

Incapacity
Assessment
Services

Low Income
Advocacy

Employment
& Training

Job Skills
Development

Energy
Assistance

Owner
Occupied
Home
Rehabilitation
Loan Program

Affordable
Housing
Development

First Time
Homebuyer
Assistance

2-1-1
Information
& Referral

Energy
Conservation

Rental
Assistance

Summer
Food
Service

MEMO

To: Board of Directors
From: Jim Morton, Executive Director
Date: November 6, 2014

Enclosed you will find the October 9, 2014, District XI Human Resource Council Board of Directors' Minutes. Also enclosed is the Draft Resolution Establishing County Advisory Councils.

If you have any questions, please contact me at 728-3710.

RECEIVED

NOV 10 2014

Ravalli County Commissioners

--	--	--	--	--

A LEADER IN COMMUNITY ACTION SINCE 1965

1801 South Higgins Avenue, Missoula, Montana 59801 (406) 728-3710 FAX (406) 728-7680

Offices in Missoula, Mineral and Ravalli Counties Equal Opportunity in Service and Employment



RESOLUTION ESTABLISHING COUNTY ADVISORY COUNCILS
ADOPTED BY BOARD OF DIRECTORS NOVEMBER 13, 2014

Section 1. Advisory Council Duties. The Corporation shall have three (3) County Advisory Councils that will serve as advisory committees to the Board of Directors. There shall be Advisory Councils for Missoula, Mineral and Ravalli Counties. The Board of Directors shall be the appointing authority for the members of each County Advisory Council. The County Advisory Councils shall have the following duties:

- (a) Provide advice and recommendations to the Board in the areas of local policy development, local problem solving and local planning with regard to services offered by the Corporation;
- (b) Recognize local persons who are making outstanding contributions to the furtherance of the Corporation's mission and services in the local area; and
- (c) Provide recommendations of individuals to serve as private sector delegates on the Board and of individuals to be placed in nomination for election as low-income representatives as provided in the Bylaws of the Corporation.

Section 2. Composition of County Advisory Councils. Each County Advisory Council shall to the extent possible be composed of council members divided into three groups in the following proportions: (i) one-third (1/3) representatives of public sector interests; (ii) at least one-third (1/3) shall be representatives of low income interests; and (iii) the remainder shall be representatives of private sector interests in the county. The total number of council members for each individual County Advisory Council must be evenly divisible by three (3). Each County Advisory Council may adjust its size from time to time with approval of the Board of Directors.

Section 3. Eligible Public Sector Representatives. Public sector representatives shall be public employees, or individuals serving on government boards or commissions; individuals appointed as public official members shall either be elected or appointed public officials or representatives of such. The Board of Directors shall have final approval of the selection of public sector members of the County Advisory Councils.

Section 4. Low-Income Representatives. Low-income sector representatives need not, themselves, be low-income, so long as they are representative of the low-income residents served by the Corporation. Low-income representatives shall be selected for council seats by each county in accordance with selection procedures of each County Advisory Council that are

adequate to insure that the individuals selected represent the low-income population in the area served by the Corporation. The Board of Directors shall have final approval of the selection of low income sector members of the County Advisory Councils.

Section 5. Private Sector Representatives. Private Sector Representatives shall be officers or members of business, industry, labor, community development groups, charitable, religious, education, minority, civic, or other major groups or interests within the counties served by the Corporation's activities. The Board of Directors shall have final approval of the selection of private sector members of the County Advisory Councils.

Section 6. Selection Procedures. During odd numbered years, the County Advisory Councils shall present to the Board of Directors a plan for selecting low-income, private, and public sector members to the County Advisory Councils. The Board of Directors shall review each plan to insure that all interested private and public sector groups are given an opportunity to serve on County Advisory Councils.

Section 8. Terms for County Advisory Council Members. Members of the County Advisory Councils shall be selected in every odd numbered year. The term of membership on the County Advisory Council shall be two (2) years, beginning October 1 of the year of selection. Members of a County Advisory Council may serve successive terms. If the selection process is unable to be conducted, then the existing members of the County Advisory Council shall continue to serve until such selection can be held. Following a selection process, the newly selected members shall serve a term that will expire upon October 1 of the next year of selection.

Section 9. Vacancies on County Advisory Councils. Any vacancy occurring in the representatives of the private or low-income sectors of a County Advisory Council shall be filled for the duration of the term of membership by the affirmative vote of the majority of the remaining members of the Advisory Council. Any vacancy of a public official or a representative a public official serving on a County Advisory Council shall be filled by the political subdivision that previously appointed the vacant position. Any vacancy of an individual who is a public employee, or an individual who was serving on government boards or commissions maybe filled for the duration of the term of membership by the affirmative vote of the majority of the remaining members of the Advisory Council.

DISTRICT XI HUMAN RESOURCE COUNCIL, INC.
Board of Directors' Meeting
1801 South Higgins Avenue
Missoula, Montana
October 9, 2014 at 11 a.m.

The meeting was called to order by Vice Chair Dave Donkle. Dave informed the Board members that Leon Stalcup Board Chair is unable to attend the meeting, therefore as Vice Chair he would be conducting the meeting. Dave asked that the roll call of Board members be taken.

PRESENT: Sharon Alexander, Billye Ann Bricker, Leah Deering, Dave Donkle, Larry DeGarmo, J.R. Iman, Louise Kolppa, Joe Loos, Michele Landquist, Ron Osborn, Cindy Wulfekuhle. J.R. Iman and Joe Loos participated via telephone.

ABSENT: Jeri Drake, Laurie Johnston, Kathy Many Hides, Leon Stalcup.

Public Comment: Dave asked for public comment. Jim introduced Sharon Alexander who has been recommended by the Mineral County Program Council as the new representative of the low income sector in Mineral County. Sharon will be replacing Muriel Mead. Dave asked each Board member to introduce himself or herself. Sharon said she was looking forward to serving on the Board. Dave welcomed Sharon to the Board.

Approval of Board Minutes: Louise moved the September 11, 2014 Board Minutes be approved. Michele seconded the motion noting grammatical errors in the minutes. A grammatical error at the top of page 2 was noted and on Page 6 in the discussion of the Riverside Apartments there was another grammatical error. After discussion the motion to approve the minutes as corrected carried.

Mineral County Program Council Minutes: Billye Ann moved the minutes of the October meeting of the Mineral County Program Council be accepted. Cindy seconded the motion. Billye Ann noted that the Minutes include a recommendation that the Board seat Sharon Alexander as a representative of the low income sector in Mineral County. After discussion the motion carried.

Missoula County Program Council Minutes: Cindy moved the minutes of the October meeting of the Missoula County Program Council be accepted. Larry seconded the motion. After discussion the motion carried.

Ravalli County Program Council Minutes: There was no October meeting of the Ravalli County Program Council.

COMMITTEE REPORTS:

Finance Committee:

Dave noted that the Finance Committee met this morning at 10 a.m. Dave reported on actions taken by the Committee:

Department of Public Health and Human Services (DPHHS): Amendment Number One to Task Order Number 14-028-15059-0 for Low Income Energy Assistance Program (LIEAP) Outreach. The Amendment deletes the contract termination date of September 30,2014 and inserts a contract termination date of August 31, 2015. The Committee recommends approval.

DPHHS: Task Order Number 14-028-30029-0 to Contract 011 for the Department of Energy (DOE) Weatherization Assistance Program (WAP). The Task order provides funding up to \$190,345 through June 30,2015. The Task Order specifies that the average per dwelling cost not exceed \$1,200. The Committee recommends approval.

Claims of the Executive Director: The Executive Director's salary since the last Board meeting. The Committee reviewed the Mastercard statement in the amount of \$395.68 for expenses associated with staff training. The Committee reviewed a claim from the Executive Director in the amount of \$468.00 to attend a training in Helena on the Office and Management and Budget's Cost Circular and to attend a meeting of the HRDC Directors. The Committee recommends approval.

Review of Internal Controls: Dave said the Committee is charged with the review of internal controls used in the issuing of checks or other forms of disbursements from approved HRC checking accounts. The Fiscal Office prints a list of all the disbursements issued for a quarter, in this case July 1, 2014 through September 30, 2014, from which the Committee chooses at random disbursements to review for internal control. The Committee used an "Internal Control Disbursements/Accounts Payable Checklist" to evaluate each check issued. The following checks were reviewed by the Committee:

Check Number 84709 disbursed to Palmer Electric in the amount of \$460.81. Deb Hayes, Residential Energy Services Manager, presented the disbursement to the Committee for review. The \$460.81 represented payment for two separate invoices. The disbursement paid for services given to households participating in WAP. Deb said HRC contracts with Palmer Electric to provide electricians whenever the WAP crew is installing an appliance or device that requires installation by an electrician. The Committee found the check was issued in compliance with HRC's internal controls.

Check Number 84905 disbursed to 4 Seasons Subaru in the amount of \$86.19. Susan Cloninger, HRC Office Manager, presented the claim to the Committee for review. Susan indicated that the check represented maintenance services provided by 4 Seasons for the Subaru owned by HRC. The Committee found the check was issued in compliance with HRC's internal controls.

Check Number 85028 paid to NorthWestern Energy in the amount of \$963.86. Ruth Burke, HRC Fiscal Officer, presented the check to the Committee for review. The check paid for utility service provided at three HRC office buildings in Missoula. Ruth informed the Committee that the cost of utility service is spread across contracts using the square footage of space used by each contract. The Committee found the check was issued in compliance with HRC's internal controls.

Check Number 85108 paid to The Plumber in the amount of \$2,038.10. Deb Hayes presented the check to the Committee for review. Deb informed the Committee that The Plumber provides services to households participating in WAP. The \$2,038.10 represents payment for several invoices. Deb said often the WAP crew encounters situations in a dwelling that need to be repaired by a licensed plumber. The Committee found the check was issued in compliance with HRC's internal controls.

Check Number 85198 paid to Palmer Electrical in the amount of \$315.99. Deb Hayes presented the check to the Committee for review. Deb said as mentioned earlier, Palmer Electrical provides electricians when the WAP crew encounters situations in dwellings receiving WAP services that require the services of an electrician. The Committee found the check was issued in compliance with HRC's internal controls.

Financial Statements/Reports: Dave noted that the monthly Financial Report is contained in the Board packet.

Dave noted the Committee report comes as a seconded motion to the Board. Dave asked if there were any questions about the Committee report. After discussion, Dave called for a vote on the motion of the Committee and the motion carried.

Executive Committee: The Executive Committee has not met since the last Board meeting.

Personnel Committee: The Personnel Committee has not met since the last Board meeting. Jim said that although the Personnel Committee has not met, he has a change to the HRC Personnel Policies and Procedures Manual that he would like to present. Jim said his recommendation is for a change in item "4. Gifts Favors and Gratuities". Jim distributed page 27 of the Manual to the Board along with the recommended changes for this item. The changes relate to the absolute prohibition against accepting gifts, money, and gratuities by HRC staff. Jim said that he is recommending a nominal value be included in the prohibition again accepting gifts, money and gratuities. The reason for using a nominal value is that on occasion consumers or participants of HRC services give HRC staff small gifts like candy, an individually made item, or a memento; all of which have very little monetary value. However, the gift is

very meaningful to consumers or participants. Jim said he cannot remember a circumstance where consumers or participants have given HRC staff cash, historically the gift has been a non-cash token of appreciation. If the policy is changed to allow a gift of nominal value then HRC staff can graciously accept the expression of appreciation from consumers and participants. Jim indicated that his recommendation resulted from a discussion at an OMB Cost Circular training. The trainer suggested that personnel manuals allow for gifts of a nominal value because otherwise a staff member who accepts a candy bar would be in violation of his/her organization's policies. Additionally this language does not place the staff member in the position of refusing a token of appreciation that has little monetary value.

In item "4. Gifts Favors and Gratuities" there is reference to the Corporation being able to accept gifts of nominal value up to \$50 from program participants. Jim said he is not recommending any change to the language regarding the Corporation being able to accept gifts of nominal value. Several Board members commented that the paragraph is confusing because there are two distinct events being discussed. The first event is a gift to a HRC staff member, the second event is a gift to the Corporation. Discussion among Board members resulted in the suggestion that the paragraph be restructured into two paragraphs, one referring to HRC staff and the other referring to the Corporation.

Sharon moved to revise item "4. Gifts Favors and Gratuities" of the Personnel Policies and Procedures Manual by inserting the phrase "unless of a nominal value" in the sentence regarding prohibition of acceptance of gifts, money, and gratuities from persons in a position to benefit from the actions of the Corporation and further that the paragraph be separated into two paragraphs with the first paragraph referencing HRC staff and the second paragraph referencing the Corporation and further that these changes become effective upon adoption by the Board of Directors. Ron seconded the motion. There was a discussion of the definition of nominal value. Jim indicated that if the motion carries then an additional motion is needed to define nominal value. After discussion the motion carried.

Cindy moved that for purposes of item "4. Gifts Favors and Gratuities" in the Personnel Policies and Procedures Manual that the Board of Directors define nominal value as \$50 or less and further that this definition becomes effective upon adoption by the Board of Directors. Louise seconded the motion. There was a discussion as to whether the value should be less than \$50. Several Board members expressed concern that \$25 maybe too low as determining the value of some handcrafted items could be problematic. After discussion the motion carried.

OLD BUSINESS

Housing Initiatives:

First Time Home Buyer Loans: Jim informed the Board that staff have no loans to bring before the Board this month. Staff continue to market the loan program and are assisting interested households with the loan application.

Riverside Apartments: Rural Development (RD) is providing grant and loan proceeds of approximately \$506,000, with HRC contributing about \$47,000 to the project. To accomplish the remodeling, HRC advertised for bids in 9 different sections including, roofing, siding, flooring, carpentry, appliances, plumbing, electrical, painting, and heating ventilation air conditioning. When the bids were opened on August 21st not all of the 9 sections received bids. Jim reported that HRC staff are negotiating with contractors to get bids for those sections that did not have adequate bids or that had no bids. The loan and grant closing has been delayed until the procurement of bids can be completed.

Parkside Apartments: The state HOME Program has allocated \$750,000 for work at the Parkside Apartments in Hamilton. The advertising for qualifications for professional engineering services has been completed. The engineers evaluating the project recommended that the bid solicitation be delayed until January or February with construction beginning in March or early April. Jim reported that the state HOME Program is considering allowing additional HOME Program income to be allocated to the Parkside remodeling. HRC staff are preparing a revised budget for review by the state HOME Program staff.

Aspen Place: Howard Construction, the general contractor on the project, expects the Certificate of Occupancy to be issued within the next two weeks. Sparrow Management has qualified several households for a move-in date of November 1st. Sparrow is assisting those on waiting list with the rental application. Sparrow Management is also conducting tours of the units with prospective tenants. A grand opening in November will be sponsored by First Interstate Bank, the tax credit investor; Mountain Plains Equity Group, the Housing Tax Credit syndicator; Howard Construction; Housing Solutions LLC, the consultant on the project; and HRC. Invitations will be sent out, and contacts with local media will be made regarding the event. Jim said Board and County Advisory Councils members will receive an invitation. The Missoula County Advisory Council will tour the project on November 5th. When completed the development will offer 36 apartments to senior citizens who meet the income qualifications for a Housing Tax Credit development.

Two Rivers Apartments: Jim reported that there are warranty issues at Two Rivers Apartments, which are located in St. Regis. The St. Peter law firm has contacted the contractor and the architect for the project about meeting at the project site on October 30th. Jim said the site visit should help all the parties understand the concerns and enable everyone to move onto addressing the warranties.

Other Business

New Business

Adoption of Amended and Restated Bylaws: Jim noted that Don St. Peter, HRC legal counsel, attended the September Board meeting to discuss the amended and restated Bylaws that he prepared. At that meeting there were several corrections requested, Don made those changes and the amended and restated Bylaws were sent out to Board members with those corrections. Dave asked if there were any Board members who did not receive a copy of the amended and restated Bylaws that are being discussed at today's Board of Directors' meeting. Dave noted no Board members indicated they had not received a copy of the amended and restated Bylaws. Joe noted that on Page 1 the date should be October 9, 2014, on Page 11 in Section 2 the reference to Executive Committee should be changed to Governance Committee, and on Page 12 in Section 6 the references to Executive Committee should be change to Governance Committee.

Cindy moved to adopt the amended and restated Bylaws as presented with the corrections noted on Page 1 where the date should be October 9, 2014 and Page 11 Section 2 where Governance Committee should be used instead of Executive Committee and on Page 12 in Section 6 where Governance Committee should be used instead of Executive Committee and that these amended and restated Bylaws become effective upon adoption by the Board of Directors. Ron seconded the motion. After discussion Dave asked for a vote on the adoption of the amended and restated Bylaws. Dave noted that all Board members in attendance voted in favor of the motion. Dave noted no Board member cast a nay vote nor did any Board member abstain from the vote.

County Advisory Councils: Dave asked for discussion on the role of the County Advisory Councils that are mentioned in the newly adopted Bylaws. Jim said that in the previous Bylaws the duties of County Program Councils were specified, however the newly adopted Bylaws indicate that the Board of Directors will decide the role of the new County Advisory Councils. The Board could use the language in the previous Bylaws to determine the role of the County Advisory Councils. Jim said the County Advisory Councils are advisory only and have only the duties assigned by the Board of Directors.

Michele moved to request the Executive Director provide the Board of Directors with a draft resolution that will guide the relationship between the Board of Directors and the County Advisory Councils. Cindy seconded the motion. Jim said the language from the previous Bylaws would be the logical starting point for the language of the resolution. After discussion the motion carried.

IRS Form 990 Expenses: Jim said at the September Board meeting there was a discussion of the expenses reported on the Form 990. On the Form 990 several categories of expenses were combined and one amount was reported for the group of expenses. Ruth distributed information she had prepared on the last 3 years of expenses shown on Form 990 that have been filed with the IRS. The information is given at the top of the information sheet as well as in the bar graphs at the bottom of the sheet.

Both layouts present the following categories: salaries, tax, fringe; direct assistance; professional services; office expense; occupancy; travel; depreciation; insurance; funds returned to jurisdictions; vehicle expense; and allowance for potential loss on home buyer loans. Ruth said she prepared this information to give Board members information on the how expenses have varied over the last 3 years, the bar graphs allow for a visual presentation of the trend of expenses.

Ruth said that outside of the years where programs received American Recovery and Reinvestment Act (ARRA) revenues, expenses are consistent. The one exception is when HRC returned funds to the state HOME Program. Ruth explained that the category regarding funds returned to jurisdictions refers to city and counties that sponsored HOME Program grants to provide home buyer assistance loans. When a home buyer loan is repaid to HRC, the state HOME Program had required the funds be returned to the sponsoring jurisdiction, then that jurisdiction was to return those funds to the state HOME Program. Ruth said this requirement to return loan repayments to the state HOME Program is under review by the state HOME Program and may change.

Ruth noted that HRC must have an infrastructure that can operate multiple contracts and programs. Once that infrastructure has the capacity to administer contracts and programs there is an efficiency that occurs should HRC be awarded additional contracts and grants. Of course, the capacity of the current infrastructure would need to be increased if significant additional revenues were realized.

After a discussion on the information, Dave thanked Ruth for her presentation.

November Board Meeting: Dave reminded Board members the November 13, 2014 Board meeting will be held at the HRC offices at 1801 South Higgins Avenue in Missoula.

There being no further business, Dave adjourned the meeting.

Respectfully submitted,

Billye Ann Bricker, Secretary-Treasurer