment of time for case managers to work with the young people is vital.

VII. Standing Business Warming Center

HRDC Housing Director Sara Savage offered the Board a review of the 6th season of the Warming Center. She reported that the Warming Center opened on November 1st and was pleased with the early start and reported that since opening 63 adults and 3 children have sought shelter with the average number of guests per evening being 25-30. Season is off to a very busy start. Linda asked about the demographics of our guests. Sarah explained to Linda that about 70% of the guests from the area and over 20% are working. Sara noted that the increased and high cost of rentals and low availability of apartments make homelessness a reality for an increasing number of folks. Many people are also experiencing a longer period of homelessness due to the lack of affordable housing. So far 11% of our guests have met with a HRDC Navigator to discuss a path to housing. 11% are actively seeking housing through HRDC. 7 currently are on the Amos House waiting list. Sara explained Amos House as transitional housing for people working towards self sufficiency and explained the model and staffing structure. Sara also reported that the Warming Center had raised \$53,000 to date and was on track to fulfill the goal of \$185,000. Sara shared examples of recent outreach events and donations and gave Board members a list of upcoming events to support the fundraising efforts.

VII. Standing Business NSP

Heather reported that the West Edge Condos were complete! Phase III is entirely done. Heather talked about the need to reinvest NSP funds and revenue and noted that if we don't use it for affordable housing the State could take funds back. Heather handed out information on a parcel of land – Baxter Square Development and showed that the value of the property is \$199,000. She assured the Board that cash is available and the purpose was to have land available for future affordable housing opportunities. The Board followed up with questions regarding development, vision for the site, cost and type of units and land use options. A question on how the sale of the West Edge Condos differs from a land trust home. Heather and Jeff explained options of resale to lower wealth family's vs the seller going open market. Lots of conversation continued on this opportunity to purchase land. David asked the Board for a motion to approve the buy sell of the property discussed with cash on hand set aside for just this purchase. Peter made the motion and Kris seconded the motion. All members were in favor of the by sell for the Baxter Square Development and the motion passed.

VII. Standing Business Community Development Overview

Special Projects Officer, Tracy Menuz provided a PowerPoint with an overview of work being done by HRDC in rural communities. The goal of the Community Development Staff is to work closely with communities to identify resources and assist with the development or preservation of affordable housing. Tracy gave an overview of efforts in the following communities – Big Sky, Three Forks, Belgrade, West Yellowstone, Manhattan, Gardiner, Livingston, White Sulphur Springs and also an update on activities in Bozeman. Board members discussed the barriers communities face and Pierre complimented Tracy, Austin and Kirsten (Vista) on their work in West Yellowstone.

VII. Standing Business Advisory Councils

Heather reviewed with the Board the current list of Advisory Councils which include councils for the Gallatin Valley Food Bank, Headwaters Area Food Bank, Big Sky Food Bank, Warming Center (committee), RSCP and Head Start. Heather along with Marjorie Hennessey Food and Nutrition Program Director, created a draft of a guideline for Council structure and communication. This documents is a first and early draft and will be tweaked but is designed to make maximum feasible participation possible and is also a requirement for CSBG.

VIII. CEO Report

Jeff began by explaining that Scott Malloy a HRDC Board member has moved from his position with Gallatin Mental Health to the Montana Health Care Foundation. MHCF is a grant funding foundation and HRDC will likely be involved by receiving funding or through partnerships. Scott is thinking about how this affects his role on the HRDC Board and has been talking with Heather. Jeff said he is just providing the Board with a heads up!

Jeff continued by sharing that HRDC has submitted a tax credit application for a project in Belgrade. The project is the preservation of affordable housing units at Big Sky Villa Apartments. Jeff informed the Board that two towns who submitted applications did not meet the requirements but were given a waiver by Board of Housing. Jeff shared this with the Board because if our small project application does not get funded he may need to take action. Jeff noted that HRDC played by the rules which is vital in securing funding and noted that MBH has been sued in the past. Board discussed the situation and will wait for an update at the Annual Meeting.

Jeff provided an update on Inclusionary Housing Ordinance and the prior Monday's meeting. He told the Board the ordinance will affect HRDC and will need an investment of HRDC staff time and resource. HRDC will need to show the city it can be done. Jeff followed up with a legislative update and announced that CSBG funds are in place through the election process.

Linda asked Jeff for an update on the Café. Heather spoke of a plan with action items in place for success and funding for the Café continues to be a priority for the agency. The meeting was wrapped up with additional conversation on affordable housing concluding that affordable housing is a problem for the community not just HRDC families and should be a priority.

The meeting was adjourned at 11:50 am.

David Kack, Chairman

Date