



LIFTT - Living Independently for Today & Tomorrow
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Minutes of May 4, 2020 Regular Meeting of the Board of LIFTT - Living Independently for Today and Tomorrow

Date: May 4, 2020

Location: The meeting was held electronically via ZOOM

Members Present: Chad Hooker- President
Dan MacDonald- Vice President
Paula McMahon- Treasurer
LaVonne Kautzmann- Board Member
Bob Maffit, Board Member
Andy Fox, Board Member

Others Attending: Carlos Ramalho, Executive Director
Dianne Booth, Finance Director

Members Absent: Ian Elliot, Secretary

The Chairman of the Board of Directors, Mr. Chad Hooker, hereinafter referred only as Chairman, first determined that there was quorum to hold the meeting considering that six (6) out of nine (9) board members were present.

This board meeting was then called to order by the Chairman exactly at 4:10 pm.

A motion to approve the minutes from the previous Board meeting held on March 3, 2020, was presented by the Chairman, and seconded by the Treasurer, Ms. Paula McMahon, hereinafter referred only as the Treasurer. A vote was formally taken, and all present board members unanimously voted "Aye" to approve the minutes. There was no abstention or opposition. It was further agreed upon that the minutes from the March 3, 2020 Board Meeting would be posted at LIFTT's website.

Board member Mr. Bob Maffit, hereinafter referred only as BM, described himself as one who strictly adheres to parliamentary procedure and will attempt to guide LIFTT's board meetings that way. He justified his position as coming from someone who "has been around long enough to appreciate the positive aspects of conducting a Board meeting like that." The Chairman thanked BM and expressed his appreciation for his cooperation and encouraged him to feel free to provide parliamentary procedure guidance to all LIFTT's board meetings.

Following, the Chairman asked the participants whether they all had reviewed the Agenda for the May 4, 2020 Board meeting, and if there was a motion to approve the Agenda as outlined before the members of the Board. The Treasurer made a motion to approve the Agenda for LIFTT's May 4, 2020 Board meeting. Her motion was seconded by BM the motion, however, he asked if the Agenda complied with the "Public Announcement" requirement. The participants unanimously acknowledged that the



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Agenda had been sent to them via email and published at LIFTT's website more than two weeks before the date of the meeting. Satisfied with the explanation, BM then reiterated that he had seconded the motion to approve the Agenda for the May 4, 2020 meeting of LIFTT's Board of Directors as outlined. The Chairman asked the participants if there was any discussion and none was presented. A vote was formally taken, and all present voted "aye" to approve the Agenda as outlined before the members of the Board.

The Chairman then asked the participants whether there were any old businesses to be discussed during the May 4, 2020 meeting. LIFTT's Executive Directors (ED), Mr. Carlos Ramalho (CR), hereinafter referred to only as the ED, stated that the only old business pending was the approval, by the board of directors, for LIFTT to move ahead and work mLp to incorporate the Montana Association of Centers of Independent Living, hereinafter referred to only as Association, MTACILs and/or ACILs.

BM asked the Chairman if he could offer some conversation about the issue and provide LIFTT's Board of directors with a little history. In short, he said, what is going on and is needed in Montana is an ACILs. Although there are four (4) CILs in Montana, it takes only two CILs to form the association. One of the reasons why the other two CILs are not involved in this project is because 2020 is a SPIL – State Plan for Independent Living and a lot of work is being done in developing the Montana SPIL.

According to BM, the MTACILs is important because it can help, guide, and provide us with technical assistance as well as represent our own interests as being a CIL. Concerning the SPIL, for example, it is important to point out that the MTACILs can help us change the Designated State Entity (DSE), which is the administrative host for independent living in Montana. Currently, the DSE is the Department of Vocational Rehabilitation. There is a consensus among the centers that this change is necessary. In the past, LIFTT has been an advocate for developing the MTACILs and being a part of that, however, we didn't come to fruition last time -- and so -- now since we are in a legislative year we will be having a legislative session coming up in January of 2021 – the network of independent living centers always hires a lobbyist, and -- so the development of the Association legitimizes and puts in place an infrastructure to hire the lobbyist, The membership fee or the amount that each center would contribute is \$30,000.00 annually. This contribution would cover the past practice of the costs associated with lobbying being shared among the CILs. The need to have very strong lobbying representation nationally exists because of the risks of funding cuts and what has happened prior to COVID-19.

BM said that "At this moment we do not fully understand or can anticipate what is going to happen on the state and federal level. It is certain though that there will be some strong implications for funding of independent living and human services programs in Montana. In view of all the above, I am advancing that we develop the MTACILs to



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immediately at a minimum with two (2) of the four (4) centers of the State of Montana: mILp and LIFTT. The board of directors of the Montana Independent Living Project - mILp has authorized the necessary revenue to engage in that -- and authorized our corporation to become a member of the MTACILs. My hope is that LIFTT will take a leadership role, step up and do the same. This decision will then allow good things to take place. One is that it connects all participants CILs in a network and provides them with a stronger representation of independent living in Montana. The Association will also provide a possible place for the SILC - Statewide Independent Living Council to administratively connect to the CILs as a network. Also, the SILC might become a member of the MTACILs and partner together in paying its administrative costs and fees to support the Association. There is common ground in education and awareness and from a lobbying perspective. Like last time -- this is not a done-deal -- Joel Paden, who was the lobbyist for LIFTT, mILp, and Summit, may be willing to contribute to the project. So, at a minimum there is a financial threat to the future of independent living. We need to work together to build our infrastructure and we cannot get this going any too soon.”

BM continued “The authorized amount customarily shared by the Montana CILs as cost of lobbying over the past few years was approximately \$10,000.00 per center. The proposed membership of the Association would be \$30,000.00 per CIL and would be the Center’s lobbying costs already paid upfront in the membership.”

With these words, BM strongly recommended that LIFTT become a seminal member of starting the MTACILs, what he suspects will happen anyway when the other two Montana CILs come on board. This will happen this year or later next year. However, it is something that needs to be done.

From a leadership role, BM concluded, “mILp is stepping up and I hope LIFTT will do the same. Simply speaking the annual \$30,000.00 fee would include the lobbying cost for the year and the membership in the Association.” BM concluded by saying that the Association “is an essential benefit in terms of programs, whether that is General Fund, Fee for Service from Montana Medicaid programs, just a host of things. It is complicated but yet it’s very simple. So, thank you very much for listening.”

The Chairman thanked BM for the background he gave the Board of directors. The Treasurer observed that she knew other states had created equivalent associations to advocate for funding, so that was not unusual from her perspective. She further said that what she had observed in other states she worked in, where CILs formed an association to create an opportunity to advocate under one common umbrella was probably a good idea, because part of what BM anticipated will come to pass and the CILs will have to navigate the challenges in the foreseeable future because of revenue concerns.



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The ED thanked both BM and the Treasurer and added that more than 50% of the American States have some type of Association of CILs. Regarding the required contribution LIFTT would have to pay to the MTACILs, the ED informed the members of the Board that for the record, LIFTT's funding was not affected by the Coronavirus Crisis. The same grants that were in force in October 2019, are still in force and LIFTT has been requesting payments and submitting invoices. Both the State of Montana and the Federal Government are still making payments on LIFTT's behalf. The ED also informed the Board that LIFTT received a new grant called the CARES Act Grant to provide services for COVID-19 related needs, in the amount of \$111,782.00. LIFTT was able to transfer some of the costs previously budgeted for the usual grants to the COVID 19 Grant as for example: 20% of the annual salaries of the employees, the cost of all the laptops that we purchased for the employees to work from home, part of the cost of the technology server, and telephone. Therefore, moneywise LIFTT is in good shape. However, one thing that BM did not mention, and it is important to say, is that the contribution to the Association would have to come from unrestricted money because CILs cannot use money from grants to pay for the contribution made to this Association considering that its main purpose is lobbying.

BM replied by agreeing and said that he has been doing this for so long sometimes he forgets obvious details like this.

The ED thanked BM and said that "we complement each other" and invited the other participants to add anything they wanted to what was being said. The ED added that lots of details were being forgotten anyway, but reminded the participants that during the last Board meeting held on March 3, 2020, he provided the members of the Board of Directors with some documents and copies of the website of successful Associations of CILs from other states

The Vice-Chairman, Mr. Dan McDonald, hereinafter referred to only as Vice-Chairman, informed the participants and the Chairman that he joined the meeting at 4:19 pm due to issues he had to deal with at work.

BM asked the Chairman for the opportunity to speak further on the subject and his request was granted. He wanted to say that the thought we would be able to do good lobbying on both the state and national levels because of how receptive Montana Congressmen and Senators are. In BM's opinion there is a huge threat on the statewide scene. He said: "For example, as a rule of thumb, we have tried to average a minimum amount of funding for all four centers. We have been doing that for a few years so that everybody has at least a base budget of approximately \$335,000.00 a year, which is a mix of three general type pieces of funding. It is the Part C funding, Part B, and equally important the General Fund that helps stabilize and provide the basic core funding to the centers in Montana. I do not recall what LIFTT's General Fund portion is, but it's a chunk of change that is for certain in jeopardy. So, without writing a book, I



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think Paula brought forth good observation that many, many states do it. We need to step up, both LIFTT and mLp, with a leadership role and get it going, and I believe -- I've had conversations with the other two centers, I think it is just a matter of getting it going and working and they will join in. As the CEO of Montana Independent Living Project – mLp, I have been given the authority of the Board to move forward, that is why I am trying to promote it with LIFTT. We are on the month of May 2020. We have a few months left before the [legislative] session to try and advance things [reason why] I make a motion that LIFTT join and be a partner of the beginning and developing this network of centers for independent living along with mLp and authorize their participation in the Association. LIFTT's annual contribution will amount to \$30,000.00, which is identical to what Montana Independent Living Project – mLp has been authorized to contribute.

Before anyone had the opportunity to second the motion, the Chair asked BM the following questions: "First, I'm curious about what are the thoughts of the other two centers right now. You said it is a matter of time until they join [the Association]. However, I am curious to know if they are receptive to this idea or not. Second, why is the membership fee \$30,000.00 per year? Will it go down "if" and "when" the other two centers join?" We are talking about extra \$20,000 on top of the \$10,000 LIFTT currently pays a lobbyist. Do we pay the \$10,000.00 a lobbyist every year or every other year? As Chairman I am concerned about the cost coming from unrestricted funds. However, at the end of the day it is up to Carlos to make sure he can capture that much money. Before we vote on this, I would like to hear your thoughts about those questions."

BM welcomed the opportunity to answer the Chair's questions as follows: "I have to organize my thoughts. The reason I say I think they will come along is that nobody is really opposed to the Association. The idea has been discussed and developed for quite some time. I took the lead, drafted the legal documents, and disseminated the idea. At that time, we priced it out and figured out we would need a fulltime executive director. We approached Summit, whose director is Mike Meyer, when we the documents and paperwork were being drafted. Although he never opposed the idea his priority was the acquisition of real estate in Missoula. I just learned earlier this week that they finally did buy property and they have set up a 24-month plan to get that project done. Now they have a year to get that going and another year to develop the building. So that is one of their organizational priorities. It has been for many years and they were just finally able to accomplish that. So, for Summit it was just merely a financial issue in terms of priorities. I do believe they will join the Association. Obviously, you know as well as I do, I cannot assuredly say that. So that is why -- you know we have kind of built it on this scale. Now Tom, he is also not opposed to the [formation of the] Association]. We went around and around for a lot of discussions not just Tom but as a group about what type of organization should be incorporated. A 501(c)(3), 501(c)(4), 501(c)(6)? I had been proposing a 501(c)(6). I think you guys all know this. Please forgive me – I am not trying to be very basic, but I do not know the level of what people know, and sometimes it's



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good to have a reminder even myself. The most common structure is a 501(c)(3). However, the reason we chose a 501(c)(6) is because that's the type of organization that can-do lobbying, and – that is primarily what it does. A 501(c)(3) organization can only spend 25% of their budget on lobbying before they would violate the provisions of IRS Code. So that is why we promoted as a 501(c)(6). Now a couple of things we really do not know yet are how much funding this organization – let us just call it Montana Association of CILS for our discussion – would be able to raise. If the SILC - State Independent Living Council could be administratively attached to the Association, bring their “cost sharing” and “cost allocation.” From an administrative perspective we could share staff because it would not take a fulltime person overtime to be the director of both the Association and the SILC. Potentially, the SILC and the Association of CILS could partner and host an executive director. You end up having the economy of scale - for funds. We also could start as a 501(c)(3) instead of the 501(c)(6) and slowly transition to a 501(c)(6). The advantage of a 501(c)(6), however, is that we would not run into lobbying problems. I know that it gets a little complicated. However, that is the rationale and understanding through research that we have come across. Now the associations in the other states that Paula had mentioned she might be familiar with they vary anywhere from 501(c)(3)s, to 501(c)(6)s, to sometimes they will have a couple of different associations depending on the purpose whether one might be for education and training, and granting and the other might be for lobbying. So Mike or Summit -- and I cannot speak for them -- but that is what I am hearing with my conversations with Mike over the last 18 months and like I said I know they just bought property, etc. So, they have been on that planning mode for some time. I still believe they will join [the Association]. Now Tom was interested in 501(c)(3), but the 501(c)(6) is just a mere economic circumstance which keeps us in good faith and compliance with the IRS. We could easily transition to that in a year or two. So, that was the answer to your first question. I think I may have answered a couple of them. The second one I think was about funding. Why the \$30,000.00? Will \$30,000.00 contribution decrease if the other two CILS join the Association? LIFTT was only contributing with \$10,000.00 every other year for the lobbying expenses of the CILS. If I am not mistaken it was not an annual expense. What we did when we budgeted the project and built it, we took into consideration the administrative operating costs for an Association. We penciled out how much it would cost to start an organization how much it would a full-time director cost, which ended up being about \$120,000.00. Now, we just divided it by 4. This amount could go down depending on a handful of things. I had said if I have my way, and swing my Harry Potter, I will immediately put overtures out to the SILC to administratively attach it to the Association. We could then immediately share costs. And it certainly could affect the budget amount, etc. I would say that the \$30,000.00 a year is for a lack of better term, worst-case scenario, if we cannot attract a partner, and if the other CILS choose not to participate we could scale it back, depending on all the varying things that happen. But I always build things at worst-case scenario so I know I can accomplish what I need to do, and then everything could just be looking up in terms



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of cost and it would not come down. What you are seeing in the \$30,000.00 a year -- is probably worst-case scenario and that includes the \$10,000.00 expense you mentioned. If we pay the \$30,000.00, we will not pay the \$10,000.00 expense anymore which has been customarily incurred by LIFTT every other year. Things can change in that road too, because if you are a lobbyist, and you have much experience with lobbying, we do it on a meager basis. We scramble eight months prior to a session and make friends with legislators. We could do a much better job if we had a consistent full-time staff between the *interim* of session. Most full-time professional lobbyists work that way. It would just put us in much better shape. I think I've answered all your questions Mr. Chair, in the world according to BM."

The Chair asked BM the following extra questions: "Do you feel that the lobbyist that we have been paying every other year \$10,000.00 is not effective enough going forward?"

BM replied: "We won't get a lobbyist for too much longer at what we have been paying. The interesting thing is that if we have the Association, and in theory, if the director of the Association is also the lobbyist for the network of centers, it really has the effect of having a -- really having a full-time lobbyist. But it comes in the form of a director of this Association, so it would be -- the economy of scale and the effectiveness would be manifold. We get a heck of a lot more bang for our buck on an ongoing basis. We do not really do a good job right now. We used -- put it this way -- this last session we really did not do very well. We used to get new bills. We used to get increased appropriation. It is just the political milieu of what is going on in Montana and the control of the legislature, we held our own. That is what is important because we did not get cut in our budget or anything. But that is about all we got. We did not get much of anything else. So -- I would say we got by not damaged this last time. I think we are up for a struggle and so let us do a good job and get started or we could lose our funding. At least the state funding and just think about it. Right now, the state of Montana is not generating any revenue. I do not need to sing that song to anybody. It is going to be a nasty circumstance in the next few months. And we probably better try to minimize the problem.

The Chair thanked BM. He said that LIFTT could perhaps join the Association and if it does not work out withdraw [from it] specially if there is no money available. The Chair asked LIFTT's ED if he would be able to come up with the \$30,000.00 from unrestricted funds every year? The ED answered "I think we can come up with unrestricted money for the contribution. And -- what BM did not say -- from a legal perspective is that the bills of law that will eventually become law move daily [from one committee to another] and there are software and computer programs that are used for monitoring what the different committees are adding to the bill and negotiating. A full-time lobbyist would be able to monitor all this legislative activity and not wait for the last minute when the bill is going to be voted to rush and try to modify it on the last minute."



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The Chair said “that is why we have not been successful in lobbying. That is BM’s concern. That is my concern. But BM is right. We can initiate it. If it does not work as a member of LIFTT’s board, I am sure BM will also support a motion to dissolve the 501(c)(6) organization and put an end to it.”

BM added that what the ED said was another way of describing the consistency of lobbying on an ongoing basis. BM agreed with the Chair saying he was correct, and we can get a started. “We can do it for a year which will get us past this next legislation session, and should it -- I mean we would have to figure out what it meant if we failed, but -- we could revisit it, at this time next year because at that point the legislative session would be over in mid-April and we would know what we accomplished or what we did not accomplish. I would hope we would give ourselves a little more time, but that certainly could be an option, yeah.”

The ED said we could do certain things in-house like the incorporation without an attorney and the public registration to save a few dollars.

At this point the Chairman said we needed a second on the motion. He asked if there were any other questions from anybody or if we had a second. The Treasurer seconded the motion. The Chair confirmed that the board had been moved and seconded to go ahead and have LIFTT join MILP to start the Montana Association of CILS as a 501(c)(6) corporation. He asked “All in favor of this motion -- please say aye.

Before the participants voted, BM reminded the Chair that the motion should include the authorization of the funds as well. The Chair agreed and added that the motion included the payment of the annual membership fee of \$30,000.00 from unrestricted funds to be paid by LIFTT and invited all in favor to say aye. All the participants replied “Aye.” The Chairman continued and invited all opposed same “Aye” and there was no opposition.

The Chairman confirmed the presence of the Vice-Chairman in the meeting and stated we were above quorum. He congratulated the Board on its voting by saying “I think it is extremely important that you have just voted on for the survivability and viability of independent living in Montana. We will revisit it in a year and evaluate the results.”

The Chairman asked the ED whether there was any other business pending. The ED replied that the Association was the only old business. The Chairman moved on to new business, and a presentation by Weststaff to LIFTT’s Board members.

The ED introduced the representatives of Weststaff, Michelle Edmonds (ME) and Corinne Moore (CM), to the members of the Board. ME said: “We are Weststaff. We are the new Human Resources (HR) support for LIFTT. We are here to offer you HR support, to lessen the liability of LIFTT whenever possible, keep you in line with those crazy Montana employment laws that we all must comply with. We wanted to be open to answer any questions that you have about our role. You already know it is an ongoing relationship, and we have talked about it via email. One of the projects we worked with



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LIFTT on is the Code of Ethics the Board will vote today. We are open to the group if you have questions or feel free to email us. Right now, we are working on revising those personnel policies of yours and that is the newest project that me and Carlos are going to complete for the next Board meeting.” ME concluded by asking the ED if she was missing anything. The ED replied by saying that he provided the members of the Board with a copy of the contract signed between LIFTT and Westaff and transcribed in his report “the scope of services” provided by Westaff to LIFTT. The ED also said that the minute the contract was signed, Westaff began to work on the complaints filed by former employees. The ED informed the members of the Board that both Corinne and Michelle helped a lot and said: “they took over contact with all these people. They also introduced us to the attorney Amy Christiansen who was retained by LIFTT. Michelle, Corinne, and Amy are helping LIFTT find solutions for difficult problems and avoid negative consequences. Corinne and Michelle have been working with LIFTT on the draft of the Code of Ethics, that will be voted today. Thanks to BM’s mentorship and his Deputy CEO at mLp, Scott Birkenbuel, LIFTT held a ZOOM meeting with staff about the Code of Ethics. Corinne mediated the meeting and made a presentation on April 13th. The reaction was very positive. The basic draft of the Code of Ethics was graciously provided to LIFTT by BM who, a few years ago hired a person specialized in ethical behavior to write this basic draft for mLp. Eventually it became the Code of Ethics for mLp, and now it is becoming the Code of Ethics for LIFTT. It is important to mention that one of the reasons why the staff was enthusiastic about it is because we presented them the idea of the Code of Ethics as a living document, meaning it will be constantly open for review, amendment, improvement, and it will deal with specific situations in the future. I believe they are excited about the rules, they are aware of the purpose of the Code of Ethics, and they will help us step up in terms of quality, relationships, accountability, how to relate not only to each other inside LIFTT but with consumers and the case management as well. Michelle and Corinne became part of LIFTT. We communicate daily, exchange documents. We do not move in one direction or another without consulting with them. Sometimes we do not agree on certain issues, but we always talk. As you know, I can be very argumentative, and they are very patient with me. Michelle recommended a few books for me to read and they are great! I am still reading them and enjoying everything I am learning from them. So, thank you Corinne! thank you Michelle! and thank you members of the Board for allowing LIFTT to work with Weststaff.

BM asked the Chairman’s authorization to speak, was granted, and said: “This is BM. I just wanted to chime in -- you know -- what happened -- is at mLp we were getting some complaints as well. And one of the things about the way independent living is structured is that we are a grassroots movement in philosophy and organizations are built that way. So, you get a real diverse group of people. You get some people with no education, and their education is their pragmatic experience in having a disability, and meandering and managing themselves through life, all the way to some professionals



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that have professional certifications and associated codes of ethic that accompany that, and then anything in between. So -- as Carlos had mentioned a couple of years ago -- I started developing the code of ethics because the primary reason for it was to build a standard of conduct that all your employees understand they're accountable to. They can use it to problem-solve concerns they may or may not have. They can consult in this case now with Westaff from a third-party HR perspective. And so, it gives guidance as to how to conduct yourself, in a more reasonable standpoint. Westaff can also help temper some of the most emotionally charged aspects of daily problems with personnel. It can also set up a relationship between employees and Westaff, for seeking information and it provides your third-party HR Westaff an opportunity to educate the employee or identify where there could be some thematic systems change needed. I believe it is an essential tool to positively influence and develop the work culture. Now -- mILp took quite a while and a real protracted approach at developing our Code of Ethics with a guy who run Rocky Mountain Rehab in Billings, helped the Rehabilitation Agency in Canada develop their Code of Ethics. He has a lot of experience. We had multiple meetings of every -- which involved every employee from mILp, going through developing the Code of Ethics. I know Westaff helped LIFTT do similar and holding meetings. It is just a very pragmatic development of behavioral expectations. How people need to conduct themselves, approach problems, whether that is engaging a peer to chat about it and go through a Code of Ethics or even consult with Westaff, their supervisor, etc. So, it is an essential tool. I think it is just another piece of the things that in the last few months you as a Board have heard about, approved, engage into create just what I would call a pragmatic healthy, work culture at mILp. I am really pleased you guys latched on to it and got that done, and I am a hard supporter of it

The Chairman thanked BM, CR, MD and CM and said "We are definitely excited to have you helping LIFTT. It was well over needed and overdue, and so -- on behalf of all the Board members, thank you very much for being and willing to help LIFTT. With that discussion is there a motion to go ahead and approve the new Code of ethics for LIFTT and ratify the contract with Westaff for which there was no prior approval. I just signed the contract. And an approval to a motion to approve the Code of Ethics, as result of the presentations and negotiations with the staff.

The Chairman asked the members of the Board whether a motion to approve the hiring of Westaff was needed or it was just part of LIFTT's operations that the ED is responsible for?

BM asked permission of the Chairman to speak and said: "This is BM, I think you can -- It is probably important that maybe the Board -- here is the great thing about doing this stuff as a Board -- Sometimes it might be considered frivolous, tedious, but what happens is it shows that the Board is cognizant, they're making decisions, and -- and you're endorsing the Code of Ethics as a policy. As LIFTT as well as that you know the decisions that are taking place -- and so by approving, confirming, acknowledging, or



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endorsing Carlos's work at hiring -- something it goes in the minutes. It memorializes that you are aware of it and you are taking those kinds of steps in the best interest of LIFTT. So, okay, yeah, I am good with making somebody making a motion then to go ahead and take care of both those items.”

The Chairman replied to BM's comments by asking him the following: “So let me understand this. I thought you put it out there. So -- and Carlos made me believe that we have a contract or some type of financial agreement with Westaff and that we are adopting a new Code of Ethics for our policies and procedures, correct?”

BM replied: “Yeah, I would make it two separate motions.

The Chairman continued saying: “Let us just approve the agreement or the contract with Westaff as one and then approve Code of Ethics as the second. Will somebody lead the way on the first one?”

BM made a motion to approve the agreement or contract with Westaff to help LIFTT with its HR needs and a variety of other duties. The Treasurer seconded his motion.

The Chairman said: “It's been moved and seconded [for the Board] to go ahead and accept Westaff HR services for LIFTT. All in favor say aye.” The participants unanimously responded Aye. The Chairman continued: “All opposed say same as Aye.” There was no opposition. The Chairman asked if there was any additional discussion and none was brought up. He declared the motion had been passed and moved onto the second motion. He said: “I won't make the motion but I will frame it for somebody to move, and that would be that LIFTT Board accepts as policy the Code of Ethics developed by staff, the ED and Westaff.”

Board member LaVonne Kautzmann (LK) made that motion. The Treasurer seconded it. The Chairman acknowledged LK's presence in the meeting and welcomed her saying that now the quorum was 100%. He thanked both LK and the Treasurer for carrying the motion inviting the participants “to go ahead and accept the Code of Ethics that has been developed by both Westaff and LIFTT, and it's been tailored around mLp's Code of Ethics by voting. All in favor say Aye.” All participants unanimously said Aye. “All opposed same sign.” There was no opposition or further discussions. The Chairman declared the Code of Ethics accepted as set before the Board and thanked everybody.

Following, the Chairman asked the ED to present his report.

The ED thanked the Chairman for the opportunity. Before beginning his presentation, he thanked both Michelle and Corinne from Westaff for their hardwork and participation in the Board meeting, and wished them a good night, and presented his report as follows:

“Following the Chairman's instructions, I submitted a written report to the members of the Board approximately ten days ago. The report describes in detail what has happened at LIFTT concerning the Coronavirus pandemic, the United States, the state



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of Montana, the executive orders from the governor to stay home and work from home, the closing of LIFTT's doors to the public and the sending of staff to work from home. The report also describes how many of us are still working in the office and justified the reasons why we were still working here. Copies of the addendum to the staff employment contract, the guidelines for working from home, and the emergency procedures for working from home were attached to my report. I would like to point out that there are 403 centers for independent living in the whole United States and all centers have been closed to the public. Obviously, none of the centers were prepared for what was happening, however, LIFTT was the only Center that had an addendum to the staff employment contract, guidelines for working from home, and emergency procedures for working from home when the order from the governor of Montana was published. Except for one staff who was reluctant, all our staff members adhered to the new policies. They understood and were concerned about the infection wave that was spreading throughout America especially in urban areas. The information was not very clear yet and therefore not reliable. The media was contradicting itself: one TV station was saying something, the other was saying something completely different. I suspect there was a misinformation war going on reason why part of my job was to filter the information and provide staff with clear instructions on how to protect themselves and their families, and by doing that, protected LIFTT, LIFTT's consumers, and our community. By submitting these documents [the addendum to the staff employment contract, the guidelines for working from home, and the emergency procedures for working from home] to the Board, and I am asking the Board to please approve them, as well as all the actions that have been taken during the pandemic crisis. I also inform the Board that last week, when the governor began to re-open the economy, revoked the stay at home and the work from home orders, I made a decision not to reopen LIFTT to the public basically because the danger is not over and we deal with a public that are classified as a high risk of infection group because they are very vulnerable. In addition to the described risk, I do not want LIFTT to be identified as a hotspot of infection of Coronavirus. For all these reasons we are moving slowly. We are taking precautions, and we will bring staff back to work slowly. This week Steve Woodard and Brent Morris agreed to come back to work because they are training to new staff recently hired.

Dianne and I are working together in using the CARES Act grant to hire a cleaning staff or a cleaning company because we need to intensify cleaning of the premises by either wiping everything with disinfectant or spraying everything with canons. For over a month, we have been trying to identify a corporation that would provide us with this service. They have all given us negative answers. For you to have an idea we have not been able to even purchase cleaning supplies at Costco, Sam's Club, or even at Amazon and are running low on cleaning products: hand sanitizers, disinfectant, wipes, and disposable masks. When we try to place orders online, it takes up to six months for these products to be delivered. If you have any ideas any suggestions, on what we can



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do to solve this problem, please let us know. Therefore, we cannot bring staff immediately to work back in the building and until further notice LIFTT will stay closed to the public. At least during the whole month of May, we will not be able to reopen to the public. We are, however, already are trying to bring staff back to work at the office. On top of page 6 of my written report, I request the Board to approve the emergence procedure for working from home, the guidelines for working from home, and the addendum to their employment contracts. And of course, if you have any questions, please feel free to ask.”

The Chairman invited the directors to make a motion to accept the emergence procedure for working from home, the guidelines for working from home, and the addendum to the employment contracts adopted by LIFTT as well as the COVID 19 Crisis plan. One of the directors made the motion approve these documents and the COVID 19 Plan as presented by the ED. Staff will continue to work from home and LIFTT will remain closed to the public until at least May 30th. The Treasurer seconded the motion. The Chairman stated the following: “the motion on the table has been moved and seconded to go ahead and per the emergency restrictions around the COVID-19 pandemic that LIFTT will stay closed through the end of May as of now. Let's go ahead and take a vote on this. All in favor say aye.” All participants unanimously said “Aye.” There was no opposition. The director BM, however, made the following comments: “Mr. Chairman, this is Bob. Couple of things -- with the -- just as an observation Carlos, and it might be on your to-do list, but I want to bring to the Board's attention one is -- there is some specific policy that needs to be approved and put in place on or before May 31st that deals with policies around the COVID-19 Part-C funding. You may plan on doing it later Carlos but I do want to bring that forth that -- what I plan on doing is -- at mLp is getting it written, amending our policies and have the Executive Committee approve it, build minutes to that meeting as a required practice. And then we are in compliance with spending the new money that Carlos had mentioned. The other thing is mLp has been involved in some training, frankly, around pandemics, OSHA has some specific standards and -- protocols you must follow. And that is develop a return to work plan. And -- as a result to Carlos, I can get Scott to share that -- that with you. If and if I'm being too hasty and you were going to cover it I apologize in advance. It is just this topic is on my brain, and -- so -- you will also need a plan for return to work that involved what kind of procedures you are going to employ with employees coming back. Your cleaning requirements masks, social distancing, I mean it is -- and what it does is that plan from an OSHA, and CDC perspective it protects us as a corporation within OSHA standards from -- you know problems that can arise. It also is a mitigating kind of practice to help -- think through what is going on. And just as a practice -- we ensure that with Carlos, so LIFTT can do what they want to do with that. mLp is not bringing our employees back until the end of May, and that is not even certain after the end of May because it is going to take us a few weeks to even get a reasonable return to work safety plan written. Right now, mLp has no



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more than two employees in the building at any time. There is a schedule for coming in and doing work. We are basically working remotely still and will until the end of May. So -- just there are lots of ways to get this done. I just was going to share that with you but that plan will protect you in the event you run into any problem because if somebody comes to work, and they can claim and demonstrate they got COVID-19 at work it is a Worker's Compensation issue. And as you well know, you do not need those things. Thank you."

The ED continued with his report to the Board saying: "I am in the process of writing LIFTT's return to work policies. As soon as they are ready, reviewed and approved by Westaff, they will submit it to the Board for approval. Staff is coming back to work including two new hires. When working at the building, they will practice social distancing, use masks, and intensify the cleaning of their hands and everything. We have also been reminding staff and asking them questions such as have you been washing and disinfecting your hands? Have you been taking a bath every day? With whom have you been having contact with? The return to work policies will be ready as soon as I finish the new personnel policies. Through all these actions we are reshaping LIFTT. I do not know if the members of the Board are aware or not but a new LIFTT is coming out of the tragedy, turmoil, and uncertainty surrounding us. A new LIFTT is stronger, filled with energy and purpose, and with more clear expectations from management and staff, is coming to light. And I have great hopes for it. On page 8 of my report, I am asking the Board to approve the retainer agreement signed with Amy Christiansen, an employment attorney whose office is in Helena. She works with Westaff [Corinne and Michelle], and Employers Associated in Billings. She is the one leading the investigations on the complaints and grievance."

The Board member BM made the motion to endorse and support the retainer agreement with Amy Christiansen. The motion was seconded by Board member Andy Fox (AF). The Chairman thanked both BM and AF and said: "It has been moved and seconded to go ahead and accept the retainer to have Amy Christiansen as the attorney that Carlos will utilize for LIFTT. Let us go ahead and have a vote on this. All in favor say Aye." All the Board members participating in the meeting voted "Aye." There were no discussions and the Chairman pronounced the retainer fee agreement approved.

Following, the ED informed the Board members that he was submitting to them a copy of the document entitled Compliance and Outcome Monitoring Protocol (COMP), issued by the Office of Independent Living (OIL) and the Administration for Community Living (ACL) and explained that LIFTT is using the COMP as a compliance tool.



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Next the ED referred to item 7 of his report, regarding the amendment of LIFTT's Bylaws.

The Board member BM asked the Chairman's permission to speak and said: "this is Bob. In short, the Bylaws work can be just boring but -- the important piece of it is it really is kind of a rule book as to how corporations will run. And -- as you have noticed Carlos has been doing a lot of work on reengineering and influencing the whole work culture and culture of LIFTT. You guys have been providing him with input good oversight over those things. The Bylaw changes I have seen, I have done lots of training on bylaws nationally with various independent living centers and it is a prudent thing to do to bring them up to date. Get them with where the Board is functioning as boards should be functioning, as an oversight organization, or entity for a corporation, to have broad-brushed policy approval and oversight, and so the changes majority of them are either technical changes as I see them, or reframing the bylaw rules to get LIFTT heading in a more healthy direction as a lot of what's taken place in the past few months as well as in this meeting. So -- I would make a motion that we accept the bylaws as submitted.

Before the motion made by BM was seconded and voted upon, the ED provided the Board members with a short description of the changes made in the Bylaws specially those regarding the members of the Board, but -- in section 2 of Article 3, we are saying that we have a board that governs the corporation and it is composed minimum five (5) and maximum nine (9) members. So here I would like to ask the question, would you like to increase the maximum number of members of the Board of Directors? The reason I ask that is because normally the maximum number is twelve (12). Increasing the number of members makes it possible for the centers of independent living to form the different committees which LIFTT does not have at this time: we need a fiscal committee, an executive committee, a compliance committee, a personal committee. Because we have a few Board members, it's always difficult because it creates a burden on those members doing everything. From my perspective, the more members we have, the better for LIFTT.

The Chairman asked the participants if they had any comments and the Board member BM spoke saying: "This is Bob. MILP's Bylaws are no less than four and no more than 11. [I am saying that] Just for a point of reference."

The Chairman asked if anybody else had any comments on the subject, or if everybody was okay with the proposal, and the Treasurer spoke saying: "I am fine with expanding the Board. I think the challenge is going to be how do we identify members of the community to participate in the process and you know -- what suggestions do you have? I would be interested in hearing what Bob's thoughts are in that ask and how he's navigated that.

The ED reminded the members of the Board that "when the pandemic crisis is over, Skinner and Benoit will be able to get back to work with us, identify and to invite people



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from the community to serve on the Board. So right now, we have almost the maximum number of members, and we would not be able to invite more people, so I think we have a great chance of inviting additional people who have disabilities and -- are members of society not only in Billings, but in the rest of our geographical area of service. I am sure these people would be happy to serve. It is also important to mention that every day I invite someone to serve at the Board. The answer is always the same: I am busy with work, and family, and I already serve in "this" or "that" Board so I will have to pass the invitation. We need to continue to ask as many people as we can, because at one point we will find somebody who has a passion for independent living and are willing to contribute to LIFTT. If we have eleven (11) Board members like Bob is suggesting, or twelve (12), we will have room for more people to be invited, I would like to see more people like you serving on the Board: Academics, industrialists, businesspersons, and politicians. There are people with disabilities working in these areas, and they all can be an inspiration to us, to our consumers, give us great ideas on how to solve the problems and manage LIFTT.

The Vice-Chairman expressed his opinion by saying: "I would agree -- I am always the person that believes in odd numbers, particularly in boards. So -- I would be willing to move forward with the idea of having no less than five (5) and no more than eleven (11) just to make sure that when we are voting we have those odd numbers, is that reasonable to you and to Carlos."

The Board member BM also expressed his opinion by saying: "Mr. Chairman -- this is Bob. I have a couple of observations. One is obviously the higher number of members you get, the greater demand it is for a quorum. Always remember that and -- number two, I agree with the Vice-Chairman that it is always good to have odd numbers, at least it structurally sets you up so you don't run into problems like that. Although -- and we all know if you do not get 100% attendance that modify -- you can have a quorum but it can be an even number, and then what happens if you get even votes then the Chair breaks the tie. So -- I would just offer these observations. I agree -- just because you have permissiveness up to eleven (11) does not mean you have to have eleven (11). And then -- more importantly, Carlos, and you are the attorney, I am not. Can the draft of the bylaws submitted for consideration of the Board be changed?"

The ED replied that "the draft submitted to the Board can be changed because the Board has legislative and discretionary powers and can waive any formal restrictions if necessary. Therefore, the draft can be adjusted, can be discussed, can be corrected, during the session before the approval. And that is what we are doing here and now."

The Board member BM said: "I respectfully disagree. That is one of the reasons we have dissemination principles around bylaws is so that the membership as well as anybody who wants to -- can provide comment and input, rather than just need your knee-jerk at the moment. But admittedly I have never seen that happen when it comes



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to the development of bylaws that is why you have a dissemination so many prior days to that as a requirement, but I will -- I certainly would -- leave that up to your judgment I will say that should you do that, and -- are not stay in keeping with the notice and the numbers that you gave -- I will abstain from voting just out of the principle of what I believe in terms of how you manage bylaws. But you certainly can. So back to you Mr. Chairman.

The ED offered the following comments based on what Board member BM said: "Please remember that the bylaws is what we call a living document. It is permanently open for improvement and for change. Unfortunately, the former executive directors at LIFTT did not see the bylaws as a living document reason why they never presented the amendments that I am presenting to you. They never found out that LIFTT's bylaws are not in compliance with federal and state laws, as well as the guidelines from the ACL, and the Department of Public Health and Human Services. These are the only motivations I can propose any changes to the bylaws. We can approve the draft as it is, and in the next few meetings, we can make corrections observing the dissemination rules BM referred to without the need to waive that requirements. By doing this we can always keep shaping it and making it a masterpiece. Would that be okay, Bob?"

The Board member BM replied asking: "Carlos, and I'll just ask this: does do your bylaws specifically state that the X-number of day notification for changes to the bylaws, can be waived?"

The ED's response was "Yes. The bylaws now in force do have a clause stating that the formalities and requirements for any of the issues brought to vote in the meeting of the board of directors can be waived by the members of the board."

BM replied saying: "Okay. All right. Thank you. That satisfies me.

The Chairman asked if there were any more discussions or if somebody would like to go ahead and make a motion on these bylaws."

BM said: "I will go back and make my initial motion. I accept and make a motion to accept the changes as presented in addition to changing the board membership to be no less than five (5) and no more than eleven (11). The Treasurer seconded that.

The Chairman stated that "it's been moved and seconded that we go ahead and accept the changes to the bylaws as proposed by Carlos with accepting no less than five (5) board members and no greater than eleven (11). Let us then go ahead and vote on this. All in favor say Aye. All the participants unanimously voted "Aye." There was no opposition or discussions and the Chairman pronounced the new bylaws approved.



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The ED expressed his gratitude for the support of the members of the Board of Directors and asked permission to point out, for the record, that the waiver clause he referred to was found in section 16 of article 5.

The ED continued with his report saying that the next subject on was the amendment of LIFTT's Employee Handbook (EH). He explained that it is necessary to amend the EH in force because it is not in compliance with the federal and state laws, and the guidelines of the Administration of Community Living. LIFTT's EH is considered unreasonable because some of the benefits paid to staff exceed by far what the federal and state governments offer their employees. We first attempted to correct the EH in force and effect thinking it would be less traumatic to staff to improve such EH. However, we concluded that it was an impossible task. Every time we changed the language in one clause, we created conflict and discrepancy with other clauses. We finally gave up and Bob Maffit rescued us. He helped by kindly offering and allowing LIFTT to use as a draft the personnel policies that are presently used at mLp. I want to acknowledge Bob's generosity and in the name of LIFTT's Board of Directors, staff and myself say THANK YOU VERY MUCH. I am also grateful to Westaff [Corinne Moore & Michelle Edmonds] with whom we worked to adapt and adjust the document in use at mLp to LIFTT's context. It is a much larger document. It is therefore much more extensive in explanation concerning the relationship between employer, and employees. Provisions dealing with benefits such as the FMLA Family Medical Leave Act and accommodations for disabled people were included in the draft. There are some clauses that are different from the ones found in the EH presently using at LIFTT. The final draft is being reviewed by Westaff, our accountant Sally Hensel, Dianne and I. On page 18 of my report you will find a list of the changes. On page 19 you will see that the number of paid holidays will be reduced to ten (10). Right now, LIFTT gives its employee eleven (11) paid holidays a year. Why do we do that? It is because LIFTT is giving them Friday after Thanksgiving. The federal and state governments do not do that. Therefore, the maximum number of paid holidays will be ten (10) and LIFTT will comply. The second most important change refers to PTO - Personnel Time Off. LIFTT's EH made the mistake of giving the employees both PTO and a sick time off. However, there should be one or another only. We cannot give them both. We have to choose to have one or the other. The ILRU, hired by the ACLU to provide LIFTT with technical assistance recommend us to adopt only PTO even if in the calculation of the hours we consider sick time and vacation together. We have decided that this benefit should be equal to the one paid by the state and federal governments to their employees and by mLp to its employees. The PTO will, therefore, be limited to 240 hours a year. Right now, our EH is giving staff up to 360 hours a year. For you to have an idea we had an employee at LIFTT who, in the month of March had already taken two months of sick time without being sick. We will separate bereavement from PTO and limit it to three (3) days. Right now, bereavement and sick time are the same group of hours. There will be a distinction between those to try to limit bereavement time. The



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insurance plans are being reviewed but we do not anticipate any changes. The employees will continue to enjoy the health insurance through Blue Shield, Blue Cross. They will pay, however, for the dental and Vision. We are being very reasonable when reviewing these benefits -- they also receive -- they also can participate in collective life insurance policy. That is only possible because they are employees of LIFTT. We have no choice but to keep the sessions of social security, workers compensation, unemployment insurance, family leave and medical leave, military leave, jury duty, and other leaves granted by the Board. During my administration some of these benefits have never been used but if they come up, they will be in the personnel policies. The contribution to the IRA retirement fund will be preserved. LIFTT contributes with 3% for this retirement fund. There is an AFLAC group policy which will also be preserved. This policy is just administered by LIFTT Human Resources. There is a \$10,000.00 accidental death policy which will also be preserved. No motion is needed because I am not requesting you to approve these changes right now. I just wanted you to know what changes will come. Before the next board meeting, you will receive the draft of the personnel policies and they will already have the approval of Westaff.

That brings me to page 24 of my report. I am organizing an audit and I sent you guys a copy of the latter of invitation. I request the Board members to approve the latter of invitation today. In the next board meeting we will have the proposals to be approved by the Board. There are many reasons an audit is necessary. First it is required of LIFTT because we receive grants from the state and federal governments. Secondly, I should have asked for an audit when I became LIFTT's ED. The reason I did not is because -- a very renowned accounting firm was providing us with accounting services, and we did not have a finance director. In the process of becoming LIFTT's ED [I still see myself in the process of becoming one], I realized an audit will help us find answers for so many open questions and put the pieces of the puzzle together. We came up with a latter of invitation, the criteria is best price, best qualifications, and experience. The letter was already sent to seven auditors. Three (3) of them replied, asking for more information, asking for the audit report from last year. We did not know, but one of the auditors that we invited is the auditor that Bob Moffit uses at MILP. What strikes both Dianne and I as odd, is that for some reason, the auditors for the last fiscal year wrote a positive audit report in spite of all the problems that we have had. For example, you will see in Diane's report that there is a petty cash account of \$990 which does not exist. We do not know where that money is. There is a travel expense account and its balance is \$197. We don't know where that money is. There are all kinds of accounts and records, and monies out there that we cannot find in QuickBooks. We cannot find documents. These are some of the reason I ask the members of the Board to approve the latter of invitation, the terms of the audit, and maybe authorize us to hire the auditor based on the criteria described in the latter of invitation being best price, best qualification, experience, and history of similar audits made in the state of Montana or the rest of the nation."



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The Chairman asked if the participants had any questions on this. Nobody did and he asked if anyone would like to go ahead and make a motion to move forward and make a motion. The Board member Andy Fox (AF) said: "I really don't have any questions and comments. I mean everything that he said makes sense. I would put a motion forward to continue." Following, the Board member BM said: "I would second that."

The Chairman stated the following: "It has been moved and seconded to go ahead and give Carlos the go-ahead to send out his invitation for his annual audit of LIFTT's finance audit Let us go ahead and vote. All in favor say Aye." The participants unanimously voted "Aye." There was no opposition whatsoever or additional discussion and the Chairman said: "Hearing none, it's been moved and forwarded to go ahead and accept your invitations as submitted to the Board and authorize you to send them out."

The ED said "Thank you and the last item of my report is the information to the Board that LIFTT received a new grant called the CARES Act or COVID-19 grant. I will submit the policy for use of the CARES Act grant for approval in the next Board meeting, and training to staff on how to use the new grant. This is my report. With the permission of the Chairman I will pass the word to LIFTT's Finance Director (FD) Dianne Booth, to talk about to her report. Thank you very much."

The Treasurer excused herself informing the Chairman she had to sign off at about 6:20 pm. The Chairman thanked the Treasurer and before she left asked: "Do you have anything to add as the report of the FD?" The Treasurer replied: "I do not but I would like the opportunity to, at some point, regroup and get together with Carlos and talk more about this. Once the dust settles and we are all able to be released. I think it would behoove me to take more time to familiarize myself with details. So, I am hoping to do that this Summer because my schedule gets a lot easier in the summertime."

The Chairman thanked the Treasurer and said: "I think that would be great! And if you could include Dianne that would be perfect."

The Treasurer added the following: "And I would love to me meet Dianne and have an opportunity to talk to or so that would be fantastic."

Following, the Chairman passed the word onto the FD.

The FD asked if everybody got her report and looked over the attachments. The participants replied they did. The FD explained that attachments were the budgets for each grant. They showed their actual balances. She informed the Board that LIFTT's requests for payment and invoices are all up to date through April 30, 2020, and all the accounting entries and records are up to date as far as requesting -- withdraws for the incurred expenses. The FD informed the Board she was working on fixing some past accounting entries to determine the balances which were not available at that moment."



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The Board member BM asked the FD: “Dianne, this is Bob. How current is the balance sheet that is a part of your report? Is the balance sheet dated April 30th, as well?”

The FD responded saying: “I did not submit a balance sheet because LIFTT’s chart of accounts is being corrected. The finance notes describe the problems with the chart of accounts we are trying to solve. A balance sheet will be completed with accurate information after the questions found in the finance notes are answered and the adjustments are made based on input from our accountant and/or auditor.”

The Board member BM went on: “What Dianne is saying that the accounting or the bookkeeping at LIFTT was so bad before she became the FD, that we cannot even bring to existence a balance sheet without the auditor finishing the audit and coming up with explanations for why there are so many questions and no answers.”

The FD provided the following clarifications: “Like Carlos said, the travel debit account balance is minus \$172.00. We do not know what that is. We are new at LIFTT and cannot answer those questions. There are no accounting records or documents available. The petty cash is \$990.00. I did get that the cap of the one savings, that has a balance of \$54,000.00. I am assuming that is the savings account that is now at Western Security Bank. Is that correct?”

The Chairman replied saying: “That is correct.

The FD continued: “Okay, We won’t be able to balance that because the initial deposit was \$56,000.00, and the cap of the one savings according to the chart of accounts is \$54,000.00. So there is gap of \$2,000.00 -- I mean we got more money so that's good, but I do not know where that came from.”

The Board member BM intervened saying: “Mr. Chairman, this is Bob. To me it seems prudent to defer financial report and -- everything is in motion to get it -- get support, get it reconciled, it is the Board's fiduciary responsibility. That is a primary responsibility and so an option would be to defer it until our next meeting with the expectation that the accountant and/or the auditor examine things be a part of the next meeting and help review that. I know that is a bit optimistic, but -- if things are not reconciled, and the budget person is not confident with the report, there is probably not prudent to accept it, and we could defer it. It is not even submitted.

The FD explained that “Only the balance sheet was not submitted because of the discrepancies we described. Everything else is balanced: the checking account, the credit cards. Everything is balanced. There is nothing within the balance sheet that cannot be answered. We just do not know where those answers are, because I have only been working here since November 2019 and I have not found any paper trails yet for those things. I want to be able to understand this chart of accounts and provide the Board with an accurate balance sheet.”



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The ED intervened and asked permission to tell the Board about something that happened, as follows: "Allow me to tell you something that happened today. Dianne saved us from being victims of a scam. Early in the morning I received a telephone call this technician introduced himself as a representative of www.sam.gov. He told me that our membership was due on May the 20th, and we needed to renew it otherwise we would not be able to keep our grants. I took all the information down, asked him to email us an invoice, I logged into www.sam.gov which is a federal government website and we were all good, our profile was up to date. There was nothing wrong. Then I sat with Dianne, and she told me: "Carlos, this is not true." She used the word "true" because she is very diplomatic. I would have used the word "scam" because they wanted us to pay them a \$400.00 renewal fee that we did not have to. This technician works for Dun & Bradstreet. Together we called this person and pressed him until he finally acknowledged that it was not mandatory for LIFTT to pay them this renewal fee. It was optional, and we did not really have to renew anything. We decided to do ourselves what he described as a service to be provided to LIFTT by Dun & Bradstreet. I am mentioning this to the Board to point out that Dianne's experience, knowledge, and accounting skills are priceless. She has been an amazing Finance Director for LIFTT. The problems that we are reporting to the Board are difficult to solve because we need to rely on paper or accounting information that is not available anywhere. I regret to say that whoever was the previous finance director was simply not doing the job."

At this point of the meeting the Treasurer, Ms. Paula McMahon, informed the participants' that she was checking out. Before leaving she kindly thanked everyone for the hard work considering the difficult circumstances. Described."

The FD concluded her report by saying that: "We only have to solve the accounting problems described and complete the balance sheet. Other than that, I endorse all the profit and loss reports, the budgets for the General Fund, Part B, Part C, and the CARES Act grants, as well as the PCA department. All this information is correct and up to date.

The Chairman thanked Dianne and said: "I guess the recommendation I would have is I don't know how long it will take you guys to find somebody to do an audit, but maybe find out if during that time they can help you reconcile the financials here in particular the plans sheets we can have on those review at our board meetings, and in the meantime if you can let us know just what the balances are, in the accounts I think that would be good. And then, the next thing is the general fund. So that you guys remember that fiscal year ends at the end of June 2020, and it looks like you have utilized almost 60% of it. Please make sure you guys are thinking of ways to utilize that money, that's -- going to benefit LIFTT.



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The FD replied by telling the Chairman: “Most definitely, Chad. That is on the agenda and has not been neglected. We are doing that. Plus, okay, so you guys know those grants will be spent when the fiscal year for those are up. We hereby request that the Board do approve the five profit and loss budget reports that were submitted and like Bob suggested, the discretions on the balance sheet and reconciliation of the accounting, after working with an accountant and/or auditor.”

The Chairman asked the FD and ED about LIFTT unrestricted funds as follows: “So right now since you two have been involved with LIFTT, what are -- how much have you brought in unrestricted funds? Just give me an approximate figure on how much unrestricted funds are available.”

The FD responded: “Almost \$200,000 is the balance as of right now. That would be LIFTT’s Self Direct Care Program (SDCP) revenue. It is all unrestricted funds.”

The Chairman explained that he was just trying to figure out where the money to pay for the \$30,000.00 membership fee to the Montana Association of Centers for Independent Living was coming from. Make sure -- there is money generated from that source. That is going to be unrestricted through either the PCA program or unrestricted donations.

The ED clarified saying that the balance of LIFTT’s bank accounts are the following:

1) Medicaid/PCA bank account	\$202,000	Unrestricted money
2) Business checking account	\$ 84,000	Restricted money
3) Savings account	\$ 56,000	Unrestricted money
4) Money market account	\$347,000	Unrestricted money
5) The Stockman Bank account	\$ 80,000	Unrestricted money
Total	\$769,000	

The ED continued and informed the Board that “We will need to add the ED and FD as signers of the Stockman Bank or decide to close this account and transfer the funds to WSB. But these are the account balances right now.

The Board member BM asked the following question: “Dianne, were you saying [and Chad I think you were saying the same thing] that the positive balance in the PCA program is \$200,000?”

The FD responded: “Correct.”

BM continued: “So there is your unrestricted revenue right there. Is \$200,000 the PCA Program total budget?”

The FD replied: “It's total budget is approximately \$1.3”

BM asked: “You guys develop a budget for the PCA?”



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The FD replied: "Yes. There is a budget for the PCA Program as well. It was Martha Carstensen who wrote the budget for the PCA Program.

The Vice-Chairman spoke saying: "Let me just intercede here for a minute. This is Dan, and I'm going to support the fact that Chad we have been given the impression that the PCA program, which is not affiliated with any of the grants, generates between \$1 to \$1.2 million gross revenue a year. There was never been a budget actually developed for it because it is based on an ever-fluid population of people who choose this as a provider of that Medicaid services. I think what he is getting to, and Chad is being very specific, we never got true answers about what amount of the PCA proceeds were actually profit, or money that could be disposed of for the purpose of other things or unrestricted. It was constant fluid movement in that program and it went up and down based on the number of participants and that we made an hourly unit of whatever it was, \$17-\$14, or \$17.45 an hour or a 15-minute interval or an hour whatever that was and we asked for a breakdown and we never got a breakdown we were always told this was the money we pulled out of the program or this is what is there, but we never really understood so there was never a budget, if -- like we do for Part C and Part B, but this is an ever-fluid program but it was the one as Bob just said it had unrestricted funds in it, but we never truly got an accounting of it or we didn't know what the budgeted amount was because it was handled as a different level program. Does that make sense?

The FD responded saying: "It most definitely does. Yes. And I can definitely give you a more detailed account of the PCA going forward.

The Vice-Chairman continued saying: "Well, you know what Dianne, I don't think Chad is asking for you to do more work. And I would ask this question. When we were talking about the spreadsheet and these five accounts you said there was a couple of thousands of dollars over and I guess you know what you are talking about. However, my question to you Chad is: if we hire somebody to find out for that amount of money if it's -- if the hiring of the auditor becomes significantly more than that, is that really something we want to do or do we want to try to settle out the PCA stuff and find out what we're making in profit or what do you think?

The Chairman replied: "The audit needs to take place every year. Whoever the auditor is, he will help reconcile the books, and Dianne needs to get them reconciled. We can use this opportunity to figure out what expenses do we pay for all of staff, and what is the actual revenue money or profit margin that we pull out of this program. We would like the audit to answer some of these questions, but it never gives us a full explanation. Because it's always so fluid, we really never know what to plan on. And in this situation, we need to know how much unrestricted money is available because if we're going to put \$30,000.00 into this other plan, to support the independent living centers, to have discretionary funds we have to make sure that we can come up with it. No matter what



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the environment is, COVID-19 or not. And, they said COVID-19 could go on for another 18 months. So -- you know there are lots of things to consider here. So, what do you think Dianne?”

The FD responded to the Chairman saying: “What's going to be the best outcome for us here? I think I have given you the wrong impression that we are not balancing everything nor keeping track of everything. If that is the case, it is far from the truth. I think it is the first in time in more than eleven (11) years that LIFTT’s accounting is actually kept on track and done in a manner consistent with the expectations of the state and federal governments.”

The Chairman replied saying: “To be really honest we think your work is impeccable, so that’s why I’m trying to get your input. I do not want to create more work for you.”

I just want to be able to fully understand the chart of accounts so when you ask questions, I will be prepared to answer them. But right now, a lot of those items in the chart of accounts which goes to the balance sheets, I cannot answer that for you. So that is not a true accounting of LIFTT until I can answer those questions for you. And so -- I think we can adjust probably make some adjustments in that chart of accounts to make it make more sense for everybody. Regarding the PCA program I think it makes more sense to call it a fee for service. PCA -- to me is not the proper term for that. Bob knows and what Dan is correct. We get almost \$17.00 an hour and pay \$11.10 to the PCA's. The difference goes to administration. We must decipher how much of that is administration and how much of that we can spend, and -- even if we can give our PCA's a raise. All these issues need to be looked at a lot closer.

BM told the FD: “You are right Dianne. It is a fee for service. It is a Medicaid fee for service. So you are absolutely correct and I am glad to hear what you want to do. And I think having an accountant or auditor you can work with will help resolve all the issues we talked about. We applaud your efforts to get things done with transparency and accuracy.

The FD spoke again saying: “Thanks. And the \$2,000.00, Dan, from that Board savings account. There are \$2,000.00 more which we do not know the origin. All we can see is the interest in the amount of \$50.04. However, that is probably the easiest of all the things to resolve. We will do whatever we can to move this forward, and just expedite its solution. So we can have a planned future about what revenues are going to be available to pay for these extra things, that we want to engage in, as we need to have some stability to be able to plan and know that revenue is going to be there.

The Vice-Chairman said: “Exactly! That is why Chad is the board president.”

The Chairman replied: “Well, \$30,000.00 is a lot of money. We got to know that it is there. And is it. There is a lot of work that needs to be done on this. The balance sheet is definitely important Dianne, to put together, and then as you guys are doing that, it is



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going to be Carlos's responsibility to try to figure out how to get the \$30,000.00 generated every year to pay for the membership of the Montana Association of Centers for Independent Living. Right now, there is a cushion from unrestricted funds in a checking accounting account. But that has not been generated over this last fiscal year so that is clear. Okay, so with all that being said -- we can do a motion to accept the PNL's as provided. And -- then on the same motion just know that an accountant and/or auditor will help Dianne and Carlos go ahead and figure out the questions that they have to get accurate balance sheet put together going forward. Does somebody want to make that motion? So, we just need to make a motion to accept the PNL statements as provided by the FD and -- that we will always get an auditor's report for the remaining what is the term for it? The remaining balance sheets or the remaining odds or what did we want to say that is? I am not sure? Whoever decides to use their auditing service will also have to be hired on an hourly basis to help Dianne get the balance sheet put together. Okay, so we will accept that PNL statements as provided by Dianne, and we will provide funding for an additional audit to be done to rectify the remaining records in question.

One of the Board members made a motion. The Chairman asked "Is there a second?" AF seconded the motion. The Chairman stated that "It has then moved and seconded to go ahead and accept the PNL's as provided by Dianne and Carlos. Dianne and Carlos will get help from an accountant an/or auditor to put the balance together. All in favor aye. All participants unanimously said "Aye." The Chairman continued saying: "All opposed same sign." There was no opposition. The Chairman asked if there was any further discussion?

BM spoke saying: "This is Bob. Can I say one thing. On the -- I'm hoping whoever the auditor is that we hire will be able to help answer a lot of those questions, instead of finding another to help balance the balance sheet. You know I'm hoping as we audit, we come up with the answers to a lot of those questions. Actually, they will have to come up because they cannot provide a credible audit if they do not do that. And you will need to find out how fast they will help you with an audit then, because time will be of the essence of applying for the grants moving forward, I am sure. But with that I do not believe we have enough votes for that to pass. There is only two -- three people who voted so you are right. Well -- how many people are still here, I guess maybe -- so -- so there is the executive committee, that is three. Stop me where I am mistaken. Myself, and Andy, so that is five people. Is that correct? We have six board members, including Chad, the Chairman. Dianne and Carlos, and the captioner. So, the three of us do not count. There are six board members in the meeting. And I believe two said voted in favor of the motion. Why don't you just do a roll call vote Chad."

The Chairman agreed and said: I will start with myself, this is Chad, the Chairman. Dan, Vice-Chairman. This is Andy, a member. And Bob, a director. That is four. That must be



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it, LaVonne is on the screen but she has not voted -- so we do not have enough votes to approve. If we have three votes and an extension to it passed.

The Chairman said: "I believe LK will be able to vote.

LK said: "I voted in favor."

The Chairman said: "Perfect we fought enough. So, all is well. So, the motion does pass. Now we can move on to the next topic. The next board meeting will be on June 29th, 2020, at 4:00 pm. The calendar for future board meetings is the following:

Monday June 29, 2020, at 4:00 pm
Monday, September 7, 2020, at 4:00 pm
Monday, November 2, 2020, at 4:00 pm
Monday, January 4, 2021, at 4:00 pm
Wednesday, March 3, 2021, at 4:00 pm
Monday, May 3, 2021, at 4:00 pm
Monday July 5, 2021, at 4:00 pm

The meeting is adjourned.

Respectfully Submitted,

Adopted by the Board in the meeting of
Monday, May 4, 2020

Name/Signature Secretary

Name/Signature Chairperson