

**HRDC IX Board of Directors
Fork & Spoon Restaurant
November 17, 2022 Meeting**

Members Present: Scott Malloy, Peter Schmidt, Bill Berg, Mitch Bradley, Scott MacFarland, Penelope Pierce, Amy Stix, Linda Young, Gene Townsend, Kris Moos, Billie Warford, Bruce Grubbs

Members Excused:

Staff Present: Heather Grenier, Mark Woodard, Tracy Menuetz, Margaret Mason,, Krista Dicomitis, Sara Savage, Kristin Hamburg, Sue Cook

Guests:

I. Call to Order

The November 17, 2022 meeting of the Human Resource Development Council of District IX was called to order by Honorary Chairman Scott Malloy at 8:37 am

II. Public Comment

Go Cats! Bill thanked the members again for their visit to Gardiner and expressed the desire to visit other areas in our service area.

III. Consent Agenda

Scott Malloy reviewed the items on the Consent Agenda including the Minutes of the September 2022 meeting. Also included in the consent agenda were the department dashboards, budget to actuals and directors' report, and committees meeting minutes for the executive, audit and finance and nominating committees. Scott noted that committee assignments were designated to various members.

Also included in the consent agenda was the Early Childhood Education Report including Head Start financials and credit card statements, information memorandums from Federal Head Start and an update on the current classroom structure due to staffing shortages. Updates on key Head Start Performance Standards were included in the department dashboard.

New Contracts including - Big Sky Area District (Resort Tax) FY 22, Park County Affordable Housing Initiative - Community Development, Gallatin County Senior Mill Grant, Title 3 - Homemaker & Nursing/Galavan/RSVP/SHIP, ARPA - Title 3: Homemaker/RSVP/SHIP

Bill Berg moved to accept the Consent Agenda. Gene Townsend seconded the motion. Upon a vote the motion passed unanimously.

IV. Financial Reports

Mark presented the financial dashboard, he highlighted the changes to the revenue by type and the decrease on the federal funding from roughly 60% to 40%, and the move towards the goal of funding diversification. He spoke to the consistency of combined cash and investments as well as the increase in amounts dedicated to the capital campaign. Mark noted that the long term debt is stable, and will be decreasing due to some funding received by Gallatin County to pay off debt for the Wheat Suites as well as some other pending pay offs. Mark also spoke to the unrestricted cash, noting the current over commitment of these funds to current projects, but noted that the over commitment is decreasing and will continue to do so with project timelines, such as the West Yellowstone project and capital campaign commitments.

Peter Schmidt moved to accept the Financial Reports. Mitch Bradley seconded the motion. Upon a vote the motion passed unanimously.

Members noted that they look forward as time goes on and Mark becomes even more familiar with potential changes in reporting and presentation of financial materials. Heather also noted that the targets on the dashboard have been grayed out as they have not been updated and they look forward to refine these targets moving forward.

V. Amended Organizational Budget

Heather spoke to the amazing job Mark has done in wrapping his mind around our agency's complicated finances and the transition process with Whitt. She spoke to the original budget that was presented in May which was upside down by \$1.6 million, and the reasons for that including the assumption of full benefit utilization for all staff paired with loss of COVID specific grants, the shelter in particular have seen an increase in staffing costs of more the 25% to keep the doors open. She also noted that the changes to the salary structure has been known that it will have an impact on the overall budget, all of these elements have necessitated the strategic direction conversation. She also spoke to the challenges of some federal grants, including uncovered administrative costs and limitations to pay the full costs. Heather noted this was covered with the Audit and Finance committee, and talking about having to make some difficult changes before the end of the year.

Mark discussed the budget adjustments and adjustments by program. He noted that the process for adjustments with departments was refreshing, and the proactive approach by directors to bring solutions to the table. He reviewed some attempts to address shortfalls by the energy and economic development departments. He also noted the increase in child stabilization funds for the Head Start program. The big piece that we are looking at is the housing department, with some smaller increases in grants and a more representative adjustments to show the real total of fundraising needs to meet the increase in salary costs. Mark noted that overall there is an increase in deficit of about \$200,000 from what was presented. He noted that this projection still includes the assumptions of

full utilization of benefits, however based on the first quarter of spending they may not be representative of projections for the year.

Mark then presented the budget to actual through September 30th, understanding that some of these costs are seasonal and variable. He noted that we are probably not going to hit the salary numbers we budgeted for, potentially \$500,000 in savings, however there are some increase in food, etc. The current projection is showing an annual deficit of \$1 million. Mark spoke to the potential timing to recoup these costs in upcoming fiscal years or through reserves that exist from previous years. Mark estimated that the deficit is still likely, but he estimates even less than is being presented, potentially \$200,000.

Heather noted that the number one concern she has with the budget is the gap of about \$400,000-\$800,000 for shelter to get through the season that she is not confident we can raise above the current projection of \$600,000. In all other areas of the organization, she noted that adjustments are being made to adapt to the budget changes needed. Members asked if we would have a better understanding of where things stand after the holiday giving season. Members discussed other options and partners who can support services, especially related to seniors and medical respite. Heather noted that our numbers are up 60% since 2020. There was also discussion around public perception of shelter and the increase of the population of people experiencing homelessness. Heather also noted that with the funding from the City to stay open in the summer, but with the increases in salary it did not cover the full amount. She noted that in the upcoming "off season" we will adjust our service level accordingly to the funding available. Members asked what they could do to support increases in giving and outreach. Heather noted Letters to the Editor and Krisin said she would speak more to opportunities in her presentation.

The Audit and Finance Committee recommended to the full board to accept the amended organizational budget. Linda Young seconded the motion. Upon a vote the motion passed unanimously.

VI. Capital Campaign Update

Kristin spoke that we are currently on track to raising the amount we raised last year, she also noted that as Heather stated, we need to raise more. She also spoke to the increase in donors who elect to give to Greatest Needs instead of specific programs. She noted the fundraising totals for the capital campaign, including a total of over \$11 million and over \$700,000 towards the \$1 million match. She spoke to efforts to increase the awareness of campaign efforts from donors, including 360 donors this far. She noted an award from granting foundations. Kristin asked members to share opportunities to present our story to local groups and organizations. Kristin also spoke to a \$10,000 opportunity from KZBK and town square to engage in social media marketing. She noted that they are still working on a shrinking prospect list. She feels confident that we will meet the match requirements by the end of the year. She also noted that there is some big exciting news that we do not have permission to share yet, but is unable to share publicly yet. Kristin also spoke to how members can support resource development efforts, including the UnGala potential new names, holiday cards signing, and sharing their role and connection to HRDC.

Tracy provided a campaign project update, she noted the progress that is being made on the property, including framing occurring on the fork and spoon side of the building. She noted that there has only been one large change order. She also spoke to the benefit of having the funding immediately available as part of the new market tax credits. She said we are currently only three weeks behind schedule. She spoke to her hope of being in the building in fall of next year. She also spoke that when the new funding announcement is public they will be able to begin to dust off the plans and start moving forward with building 2. Tracy also spoke to the posting of the Construction Manager.

VII. UTD Update

Sunshine shared that the unofficial number of signatures is 25,925!!!!!! She noted our original goal of 18,880 signatures. She said we are excited to announce a submission event once the county has gotten through the election process that members would receive an invitation to. SHE noted that HRDCs reputation has been a huge boost in this effort. SHE noted the next big push is to get people to vote in may, which will be supported by another community survey to gauge what people have learned about the UTD and what support may look like. This survey will support our messaging and outreach efforts moving forward. Sunshine also noted that in early January there will be a training on how to publicly talk about the issue once it is on the ballot. Looking forward, the advisory board will become the legal board and as well as planning the legal transitions of the assets. Members congratulated Sunshine on a job well done.

IX. Staff Resiliency

Krista provided some background on the staff resiliency efforts that the agency has been engaged in, including the Management Action Plan of which the Staff Resilience was the number one issue. She reviewed the staff survey which was shared and the results. She noted the key requests for a reduced work week and higher pay. Krista then reviewed the short term and long term options and responses and the planned communication to be given to staff. She noted what options have already been in place, including increased salaries, 12 paid holidays. She spoke to efforts towards the reduced work week which involves a pilot effort. She spoke to the support from Montana Nonprofit Association and that we are currently in the design phase. She noted that the implementation phase will begin in January with the management team. Krista spoke to the complexity of our organization with the hope of beginning implementation of this effort in July 2023. Members asked, and Krista shared that there are no changes to salary with the reduced hours, and not to increase speed of work, rather to increase efficiency. Members asked for a deep dive with the Personnel Committee. Members asked about success in these efforts from other businesses. Krista noted to the positive responses, but that the process of implementation can be painful and often uncover other elements of the organization that need addressing. Members spoke with pride and encouragement about this effort. Also noted the culture of staff will be critical as well.

X. Strategic Visioning

Heather reviewed the document included in the read file that outlined the process and results from the strategic direction conversations. She noted the conversation she had with directors and their expression of the need to continue developing the process to best understand what we want our organization to look like in the future. Sara spoke to the process, the similarities and differences between the board and staff process. She spoke to how this process has helped with better understanding the work that we currently do and how we want to lens or framework for decision making around the approach to both current and future projects and efforts. Members acknowledged the vast growth of the organization and the communities we serve, and how well the board and staff have handled that growth. Members spoke to their desire for next steps in the process. Members spoke to the importance of understanding how staff functions relate to fulfilling the strategic plan, they spoke to the key role of community expectations and partners in supporting our responses to community needs. Board members expressed a desire to hear from directors some practical responses regarding specific programming, also in terms of what are the three to five things that we do really well that are of the biggest impact to the community. Members spoke that we are financially viable as well as well positioned to support health work life balances. Members also spoke to the key messaging to staff. Heather noted that staff would bring an update to the January board meeting.

XI. Board Time / Executive Session

Staff were excused for the executive session.

The November 17, 2022 meeting was adjourned at 11:30 am.

Scott Malloy, Chairman

Date
