



**MONTANA**  
DEPARTMENT OF COMMERCE

**BUSINESS RESOURCES DIVISION**

October 9, 2014

Suzy Foss, Chairperson  
Board of Commissioners  
Ravalli County  
215 South 4<sup>th</sup> Street  
Hamilton, MT 59840



RE: Community Development Block Grant – Economic Development (CDBG-ED) # MT-CDBG-ED13-06, Monitoring Results Letter

Dear Chair Foss:

On October 1, 2014, I visited Ravalli County offices and Ravalli County Economic Development Authority (RCEDA) to review efforts in reference to the Bitterroot Tool & Machine Inc./Bitterroot Tool & Die, LLC (BTM) project for the purchase of property including buildings at 497 Airport Road, Lot 1, Zugay Subdivision, Ravalli County, Stevensville, MT in connection with BTM business expansion. BTM has committed to creating ten(10) full-time equivalent (FTE) jobs. All positions will be offered to low and moderate income (LMI) persons. During my monitoring visits, I appreciated the courtesy and cooperation extended to me by the County and RCEDA staff.

At the time of the application, local governments are required to submit a signed Certification for Application, which is an agreement by the local government to comply with certain federal regulations related to the CDBG-ED program. Evaluation of compliance with these federal regulations is a responsibility placed on the MDOC through the Housing and Community Development Act. The purpose of my visit was to evaluate the County's compliance with federal and state requirements of the Montana CDBG-ED program and to assess its progress toward closeout of the project activities. It is our intent, through the monitoring process to help CDBG-ED recipients prevent situations that could cause problems when project records receive an audit.

One of three levels of determination is assigned to a particular issue if the grant recipients' performance is less than satisfactory:

Concern

When the CDBG-ED liaison raises an issue that does not involve a statutory or regulatory requirement but may involve recommending a management or program improvement, it is

determined a "concern." A modification of an administrative procedure or policy would be suggested. No formal written response to MDOC by local officials is required.

### Question of Performance

If the monitoring review raises a question regarding whether a violation of a statutory or regulatory requirement has occurred, the CDBG-ED liaison will first informally discuss the review results with local officials to determine if a violation has occurred. If a *determination* cannot be made during the exit conference, the CDBG-ED staff *may* conclude that there is a "question of performance" and request that additional information be provided within a 30-day time period in order for the MDOC to determine whether a violation has, in fact, occurred. The MDOC will make a final determination regarding the issue under question within 30 days of *the grant recipient's response*.

### Finding

When a monitoring review of a grant recipient's performance reveals a specific, identifiable violation of a statutory or regulatory requirement about which there is no question, the CDBG-ED liaison will make a "finding." A written response regarding the grantee's proposed actions to correct the situation is required within 30 days of the date of the CDBG-ED liaison's monitoring letter.

Corrective actions should:

1. Prevent a continuance of the violation;
2. Mitigate any adverse effects or consequences of the violation to the extent possible under the circumstances; and
3. Prevent a recurrence of the same or similar violation.

### Monitoring Areas

The following is a summary of the compliance areas monitored:

#### File Management

Both the County and RCEDA were able to retrieve required information. No concerns noted.

#### Environmental

No hazardous or non-compliance issues were observed during the on-site tour.

#### Financial management

Appropriate documentation was in the files for the CDBG program draw to date. Financial management practices were reviewed. There were no issues or concerns.

#### Civil Rights

The County has demonstrated its compliance with the Civil Right requirements identified by CDBG-ED including ADA (impediment analysis and complaint resolution), EEO, Fair Housing and the Hatch Act.

### Hiring and Training

Based upon quarterly reports and discussions with RCEDA, and BTM the Hiring & Training Plan is being implemented as agreed upon between all entities including the County. The Hiring and Training Plan should continue to be monitored by RCEDA and the County. This will ensure that hiring processes are utilized to provide opportunity for employment as it relates to low and moderate income applicants and hires.

In conclusion Ravalli County and RCEDA has managed this CDBG-ED project very well thus far. Julie Foster, Glenna Wiles and Verona Stromberg were exceptionally *helpful in providing me with technical information*. Mr. Randy Jones of BTM provided us with a tour of his business. I was very impressed with the ambition and entrepreneurship.

If you have any questions related to this letter, please contact me at (406) 841-2735 or by e-mail at [nrich@mt.gov](mailto:nrich@mt.gov)

Sincerely,

A handwritten signature in blue ink, appearing to read "Nick Rich". The signature is stylized and cursive.

Nick Rich  
Business Development Specialist  
CDBG-ED Program

c: Julie Foster, RCEDA