



EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

EDA/EDC Joint Board Minutes
Thursday, January 11, 2018 – 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: Cory Moore, Fred Sterhan, Greg McDonald, Jennifer Smith, Ken Lutton, Robin Rude, Sheri Nicholson, John Brewer (ex-officio), Robyn Driscoll (ex-officio), Terry Bouck (ex-officio), Mike Yakawich (ex-officio)

EDA Board Members Absent: Chuck Tooley, Dana Pulis, Mitch Goplen, Paul Neutgens

EDC Board Members Present: Aaron Ramage, Bob Wilmouth, Craig Bartholomew, David Ellis, David Trost, Debbie Singer, Duncan Peete, Eric Simonsen, John Ostlund, Jon Stepanek, Mac Fogelsong, Mike Nelson, Mike Seppala, Molly Schwend, Ron Larsen, Scott Chesarek, Steve Loveless, Ty Elkin, Wayne Nelson

EDC Board Members Absent: Andy Gott, Doug Hansen

Staff and Guests: Steve Arveschoug, Becky Rogers, Austin Trunkle, Jim Tevlin, Allison Corbyn, Melanie Schwarz, Deanna Langman, Lorene Hintz, Dena Johnson, Karen Baumgart, Brandon Berger, Dianne Lehm, Evelyn Pyburn (Big Sky Business Journal), Liz Ching, Shane Ketterling (Assistant Director of Billings Logan International Airport)

Call to Order:

Jennifer Smith, EDA Chair, called the meeting to order at 7:33 a.m. with the Pledge of Allegiance.

Public Comment/Recognitions/Special Announcements:

Steve recognized Liz Ching for her work at the Governor's Office of Economic Development and her contribution to our community's continued development.

As we move forward into the new year, Steve asked that a few of our members give industry updates to the collective Board.

Steve Loveless updated the Board regarding what is changing in our local healthcare industry. Two significant impacts have been the repeal of the Affordable Care Act and more locally, the funding shortages in the state budget.

Jennifer Smith gave an update on real estate in our area. Right now, one of the biggest unknowns is how the interest rates will behave and if that will cause construction to slow. Construction is still projected to do well but a record setting year is not expected. Commercial real estate had a steady 2017, while construction costs rose slightly. There shouldn't be too much deviation this year and while we aren't seeing enormous growth, the consistent growth should be appreciated.

Changes to Today's Agenda: None

Consent Agenda:

Approval of December 14, 2017 Board Meeting Minutes

Becky reviewed one correction made on the December minutes concerning the SBDC request to approve Steve signing the annual SBDC contract amendment.

Motion: Wayne Nelson, to approve the amended December 2017 Board Meeting Minutes as presented to the Board.

Second: Craig Bartholomew

Discussion: None

Motion carried

Air Service Taskforce Update – Allison

Allison gave an Air Service Taskforce Update. There was a slight capacity decrease with Delta because they switched which aircraft were servicing Billings in the winter months. The switch back to normal capacity will occur in April. Alaska airlines will be changing their aircraft for flights between BIL and Sea-Tac and have already changed the BIL to PDX flight. The aircraft will be a jet instead of a jet-prop aircraft. John Brewer and a significant delegation from Billings spoke to American Airlines about the direct flight to Dallas. Thus far, the flight has been very successful, and we've only had to dip into the revenue guarantee once. Half of the guarantee was met through local investment and half was provided by a small community air-service grant.

Shane Ketterling, Assistant Director of Billings Logan International Airport gave our Board an update about the ongoing renovations at the airport.

Regular Agenda:

Program Reports/Consideration

Operations – Becky

Becky passed around documents for Board members to review and sign. They consisted of the Annual Conflict of Interest Policy and the SBA Annual Board Certification. She also passed around the 2018 EDA/EDC Board member directories and Governance Committees. Steve explained each of the committees to the Board and identified openings for Board members to fill. Finally, Becky explained our projected organizational calendar and highlighted some important dates.

Business Recruitment and Outreach – Allison

Allison gave an update on the One Big Sky Center Partnership Approach. The project has shifted from a TIF project to more of an economic development strategy. The term sheet Allison provided is a draft of who the community partners are projected to be and what sort of facilities The Hammes Group envisions. Over the next year, the Hammes Group will do an analysis on how feasible this project is and what work they can see being done in our community. The group intends to invest roughly \$1.1M in the analysis phase of this project and is asking the community to raise \$675K. A request has been made of the BSED Opportunity Fund to provide \$50,000 towards the phase two analysis.

Business Finance – Brandon

Brandon discussed the Independent Loan Review Report. We contracted an independent 3rd party review of our loan portfolio. Our portfolio now contains 184 loans of which 13 were randomly sampled. Brandon provided an overview of the findings. The Board had no questions regarding the findings within the review. A plan for correcting deficiencies was explained and the Board approved.

Motion: Wayne Nelson, to accept the results of the independent loan review as presented to the Board.

Second: Mike Seppala

Discussion: None

Motion carried

Opportunity Fund Recommendation – Ty Elkin

Ty Elkin, who chairs the Opportunity Fund Committee, updated the Board on the request for \$50,000 towards the phase two analysis on our community for the One Big Sky Center Project. The committee suggests that the request be approved. Secondly, there was a match request increase for the MSUB Science Building match challenge in the amount of \$9,300, the amount the match challenge exceeded its goal. The committee approves that amount as well.

Abstained: Ron Larsen

Motion: Greg McDonald, to approve the amount requests for the One Big Sky Center Project and the MSUB Science Building match challenge as presented to the Board.

Second: Cory Moore

Discussion: None

Motion carried

Executive Directors' Report

Update: VBOC Program Application

Steve informed the Board that we have submitted our bid to the SBA to host the VBOC for an additional 5 years. The region we submitted for is Montana, Wyoming, and Utah, which is one-third the size of our current region. Steve commended the team for doing a great job pulling the application together and submitting it ahead of deadline. The final decision will likely be made in April.

Professional Development Plan/Acting Director

Steve is wrapping up preliminary work before he takes leave for his month-long sabbatical. There will be a bit of leadership training among select staff members before Steve selects the acting Executive Director. In February, Steve will take off to Greensboro, NC for a week with the Center for Creative Leadership. During the sabbatical, he will be out of communication with the team.

Steve mentioned Kathy Boelter has notified the Board that she will resign her seat as she and her family will be relocating to Denver, CO to expand her business, Arrow Solutions. We are very lucky to have had Kathy serve on our Board and we wish her all the best moving forward. Per our bylaws, we will hold a special election to fill the vacancy.

Public Comment:

Melanie reminded our Board members to take the State of the Workforce 2018 Survey.

Adjourn:

Meeting adjourned: 9:15 a.m.

Motion: Mike Seppala, to adjourn the EDA/EDC Joint Board meeting.

Second: Sheri Nicholson

Discussion: None


Motion carried

Next Meeting – February 8, 2018

Respectfully submitted,



Robin Rude, EDA Secretary/Treasurer



Mike Seppala, EDC Secretary/Treasurer

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