

Big Sky EDA/EDC Joint Executive Committee Meeting Minutes
Wednesday, June 5th, 2019 – 7:30 A.M. to 9:15 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** – Cory Moore, Robin Rude, Ken Lutton, Jennifer Smith
 EDC – Mike Nelson, Steve Loveless

Committee Members Absent: **EDA** - Paul Neutgens
 EDC – Eric Simonsen, Mike Seppala, Molly Schwend

Staff and Others Present: Steve Arveschoug, Dianne Lehm, Melanie Schwarz, Austin Trunkle, Becky Rogers, Jim Tevlin, Evelyn Pyburn

Call to Order:
Cory Moore, EDA Chair, called the meeting to order at 7:30 A.M.

Agenda Changes for Today's Meeting:
None

Public Comment:
None

Agenda:

Approval of EDA/EDC Executive Committee Minutes

Cory asked for a motion to approve the May Executive Committee Minutes

Motion: Ken Lutton to approve the May 2019 Executive Committee Minutes as presented to the Executive Committee.
Second: Jennifer Smith
Discussion: None
Motion: Carried

Approval of EDA/EDC Financials

April 2019 EDA/EDC Financials - Jim

Jim then presented the April 2019 EDA/EDC Financials. On the EDA Budget vs Actual, he explained the variance in the Opportunity Fund spending. That variance is due to the Phase II 406 Impact Districts project. He then discussed Rock31 expenses and showed how they are broken down between EDC and EDA. On the EDA Year over Year, the variance is driven by tax protests and vacancy savings. Steve reminded that the Board set aside the \$146,000 in tax protests earmarked for our facility transition. On the EDC Statement of Operation, it should be noted that the statements only show unrestricted funds, however, the audit will show both unrestricted and restricted funds. Steve discussed the Member Investor revenues and when we can expect the bulk of the dues to be paid. Melanie will address that question during her update. There was a question regarding the 504 Loan Program and there was discussion about how the team in Helena is giving us much more presence in the Western part of the state. Steve noted that our charter has always allowed us to lend anywhere in Montana.

Motion: Ken Lutton to approve the April 2019 EDA/EDC Financials, as presented to the Executive Committee.

Second: Mike Nelson
Discussion: None
Motion: Carried

Final Proposed FY2020 Budget – Jim

Next was the final proposed budget for FY 2020. Jim mentioned this looks very similar to the first draft but there are a couple of items he'd like to go into more detail with. Jim mentioned that Steve had requested that we contribute \$40,000 to the Opportunity Fund on the EDC. Jim review potential changes to the budget before it returns to the Board in August. If the Mill Levy might come in differently than we expect, then the budget will be adjusted accordingly. There is also potential for additional SBDC dollars. Within the next few months, other estimations may become more certain. Jim also addressed the proposed change to the Management Services Agreement that the EDC pays 25% of the controller's salary. Jim went on to speak about an internal committee being formed for the purpose of creating a game plan about how we can maintain sustainability in the future. He also reviewed the key assumptions that depict the FY2020 budget. Steve reminded the Committee that we leverage the Mill Levy each year at a 3:1 rate.

Motion: Mike Nelson to approve Proposed FY 2020 Budget, as presented to the Executive Committee.
Second: Ken Lutton
Discussion: None
Motion: Carried

Executive Director's Report

OBSD/406 Impact Districts – Draft Next Steps Update – Steve

Steve began his report by turning the Committee's attention to the OBSD/406 Impact District draft next steps. Steve still has more meetings to conduct with strategy partners, but he would like to ask those people what they think we learned and what we could perhaps do better. Steve also spoke about our efforts to bring Lisa Clark to Billings. Lisa is the CEO of Destination Medical Center in Rochester, MN and their community has successfully implemented an economic development tool similar to the one we are seeking. By learning from her experience with pushing that sort of legislation, we may be able to further efforts in our own state.

BSED Legislative Priorities Update - Steve

Next, Steve gave a Legislative Priorities update and what the outcomes were of those priorities were. Dan Brooks will present to our Board a synopsis of the 2019 Legislative Session.

Organizational Workplans and Goals and Executive Director's Focus – Steve

Steve gave a draft document of each program's workplan and goals for FY2020. Steve also presented his draft workplan for the Executive Director. He asked that each Committee Member look at the document and strike through what they think he could delegate. The Committee Members each offered their opinion and Steve said he will revamp the document to reflect some changes.

Program and Organizational Directors Updates

Operations Update – Future Facilities/Grant Application - Becky

Becky then was up to do a quick update on our Future Facility Grant Application. We are on track to submit the grant tomorrow. It has been an intense three-week sprint and has yielded what will be a more than 1500-page application. She also gave an update on the steps conducted as due diligence since the last meeting. As part of that grant application, a Purchase Agreement must be signed and executed. In order to do so, Becky requested the Committee approve her sending out an electronic vote to the full Board to execute the Purchase Agreement. A quorum was not present to carry an action item, so the balance of the Committee was contacted via email to get approval to send out the electronic vote. The approval was granted.

Becky mentioned that we have been in talks with the Faggs to extend our lease and what the next 18-24 months will look like.

Proposal: Student Ex-Officio Board Member

Next was the proposal for a new Ex-Officio Board Member. The proposal is that a student from MSUB or Rocky, or both, will serve as a non-voting member of our Board. The aim is to give students the experience of serving on a board.

Member Investor Program/30th Anniversary/Annual Meeting Update – Melanie

Melanie gave an update on the plans and prospective speaker for our 30th Anniversary and Annual Meeting.

Next, Melanie presented a spreadsheet that detailed the received revenues of our Member Investor Program and those that are still outstanding.

Community Development – BIRD/City of Billings/ BSED MOU – Dianne

Dianne presented the revised MOU that includes the City, BSED, and the BIRD. This was an agreement we had already entered into, but some language changed between the City and the EBURD. The City signed and approved in May. The MOU length is 5 years.

Executive Session:

A motion was made to enter into an executive session to discuss personnel matters related to the annual performance review of the Executive Director.

Motion: Mike Nelson to enter into an executive session to discuss personnel matters related to the annual performance review of the Executive Director.

Second: Ken Lutton

Discussion: None

Motion: Carried

The Executive Committee reconvened after the Executive Session and reported out the conversation centered around discussing Steve's salary adjustment for 2020. The Salary adjustment will be rolled into the budget under the line item Wages and Salaries.

Public Comment:

None

Adjourned: Mike Nelson motioned to adjourn. The motion was met with a second from Ken Lutton. The Committee adjourned at **9:21AM**

Next Meeting – July 3rd