BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

# EDA/EDC Joint Board Meeting Minutes

***Thursday, June 9, 2016 – 7:30 a.m. – Granite Tower, 1st Floor***

***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:** | Kevin Gustainis, Jennifer Smith, Cory Moore, Lyle Hill, Kent Wood, Sheri Nicholson, Scott Chesarek, Mitch Goplen, Bill Kennedy (ex-officio), Terry Bouck (ex-officio) |
| **EDA Board Members Absent:** | Robin Rude, Mark Qualman, Chuck Tooley, Heidi Jensen (ex-officio), Mike Yakawich (ex-officio) |
| **EDC Board Members Present:** | Duncan Peete, Eric Simonsen, Kathy Boelter, Dennis Cook, Ty Elkin, Mike Nelson, John Ostlund, Debbie Singer, Jon Stepanek, John Walsh, Craig Bartholomew, Doug Hansen, Wayne Nelson, James Smith |
| **EDC Board Members Absent:** | Steve Loveless, Michael Hotaling, David Trost, John Brewer, David Ellis, Jani McCall, Mike Seppala |
| **Staff and Guests:** | Steve Arveschoug, Melanie Schwarz, Dianne Lehm, Jim Tevlin, Dena Johnson, Brandon Berger, Katy Easton, Allison Corbyn, Mary Lou McMillan, Jeanne Larsen (recording secretary) |

**Call to Order:**
Duncan Peete, EDC Chair, called the meeting to order at 7:30 a.m. with the Pledge of Allegiance.

**Public Comment/Recognitions/Special Announcements:**
**Public Comment:** none
**Recognition:** Steve Recognized Dena Johnson as a key team member that received national recognition for her leadership in the state of Montana and the Small Business Development Center Network.

**Agenda Changes**: Add an Item E under Executor Director: Shepherd Community Center grant request – Katy Easton.

**Consent Agenda:**
**Approval of May 2016 EDA/EDC Joint Board Meeting Minutes**
Motion: Kevin Gustainis, to approve the May 2016 EDA/EDC Joint Board Meeting Minutes as presented to the Board.
Second: Dennis Cook
Discussion: None
Motion carried

**Approval of EDA/EDC April 2016 Financials**
Motion: Dennis Cook, to approve EDA/EDC April 2016 Financials as presented to the Board.
Second: Sheri Nicholson
Discussion: None
Motion carried

**Regular Agenda:**

**Program Director Report**

**Business Finance - Brandon Berger**

Brandon electronically requested approval from the Big Sky EDC Board of Directors on two Revolving Loan Fund (RLF) requests. The approval will be via email vote. Both RLF requests have been approved by the Big Sky EDC Loan Committee.

The requests are as follows:

1. Magic City Doors, Inc. – Request is for $100,000 to be used to assist the borrower with clean-up of two aging accounts payable, along with minimal amount of working capital. Magic City Doors, Inc. is owned by Clint Paul and is full service overhead door company located in Billings. Magic City Doors was incorporated in 2005 and Clint has over 20 years' experience in the industry. Clint is in the process of purchasing a new building for his operations. He had previously owned another building on Brey Lane, but this location was not suitable and building was sold. The reason for the assistance with paying off the two A/P accounts is that Clint had purchased from the vendors overhead doors to be installed in his own building, both previous and new building. In essence, this was part of his equity contribution. Therefore, there was no revenue per se from the installation of these doors to pay off the vendors. He has requested the financing from us in order to pay these off and have a clean set of books. Loan will be a 5 year note at 6.5%. Big Sky EDC will file a UCC on all business assets, currently in a 2nd lien position, and take a personal guaranty from Mr. Paul. Loan committee has unanimously approved of the request.
2. Bumps 'n Bundles, Inc. – Request is for $80,000 to be used to finance tenant improvements of a leased retail space in Shiloh Crossing. Bumps 'n Bundles, Inc. is a newly established company as of September, 2015, owned by Becky Salyer. Bumps 'n Bundles is a high-end boutique selling unique maternity clothing, baby clothing and other baby items including strollers, car seats and toys. They are currently leasing retail space in downtown Billings, but have decided to relocate to Shiloh Crossing to be nearer other specialty clothing stores in hopes of increased foot traffic. Western Security Bank has provided Becky with financing for the original startup of the business and a Line of Credit. They will be providing additional financing for the improvements, but most will be coming from Big Sky EDC. We will be in a 2nd lien position behind Western Security Bank and will have a personal guaranty from Ms. Salyer. Loan will be a 5 year note at 6.5%. Loan committee has unanimously approved the request. I would also like to mention this client did work extensively on their business plan with our SBDC when opening the business.

We ask for the EDC Board of Director's approval of the two Revolving Loan Fund requests as presented.

The electronic vote result are as follows:
Wayne Nelson – no response
Steve Loveless – yes
Craig Bartholomew – yes
David Ellis – yes
David Trost – yes
Debbie Singer – yes
Dennis Cook – yes
Doug Hansen – yes
Duncan Peete – yes
Eric Simonsen – yes
James Smith – yes
Jani McCall – yes
John Brewer – no response
John Ostlund – yes
John Walsh – yes
Jon Stepanek – yes
Kathy Boelter – yes
Michael Hotaling – no response
Mike Seppala – no response
Ty Elkin – no response
Mike Nelson – no response

Approval for the 2 RLF requests was passed with a majority vote.

**Budget Hearing – FY 2017 Proposed Preliminary Budgets – Jim Tevlin/Steve Arveschoug**

Jim gave a power point presentation regarding the key assumptions that he's made of the budget and spoke of our EDA and EDC budget, and how Big Sky Economic Development is allocating business this year. Steve spoke of things that are not addressed in our budget that we need to be prepared for or understand what the limitations of this year's budget is. He mentioned the mission of Big Sky Economic Development that consists of three things that we do: 1. provide Business Growth Services 2. New Business Recruitment and Outreach 3. Community Development.

Motion: Craig Bartholomew, to approve FY 2017 Budget for EDA/EDC proposed Preliminary Budgets.
Second: John Walsh
Discussion: None
Motion carried

**Strategic Plan – FY 2017 – FY 2018 – Jim Tevlin/Steve Arveschoug**

Steve went through an outline of Big Sky Economic Developments Strategic Plan. He talked about what our priorities are and where we're headed as an organization, what we are trying to accomplish with all of our programs and what the Work Planning goals are.

Motion: Wayne Nelson, to approve FY 2017 – FY 2018 Strategic Plan for EDA/EDC.
Second: Lyle Hill
Discussion: None
Motion carried

**Executive Director Report – Steve Arveschoug**

**Update: June 29th Power Summit**

Steve and Jim Atchison are reviewing the agenda and will have it sent out to the Board. They will be leaving at 7:30 am and returning by 5:00 pm. This is the meeting of our Board and the Board for the Economic Development South Eastern Montana Development Corporation in Colstrip.

**Update: GE Taskforce**

Steve and Allison will have a conference call with GE, then they will schedule a GE Taskforce meeting and fully inform them of where we're going with the job retention plan. GE was given an outline from us of five things we want to see moving forward so we have a clean game plan for what is or what's not going to happen.

**Letter of Support for NorthWestern Energy Gas-Fire Power Plan – Allison Corbyn**

Allison gave an overview of the long term project with NorthWestern Energy. NorthWestern Energy is looking at how to transfer a generation portfolio. Part of that consideration is looking at a gas-fired plant through several feasibilities that need to be done. Yellowstone County has risen to the top as far as the most feasible for them. Yellowstone County is supportive of this. This is an important initiative we would like to see in our community.

Motion: Lyle Hill, to approve submission of a letter of support to NorthWestern Energy Gas-Fired Power Plant to be located in Yellowstone County.
Second: Craig Bartholomew
Discussion: None
Motion carried

**Contribution to Yellowstone Kelly Project**

We're looking at making a year-end contribution of the Yellowstone Kelly Project. This project coincides with the Community Development aspect of our mission. Steve is sending out an email to the board to ask what they may be willing to contribute to this project. He will then send the pledges to the Chamber of Commerce.

**Shepherd Community Center – Katy Easton**

Katy spoke of the Shepherd Community Center being a fairly new modular building that consists of a 25,000 square foot parking lot, a playground, and a picnic shelter sponsored by the Lion's Club. This service is a Yellowstone County resource alliance senior meal site. The seniors utilize this program every Wednesday on a weekly basis. Community Development would like to pursue funding for the parking lot to be paved. At the moment it is graveled, that poses a problem for the elderly. Research is being done to get funding from several resources. Community Development is asking for authorization to pursue this grant on behalf of the Shepherd Community Center and the senior citizens who utilize it.

Motion: Wayne Nelson, to authorize to pursue the grant for the Shepherd Community Center project.
Second: Craig Bartholomew
Discussion: None
Motion carried

**Public Comment**: None

**Meeting adjourned at 9:05 am**

Next Meeting – July 14, 2016
Respectfully submitted,

Duncan Peete, EDC Chair

Steve Arveschoug, Executive Director, Big Sky EDA-EDC

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.*