

Big Sky EDA/EDC Joint Executive Committee Meeting Minutes
Wednesday, September 6, 2017 – 7:30 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, Jennifer Smith, Robin Rude, Cory Moore
 EDC – David Trost, Duncan Peete, Steve Loveless, Mike Nelson

Staff and others Present: Steve Arveschoug, Becky Rogers, Austin Trunkle, Brandon Berger, Jim Tevlin,
 Melanie Schwarz, Dianne Lehm

Call to Order:
Sheri Nicholson, EDA Chair, called the meeting to order at 7:30 am

Agenda Changes for Today's Meeting:
"Business Incubation Business Model Development MOU Update" is on the agenda today but was not talked about since Dena is at a training.

Public Comments: None

Agenda:
Approval of EDA/EDC Executive Committee Minutes of August 2017

Motion: Jennifer Smith, to approve and forward to the Board of Directors, the August 2017 Executive Committee Minutes as presented to the Executive Committee.

Second: Steve Loveless

Discussion: None

Motion carried

Approval of July 2017 EDA/EDC Financials – Jim

Sheri asked Jim to explain the financial statements for both the EDA and EDC. Figures involving GE and Zoot required a bit more clarification. The debt on the Center of Excellence has been retired and EDA has gained several million dollars.

Motion: Cory Moore, to approve and forward to the Board of Directors, the July 2017 EDA and EDC Financials as presented to the Executive Committee.

Second: Robin Rude

Discussion: None

Motion carried

Proposed Final FY 2018 Budget

Jim explained the FY18 budget and mentioned that the County Commissioners have approved our request for the entire mill levy. Also mentioned was the Memorandum of Understanding between Zoot and Big Sky Economic Development for the development of a business incubator in our community.

Motion: Steve Loveless, to approve and forward to the Board of Directors, the Proposed Final FY 2018 Budget as presented to the Executive Committee.

Second: Jennifer Smith

Discussion: None

Motion carried

Recommendation for Building the Opportunity Fund (with existing funds from sale of GE building)

Steve spoke of how we can strategically invest the funds we have recently come into. The EDA will have somewhere in the neighborhood of \$5.5M readily available. Steve then asked the committee to set aside \$250,000 for an emergency slush fund. That fund would be used at the Board's discretion. On the EDC side, \$1.1M is available. Steve suggests that we put \$50,000 in the Operating Reserve and another \$100,000 into an additional emergency fund. Cory Moore then commented that he thought we may consider increasing the amounts in the funds. Robin Rude spoke to her concern that if we don't set the money aside fairly quickly, the County Commissioners will say that that money is surplus. David Trost agreed that the proposed rainy-day fund was adequate seeing as we no longer have obligations on a building.

Motion: David Trost, to approve the recommendations from Steve for building the Opportunity Fund as presented to the Executive Committee.

Second: Mike Nelson

Discussion: None

Motion carried

Investment Guidance/Strategy

Steve mentioned that the remainder of the money needs to be considered and placed appropriately. There are savings accounts, Certificates of Deposits, Bonds, and The MBOI Unified Investment Guidance. Mike Nelson would like to look at an investment strategy to involve our Member Investors.

Nominating Committee Recommendation – EDC Board Positions

The list of proposed candidates was provided to the Executive Committee. Steve also encouraged the committee to encourage people they felt were a good fit for the EDA Board to look into the application process.

Motion: David Trost, to approve to accept the Nominating Committee's recommendations for EDC Board Positions as presented to the Executive Committee.

Second: Cory Moore

Discussion: None

Motion carried

Executive Director's Report – Steve

MSU Billings and RMC Science Building Projects Recommendation

Steve has outlined five rationales as to why we should invest in both Rocky Mountain College and Montana State University- Billings. David asked Steve to reflect on any conversations he's had with Chancellor Ron Larsen. Ron and Steve met last week to discuss how the proposed science building can finally come to fruition. Steve feels confident that if the community rallies around our university, then these projects will gain more momentum. Mike Nelson wanted to express that he was pleased with the taskforces assembled by the Chancellor and that these individuals have a deep passion for seeing the University thrive. The total expenditure out of our Opportunity Fund would come to \$350,000 for both MSUB and RMC. Steve also wanted to entertain the idea of providing the College and University a loan of up to \$1M. The money we are willing to invest is contingent on MSUB breaking-ground by August of 2018. Melanie has sat down with both Chancellors of MSUB and RMC to see which Member Investors have contributed to the respective campaigns. Steve went on to say that he would be very vocal in his attempts to have other local businesses match the dollar amounts we are willing to invest. Steve mentioned his rationale as to why MSUB would receive more money. The decision came down to the fact the need MSUB has is more acute and also the fact that MSUB is four times the size of RMC. David feels strongly that we should consider increasing the loan amount so as to avoid approaching the Board with another request should MSUB need additional funding.

Motion: David Trost, to move the recommendation to the Board after vetting with the Opportunity Committee, as presented to the Executive Committee.

Second: Robin Rude

Discussion: None

Motion carried

Program/Org. Directors Updates

Future Facilities Taskforce Update – Becky

Becky gave an update on the status of our Future Facilities Needs Assessment. Becky explained the handout she provided and gave a very clear and concise overview. There are a couple of different options to explore and Eric Simonsen will give a presentation to the taskforce and BSED staff on September 13th concerning different configurations for office space.

Business incubation Business Model Development MOU Update – Dena

It was suggested this topic be taken off the agenda since Dena and Lorene are away at a training.

BSTF Workforce Grant Application – Lorene

Steve filled in for Lorene, as she is at a training with Dena. Steve talked thru the preliminary grant request that was submitted to the Big Sky Trust Fund for Workforce training for Web-Buy. We need confirmation from the Executive Committee and the Board. Web-Buy is a basic sector business which fits under the category of Big Sky Trust Fund, meaning that at minimum 50% comes from out of the state of Montana. In this case the majority of their sales would come from out of state. They are looking at creating forty jobs in the next twenty-four months. The request is to refer to the Board for approval of the grant application to Big Sky Trust Fund for \$200,000 on behalf of Web-Buy.

Motion: Jennifer Smith, to approve the Big Sky Trust Fund Grant Application to the full board as presented to the Executive Committee.

Second: Robin Rude

Discussion: None

Motion carried

Annual Meeting Update – Melanie

Melanie updated the board on our Annual Meeting coming up in October. The goal of the meeting is to showcase how BSED has woven together different sectors of the Billings community. Zoot arriving in Billings will be specifically highlighted.

Billings Works Update – Karen

Karen spoke of her excitement around MSUB kicking off their semester. Additionally, her three focuses this year are Career and Technical Education, Experiential Learning, and Talent Attraction. Karen's taskforce for Career and Technical Education met last week and began to lay some ground work of how we can best approach this project. There is a Workforce Council Meeting later this month and a focus of the meeting will be talent attraction. They are working with a media group to create three videos highlighting why living in Billings is an excellent career decision. Further, Bryce Ward, Economist at the University of Montana, will be providing statistics to help back this claim.

Business Finance-SSBCI Loan Consideration – Brandon

Brandon gave an update from Business Finance. The policy for lending SSBCI funds expired March 31, 2017. The original policy sets a maximum loan amount of \$200,000 per occurrence. A motion was made to amend the lending policy and extend the termination date December 31, 2017 as well as lower the maximum loan amount to \$100,000 per occurrence.

Motion: Duncan Peete, to present to the full Board to extend the policy to the end of the year and lower the dollar amount to \$100,000 as presented to the Executive Committee.

Second: Mike Nelson

Discussion: None

Motion carried

Brandon gave an update that there is a SSBCI loan request that will need consideration from the Board next week for a new CPA practice.

Other Program Reports

Steve wanted to touch on the policy overhaul that our organization is undergoing. He mentioned there will be an adjustment to how employees accrue paid time off. Additionally, there will be consideration on how to approach sick leave accrual as there is no ceiling currently in place. Becky added that an adjustment to how we offer medical insurance will be made to mirror the County's policy for part-time workers.

Public Comment: None

Meeting adjourned: 9:07

Next Executive Committee Meeting – October 4, 2017

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