

Big Sky EDA/EDC Joint Executive Committee Meeting Minutes
October 7th, 2020 – 7:30 A.M. to 9:15 A.M.
Zoom Teleconference Call

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** – Robin Rude, Greg McDonald, Ken Lutton, Judi Powers
 EDC – Ann Kosempa, Mac Fogelsong, Steve Loveless, Mike Nelson, Mike Seppala

Committee Members Absent: **EDA** – Paul Neutgens
 EDC – None

Staff and Others Present: Steve Arveschoug, Becky Rogers, Lorene Hintz, Melanie Schwarz, Austin Trunkle, Shanna Zier, Brandon Berger, Sherry O'Donnell, Dianne Lehm, Thom MacLean, Kayla Vokral, Marcell Bruski, Kevin Scharfe, Jo Ann Jones

Call to Order:
Mike Seppala, EDC Chair, called the meeting to order at 7:33 A.M.

Agenda Changes for Today's Meeting:
None

Public Comment/Introductions
None

Agenda:
Approval of the September 2020 EDA/EDC Executive Committee Minutes

Motion: Ken Lutton to approve, the September Executive Committee Minutes, as presented to the Executive Committee.
Second: Mac Fogelsong
Discussion: None
Motion: Carried

Approval of August EDA/EDC Financials – Shanna

Shanna then reviewed the August EDA balance sheet where current assets decreased slightly due to operating expenses. Accounts receivable decreased slightly as we anticipate the Federal EDA disbursement. Accounts payable have increased slightly to approximately \$65,000. Accrued expenses total approximately \$98,000 and consist largely of salary/benefits accruals and Space2Place Grant accruals.

On the August EDA Statement of Revenues and Expenses, most revenue items remain in line with budget amounts through the first two month of the fiscal year. Salary/wage expense totaled \$263,000 through August. This amount is slightly under budget due to vacancy savings.

On the EDC, Shanna began with the August balance sheet and current assets remained in line with the amounts from July. The RLF portfolio totals \$409,000 after a final disbursement to a borrower. The Stabilization Loan portfolio totaled \$152,000 at the end of August and consisted of eleven loans. Accounts payable increased slightly in August. Deferred 504 revenue will be recognized as loans fund.

On the July EDC Statement of Revenues and Expenses, servicing revenue came in slightly under budget for the month. Member investor revenue totaled approximately \$7,500. This is attributed to three member investor invoices sent out in July/August. Member investor revenue will increase with the quarterly invoicing that will be completed in early October. Expenses remain close to or in-line with budget as we begin the fiscal year. We received an additional donation for the Coulson Park project in August. These restricted donations are being tracked in a separate Coulson Park Revenue account. We received two additional donations in September, increasing total donations to \$32,000.

Motion: Judi Powers to approve and forward to the Board, the August 2020 EDA/EDC Financials, as presented to the Executive Committee.

Second: Robin Rude

Discussion: None

Motion: Carried

Executive Director's Report – Steve

Ad Hoc Legislative Committee Report/Recommendations

Steve began his report with the Legislative Priorities draft that came out of the Ad Hoc Legislative Committee. Steve walked through the four sections that were identified as priorities for immediate consideration in the upcoming session. Those items include supporting local and regional economic recovery, sustaining healthcare and Medicaid funding, supporting MSUB leadership and infrastructure, and protecting Tax Increment Financing.

Steve provided more detail for each of the above items and gave context to why these priorities make sense for us to pursue. Steve also included items for current and future consideration that we would like put forth by beginning the dialogue around those ideas.

Steve and Austin continued by adding how MEDA and their legislative committee is moving forward with their priorities and how those coincide with our list.

Motion: Judi Powers to approve and forward to the Board, the Ad Hoc Legislative Committee Recommendations, as presented to the Executive Committee.

Second: Ken Lutton

Discussion: None

Motion: Carried

MEDA Next Generation of Economic and Community Development Tools Analysis

Steve went on to ask the Committee to endorse the MEDA Next Generation of Economic and Community Development Tools Analysis.

Motion: Greg McDonald to approve and forward to the Board, the endorsement of the MEDA Next Gen Plan as a platform for fresh discussion of community and economic development tools, as presented to the Executive Committee.

Second: Mac Fogelsong

Discussion: None

Motion: Carried

I-190 and CI-118 Legalizing Marijuana in Montana

Finally, Steve asked the Committee if their businesses are taking position for or against the legalization of marijuana which will be on the ballot next month. Mike Seppala mentioned that the Montana Chamber, the Contractors Association, and the Montana Bankers Association have taken a position against the initiatives looking to legalize marijuana. Mike shared perspective about banking issues in regards to marijuana entities.

Greg and Ann think legalization is likely to happen federally in the next few years and shared concerns that now might be too late to throw support behind either camp, for or against.

Mike Nelson gave examples of workforce shortages and also mentioned how this initiative is funded by money coming from outside of Montana.

Judi gave the healthcare perspective and mentioned that legalizing marijuana may compromise confidence in the healthcare system. Further, smoking is detrimental to health and poses risks similar to tobacco.

The committee continued conversation about bringing a vote to the Board surrounding this issue.

Board Member Outreach

Steve brought the Committee's attention to a letter that was drafted on behalf of our Board Chairs encouraging Board participation and continued attendance.

Organizational Restructuring

Steve began by introducing some staffing changes that have occurred over the past month. Kevin has been promoted to Director of Entrepreneurship and Lorene has been promoted to Regional SBDC Director. Steve also noticed the Committee about additional role changes happening internally.

Program Directors/Leaders' Updates - BSED's IRT COVID-19 Response Update

Stabilization Loan Program Update – Brandon

Brandon mentioned there is still \$98,000 remaining in the RLF fund. There is no update to give for the EDA RLF fund application yet, but Brandon is hopeful to hear within the next two weeks. Finally, Brandon informed the Committee that he would like to propose revision to our 504 Loan approval process.

New COVID-19 Response Grants

Melanie informed the Committee that BSED was able to apply for additional grant funding at the state level to bolster a campaign for our healthcare sector and for talent attraction efforts.

Beartooth RC&D Grant Award Scope of Work - Dianne

Next was Dianne with a Beartooth RC&D grant update. We were able to secure the grant dollars and we will be assisting Beartooth in outreach to a five-county region. We will also be providing trainings for business as we rebound from the COVID-19 pandemic. Finally, we will use some of the funds to complete industry analysis over the next two years. Melanie added that we are offering additional trainings and some of those will become from Member Investors. Melanie is excited to grow that training program in the five-counties.

Economic Response and Recovery Plan Next Steps – Thom

Thom noted that the recovery plan has been completed and printed. There was a rollout event planned for yesterday but that was moved to a virtual meeting in light of the increase in COVID cases in Yellowstone County. Thom will be sending PDFs of that document to our Board and there will be further discussion tomorrow at the Board Meeting. Steve reiterated John Felton's call to remain vigilant and to do our part to reduce cases so we don't move back into more restrictive measures.

Operations: Big Sky to Sky Point Project – Becky

Becky gave an update on the Big Sky to Sky Point project. Becky lauded the work of Cushing Terrell who have hosted design sessions with our team in the past two weeks. Becky also recapped the meeting with the Federal EDA who visited our project two weeks ago. She also thanked those serving on committees and offering their expertise.

Nominating Committee Recommendation – Becky

Becky went on to say that we have a new vacancy on the EDC Board and the Nominating Committee recommended holding a special election to appoint Michael Marsh to fill that seat. Moving forward to next year, a few revisions will be made to our nomination process.

Motion: Greg McDonald to approve and forward to the Board, the request to hold an EDC special election with Michael Marsh as the candidate, as presented to the Executive Committee.

Second: Robin Rude

Discussion: None

Motion: Carried

WDO Statement and Update - Austin

Austin presented BSED's Welcoming Diversity Ordinance statement and explained how the WDO committee crafted that statement. Steve asked the Committee if we ought to bring this draft statement forward to the Board. Mike S. believes that we should, and Judi believes that we need to have a conversation with the Board on what we do with the statement. It was decided that the Committee will take up the statement again next month and prescribe a strategy going forward that they will bring to the Board.

Member Investor Update – Melanie

Melanie gave a quick Member Investor update and, per the direction of the MI Committee, will begin to pursue her prospect list more intentionally now that businesses have regained some footing since the beginning of the pandemic. Melanie will look to add as many as 75 businesses by the end of the fiscal year. The committee also broached the issue of diversity (including industry) as we look to grow that list.

Rock31/SBDC Update and Opportunity Fund Request

Steve covered the Opportunity Fund Recommendation and that recommendation is to confirm the commitment of the original \$150,000 to Rock31 but to eliminate the three year window it was set to be disbursed within. Lorene noted that the SBDC is working on a training plan for small businesses over the next year as they recover economically.

Motion: Ken Lutton to approve and forward to the Board, the changes to the Opportunity Fund Criteria, as presented to the Executive Committee.

Second: Robin Rude

Discussion: None

Motion: Carried

Executive Session: None

Public Comment:

There were questions about the Board meeting tomorrow and if anyone had expressed uneasiness at the prospect of meeting in person. There has been no concern relayed to the staff at this time. BSED will discuss what our meetings will look like going forward in light of the spike in cases.

Adjourn:

Mike adjourned the meeting at 9:23am

Next Meeting – November 4th, 2020