



EDA · EDC CREATING MONTANA BUSINESS OPPORTUNITIES

EDA/EDC Joint Board Minutes
Thursday, November 9, 2017 – 7:30 AM – 9:00 AM
Yellowstone Room, 1st Floor - Granite Tower

BIG SKY ED Mission Statement: - Focused on sustaining and growing our region's vibrant economy and outstanding quality of life, Big Sky Economic Development provides leadership and resources for business creation, expansion, retention, new business recruitment and community development.

EDA Board Members Present: Chuck Tooley, Dana Pulis, Greg McDonald, Jennifer Smith, Kevin Gustainis, Mitch Goplen, Paul Neutgens, Robin Rude, Sheri Nicholson, John Brewer (ex-officio), Terry Bouck (ex-officio)

EDA Board Members Absent: Cory Moore, Heidi Jensen, (ex-officio), Mike Yakawich (ex-officio), Robyn Driscoll (ex-officio)

EDC Board Members Present: David Trost, Debbie Singer, Duncan Peete, Eric Simonsen, James Smith, John Brewer, John Ostlund, John Walsh, Jon Stepanek, Mike Nelson, Steve Loveless, Ty Elkin

EDC Board Members Absent: Aaron Ramage, Craig Bartholomew, David Ellis, Doug Hansen, Kathy Boelter, Mac Fogelson, Scott Chesarek, Wayne Nelson

Staff and Guests: Steve Arveschoug, Becky Rogers, Austin Trunkle, Brandon Berger, Melanie, Schwarz, Dianne Lehm, Dena Johnson, Lorene Hintz, Karen Baumgart, Rachel Court, Leif Welhaven

Call to Order:
Sheri Nicholson, EDA Chair, called the meeting to order at 7:33 a.m. with the Pledge of Allegiance.

Public Comment/Recognitions/Special Announcements:
No public comment was made.

Changes to Today's Agenda:
There was no change to the agenda.

Consent Agenda:
Approval of the October 12, 2017 Board Meeting Minutes

Motion: John Walsh, to approve the October Board Meeting Minutes, as presented to the Board.
Second: Jennifer Smith
Discussion: None
Motion carried

Approval of the September 2017 EDA and EDC Financials

Motion: John Ostlund, to approve the September 2017 EDA and EDC Financials, as presented to the Board.
Second: Eric Simonsen
Discussion: None
Motion carried

Nominating Committee Recommendation:

EDA Board Appointments – Eric Simonsen/Becky

Becky explained a memo the Board received from the Nominating Committee regarding recommendations for the Board for EDA appointments. Jennifer Smith has been recommended for reappointment, as well as recommending Ken Lutton and Fred Sterhan to the EDA Board.

Motion: Robin Rude, to approve the Nomination Committee’s recommendation, as presented to the Board.

Second: Mitch Goplen

Abstained: Jennifer Smith

Discussion: None

Motion carried

EDC Bylaws Revisions – Steve/Brandon

Steve explained proposed changes to the EDC Bylaws. The amendment to the Bylaws would create a one-year term as voted on by the Member Investors for purposes of meeting the responsibilities of serving as Immediate Past Chair. This amendment is meant to bring continuity to the leadership of the Board. Two other amendments have been made to meet SBA requirements. There is now an SBA rule that prevents Board members from serving if they are not part of the service area. Seeing as Big Sky EDA’s service area is the state of Montana, there is no issue here. Secondly, Loan Committee members must have experience with Commercial Lending, Financial Risk Management, or they may not be serving another SBA 504 Loan Program.

Motion: Debbie Singer, to approve the proposed changes to the Bylaws, as presented to the Board.

Second: Eric Simonsen

Discussion: None

Motion carried

Opportunity Fund Committee Recommendations:

Melanie presented recommendations from the Opportunity Fund Committee. The recommendations are to provide \$10,000 for the winner of the Battle of the Plans 2018 and an additional \$7,500 to the TEDD Infrastructure Master Plan. Additional costs were incurred as part of the TEDD Master Plan contract for a total of \$12,915.78. The Opportunity Fund Committee voted to recommend contributing \$7,500 for a reasonable contingency allowance based on similar projects in our market.

Motion: Jennifer Smith, to approve the recommendations as presented by the Opportunity Fund Committee to the Board.

Second: Chuck Tooley

Discussion: None

Motion carried

Regular Agenda:

Off the agenda, John Brewer let the Board know that the Missoula City Council unanimously voted to approve an \$80M Convention Center.

Program Reports/Consideration

Business Finance – Brandon

Brandon gave his update to the Board and as there is not a Banker’s quorum, his loan approval will be sent as an electronic vote next week.

Small Business Development Center (SBDC) – Dena

Dena spoke of the Enhanced Business Growth and Entrepreneurship Business Model. The Incubator Consultants we are working with suggested we drop the “Business Incubator” moniker as this verbiage is dated and not necessarily reflective of the direction we’re headed. Melanie has invited the Board members to attend a live polling event facilitated by Chuck Wolfe, one of the consultants.

Annual Meeting Reflection – Melanie

Melanie gave a quick follow-up regarding our Annual Meeting. A change we already know we will make is that we will form a committee to help advise for the 2018 Annual Meeting. Melanie encouraged Board members to provide feedback about the event. Steve reiterated how big an undertaking this sort of events is and commended the work that Melanie did. David mentioned that he thought Allison did a nice job on her speaking piece. Jon Stepanek asked what it would take to bring in "real star-power". Melanie said that the costs would be significant and would cause us to charge admission which would perhaps prevent high attendance.

Operations – Becky

Becky brought the Board up to speed on the Future Facilities Taskforce search. The taskforce is looking at spaces that would house both BSED and entrepreneur space as well as spaces for BSED solely. Chuck Wolfe will be in town next week to tour facilities with us. He will be looking at the cost structure of facilities in our desired cross section of town and will use this information in his financial model.

Director's Report - Steve

Steve gave the Board his Executive Report reflecting on the fact that we have an enormous amount of knowledge sitting in our Board Room and we should perhaps share an update about the industries represented. Steve would like a few Board members to start a dialogue at the December meeting by giving an overview of their year.

On the topic of the MSUB Science Building, Steve has had multiple meetings with potential donors that include Opportunity Bank, First Interstate Bank and several other entities. Steve provided a memo that explains the terms of a loan that we may provide MSUB. The loan would be a \$500,000 bridge loan, repayable over 5 years at a rate of 2%. The request is that the Board authorizes the Board Chairs and Executive Director to execute the loan with the MSUB Foundation, under these general terms, following staff underwriting and legal review. John Walsh and Mike Nelson will abstain due to ties to the MSUB Foundation. Steve Loveless asked if this project would be affected by the special Legislative Session coming up. Steve said this was considered and it is the thought of the Foundation to show initiative to the legislators by continuing to secure funding.

Motion: Steve Loveless, to approve to authorize the Board Chairs and Executive Director to execute the \$500,000 bridge loan with the MSUB Foundation, as presented to the Board.

Second: Greg McDonald

Discussion: None

Abstained: John Walsh and Mike Nelson

Motion carried

In regard to the Succession Plan, Steve said the Succession Plan is prescriptive about the steps to take in the process for replacing the Executive Director, whether it's a sudden departure or a planned retirement. In the plan, Core Competencies and Ideal Characteristics must be defined for a successor. There should also be a revision of the job description and a search area to be determined for the candidates. Section B stipulates that an acting Executive Director be a Board Chair until an Interim Director has been selected by the Executive Committee. This section also defines the structure and expectation of the search committee. Lastly, there is an expectation between the Board and the staff that retirement is noticed by 6 months. James Smith brought up the point that if neither Board Chair can serve in the directorial capacity, the Board Chairs ought to have the power to designate an individual at their discretion. Steve will make amendments and provide an updated plan to the Board in December.

Public Comment:

Greg McDonald asked Steve to elaborate on who is leading the charge on the local level with One Big Sky Center. Steve said that since this is going to involve Tax Increment Financing, it would be a Downtown Billings Partnership project. Our job is to support their leadership for that project. Steve and John Brewer mentioned that Greg Kruger, Lisa Harmon and Allison Corbyn are working to help move this project forward.

Discussion then was extended to the project in Missoula and the potential impact it may have on our community.

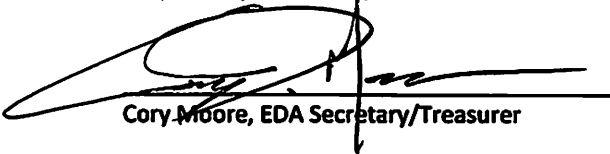
Steve gave the Board a quick update on the "Vetpreneur" event that we facilitated at Roysdon Hall. The VBOC program spearheaded the event which saw about 115 attendees. The whole aim of the symposium was to let veterans know there are many resources available to them as they look to start their own business. Additionally, the SBA recognized Sara Hudson's work within the six-state region. Solicitation for hosting the VBOC program for a three-year term will be out soon. Steve is going to evaluate the program as well as look at our resources and roles and responsibilities as the host before bringing a recommendation to the Board. Once the solicitation is released, he will bring that recommendation back to the Board.

Dianne reminded the Board that the Community Development team is working on a Sports Facility Feasibility Study and has consultants here next week working on the project.

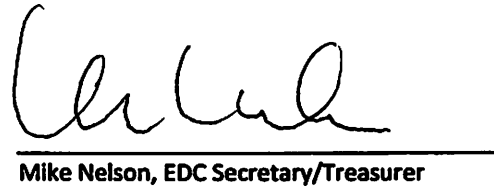
Meeting adjourned: 8:42

Next Meeting – December 14, 2017

Respectfully submitted,



Cory Moore, EDA Secretary/Treasurer



Mike Nelson, EDC Secretary/Treasurer

When approved, minutes and meeting materials will be filed electronically in the Big Sky EDA office.
Big Sky Economic Development Board of Directors will make reasonable accommodations for known disabilities that may interfere with an individual's ability to participate. Persons requiring such accommodations should make their requests to Big Sky Economic Development as soon as possible before the meeting day. Please call Big Sky ED at 256-6871.