



Big Sky EDA/EDC Joint Executive Committee Minutes
Wednesday, July 5, 2017 -7:30 A.M. to 9:00 A.M.
Rosebud Room, 2nd 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.

Committee Members Present: EDA – Sheri Nicholson, Cory Moore
EDC – David Trost, Eric Simonsen, Mike Nelson, Duncan Peete, Steve Loveless

Staff and others Present: Steve Arveschoug, Jim Tevlin, Brandon Berger, Ben Rose, Melanie Schwarz, Katy Easton, Karen Baumgart, Allison Corbyn, Becky Rogers, Evelyn Pyburn (Big Sky Business Journal), Mary Lou McMillan (recording secretary)

Sheri Nicholson, EDA Chair, called the meeting to order at 7:35 am

Public Comments: None

Changes to the Agenda:

In the absence of David Trost to chair today's meeting, Sheri Nicholson chaired. David did come in later. Steve presented his Executive Director's Report ahead of the other reports on the agenda.

Executive Director's Report – Steve

Steve received an informal request from MSU Billings to consider a contribution to the Science Building Project. He met with our board chairs and our two secretary treasurers on how we want to approach this. A tour was conducted of the Science Building last week. Bill Kennedy and Chancellor Ron Larson are coming to our board meeting next week and will give a presentation. After the presentation, they will get back together and discuss what we can do as a contribution to the Science building project and will make a recommendation to the board. Preliminarily they have asked for \$100,000. Last fall we gave both Rocky and MSUB \$7,500 to help with their campaigns. A date will be set to tour Rocky Mountain College.

August 2nd, the Executive Committee meeting – 'Breakfast and Dialogue with the Executive Director'

We will have an Executive Committee meeting but not a full board meeting. The meeting will be a less formal conversation about where the organization is and where we're headed.

Future Facilities Taskforce Update: EEC Letter

Finishing touches are being done with our future facilities task force. There will be three or four staff members and four board members to plan our future facility needs. We have two years on our current lease but we want to get started on the process.

Steve mentioned the EEC letter, included in our packet, that was received from the re-developers giving an update on the old Battin Building.

Approval of EDA/EDC Executive Committee Minutes of June 2017

Motion: Eric Simonsen, to approve and forward to the Board of Directors, the June 2017 Executive Committee Minutes as presented to the Executive Committee.

Second: Mike Nelson

Discussion: None

Motion carried

Approval of EDA/EDC Financials – Jim

May 2017 EDA and EDC Financials

Jim reviewed the financial statements for the EDA and EDC. Projections are on target for the year. EDC operating results include approx. \$42,000 that goes to the unrestricting of SSBCI dollars. The interest off those loans have always been unrestricted but the principal re-payments had been restricted and were in a non-current asset account which we could lend against. The restrictions have since been released but according to the terms of the grant, 2% of the loans that were originated need to be remitted back to the Department of Commerce. It's a one-time charge of \$45,000. Excluding that, we are in a positive situation.

Motion: Steve Loveless, to approve and forward to the full Board, the May 2017 Financials, as presented to the Executive Committee.

Second: Cory Moore

Discussion: None

Motion Carried

EDA/EDC Management Services Agreement

The agreement is up for renewal for a two-year period. The agreement represents what EDC will reimburse to EDA. There has been no change in terms except we added two more business finance employees.

Reimbursement is 100% for finance, 50% for marketing/marketing director, 25% for Executive Director. We did not add additional admin costs to the reimbursement because we didn't want member investor dollars to go towards admin costs. We want those dollars to be directed towards programs instead. It will be something to revisit as we look at the next budget process.

Motion: Cory Moore, to approve and forward to the full Board, the EDA/EDC Management Services Agreement.

Second: Steve Loveless

Discussion: None

Motion Carried

FY 2018 Budget Update: Mill Levy Recommendation

Jim presented the EDA budget to county commissioners. Good news is they approved a full mill levy. Our budget included a full mill levy so we won't need to look at making cuts. Steve reminded us that although they gave the thumbs up for moving towards with a full mill levy, we won't have final word until August.

Program Directors Updates

GE to Zoot Project Update – Allison

Allison gave a quick update on the work with Zoot and GE. It is still hopeful that July 12th will be the closing date. There are a couple items outstanding that are making it potentially possible that the date may get pushed. Work has started on the landscaping and fixing some concrete of the building, because there were some issues that occurred during the winter. We're still working thru the details on SID issues of how that will work and how we will support that effort. We are also trying to get Zoot comfortable with how they can access the \$600,000 in retrofit from GE. With GE we need to clean up a few items on the lease termination agreement. Including the \$600,000 of how that will be paid. We are touching base with Zoot today and GE on Thursday. We'll know by Thursday afternoon if we're on track for the July 12th date.

Coal Country Coalition Reg. Econ. Dev. MOU—Katy/Dianne.

Katy discussed the two drafted MOU's being the result of the Coal Study released in April. The first MOU is an agreement between four original partners, Beartooth RC&D, Big Sky, Snowy Mountain Development, and Southeast Montana Development, with the Coal Study. This is formalizing the action that we want to be a group to partner regionally to go after additional funding to take the steps outline in the Coal Study itself. One of the specific actions is to co-host an annual Power Summit. That would be one of the steps that our board would be responsible for, to attend that Coal Summit bringing the partners together to take some of their actions. We will be hosting the 2nd annual Power Summit in September as part of this agreement. The second MOU is what we would have our partners who would want to join this coalition to sign. This is going to be anybody that was part of that original fifteen county region that we looked at in that study.

Motion: Eric Simonsen, to approve the two MOU's as presented to the Executive Committee.

Second: Duncan Peete

Discussion: None

Motion Carried

Billings Works Update—Karen

CTE Director Hire

Karen provided information on the interview search process for the CTE Director. Lew Anderson has been appointed as the new Director for School District 2. He officially started July 1st. Karen met with him prior to him coming on and laid out some expectations on how the partnership is going to work. Lew has 42 years with the school district. He will get paired with our CTE Advisory Council and get to work.

SWIB Meeting

Karen mentioned the State Workforce Innovation Board were here at the beginning of June. They are representatives appointed by the governor from all over the state of Montana in workforce. Their meeting was here in Billings. Karen got to not only show off on what we are doing in workforce development but also got to show off our community.

Other Program Reports (as needed)

Brandon Berger – Business Finance

Brandon mentioned as part of the SBA, there is another policy change internally. It has to do with the job creation audits they have to do on all of their 504 lenders. The 504 loans program is very dependent on job creation. When a borrower does an application with them, one of the things they do is tell us how many jobs they want to create or retain over the next two years. As a result of this project, that information is provided to SBA. Two years after their loan funds we send them a letter for them to verify how many jobs they actually have or retained. We do that, we send it out to the borrower they return it to us, we keep it on file, then SBA audits us on that annually. They asked to clean up our policy that we have. Brandon provided a proposed policy to make the process a little more specific. To do an update of the policies and procedures, it will need approval from the Board.

Motion: Duncan Peete, to approve the update of the policies and procedures to present to the full board for approval.

Second: Eric Simonsen

Discussion: None

Motion Carried

Melanie gave some update of the Innovation Symposium going on next week. We are helping on hosting that event. Governor and Lt. Governor will be in attendance. Bethamy Yellowtail is the keynote speaker. She is from the Northern Cheyenne Tribe and has gone to be a fashion designer and doing fashion shows in New York City and Los Angeles. Also, David Moran will talk about his experience as an entrepreneur in Montana. There is expected to be about 600 people in attendance. Point is to showcase downtown Billings. Currently Billings the only place in the state that can accommodate a conference this size.

Executive Session (as needed)

Public Comment

Adjourn 8:23

Next Executive Committee Meeting – August 2, 2017

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