

Big Sky EDA/EDC Joint Executive Committee Meeting Minutes
Wednesday, July 3rd, 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** – Robin Rude, Ken Lutton, Paul Neutgens, Jennifer Smith
 EDC – Eric Simonsen, Mike Nelson, Steve Loveless

Committee Members Absent: **EDA** - Cory Moore
 EDC - Mike Seppala, Molly Schwend

Staff and Others Present: Steve Arveschoug, Melanie Schwarz, Austin Trunkle, Jim Tevlin, Patrick Klugman, Brandon Berger, Deanna Langman

Call to Order:
Mike Nelson, EDC Chair, called the meeting to order at 7:31 A.M.

Agenda Changes for Today's Meeting:
While waiting for a quorum, the meeting began with Program and Organizational Directors Updates.

Public Comment:
None

Agenda:

Program and Organizational Directors Updates

Operations Update – Future Facilities/Grant Update – Transition Plan for Controller – Steve
Steve reported out for Becky (who is on vacation) and mentioned we are still on track to have our application reviewed on July 11th. Steve once again commended the team who submitted the grant.

Steve drew the Committee's attention to the Controller's Transition Plan. Jim will be departing BSED at the end of August. The handout outlines the timeline, the look of the position, the committee that will be charged with hiring, the interim work, and documenting the standard operating procedures. Steve thinks the job should be posted sometime next week following review of the job description. Steve also wants to bring some Board Members in on the process for this position.

Steve also mentioned that after the initial vote to approve our amended lease agreement, our legal counsel offered some revisions to the contract language. Steve said that we are acting within our authority to execute the agreement when final revisions have been confirmed by both parties.

PTAC Program – Bozeman Subcenter Update – Deanna

Deanna was next to give an update on the PTAC end. Deanna just returned from Bozeman for their quarterly meeting. The PTAC Advisor in Kalispell is retiring and was celebrated at this meeting. PTAC received a notice from the Defense Logistics Agency that they were awarded another year of funding.

Deanna noted that Montana State will no longer be funding the PTAC in Bozeman. This is a challenge for the statewide program if an alternative funding partner is not found. Deanna and Steve met with several key members of the Bozeman community to try and find another way to house the PTAC at MSU. Steve felt encouraged after the meetings and is hopeful the situation can be resolved. The decision to cut funding was a product of overall budget cuts at the university.

Big Sky Finance – FY2019 Recap – Brandon

Brandon presented a FY2019 recap for Big Sky Finance. Brandon began by addressing the impact our merger with Helena has had. A handout was provided that showed loan fundings and the aggregate amount for several fiscal years. The Helena team has helped us to extend our reach in the western side of the state. Brandon spoke about the effectiveness of the team with four full time employees. Brandon anticipates they may need to look at hiring another loan officer in the next fiscal year. Sherry in Helena handles most of the loan closings and Jo Ann handles underwriting and advanced servicing. Brandon oversees the entire program, closes loans, and also underwrites. Johnna was brought on to take care of servicing of the loans which has helped Jo Ann and Brandon. Brandon also mentioned that their rates have continued to stay especially low which will help to maintain interest in the program. When asked about what may restrict program growth, Brandon replied that there have been some technical loans that have taken up a great deal of time. He also mentioned that there is some waiting time in between loans while SBA reviews submissions. A point of emphasis going forward will be their effort to be out of the office more, pursuing opportunities and maintaining/creating relationships.

Community Development – Coulson Park Update – Patrick

Patrick was next to give a Coulson Park update. Patrick gave a brief history of how we arrived at the current stage of the process. After \$90,000 was raised to create a masterplan, we will then need to find funding to implement the plan. There is an opportunity to receive a dollar-for-dollar matching grant which would afford the effort \$500,000. One of the caveats of this grant is that there must be a shovel in the ground by May of 2020. Patrick presented 3 concept designs that the consultants created. This includes a passive approach, active approach, and a hybrid approach. Moving forward, in partnerships with the Parks Department, there will be a Coulson Park Picnic Series. The aim is to stoke community interest in the project and to also involve our civic leaders. Patrick mentioned that he will send out a quick survey to the Board to gather more input.

Member Investor Program Update – Melanie

Melanie gave a Member Investor Program recap and an Annual Meeting Update. Todd Johnson of Gallup will be the speaker for our event later this year with the theme: We're All Builders. Todd will also be hosting workshops on that day. The date is October 24th and the event will be at Metra Park. This meeting will also celebrate BSED's 30th anniversary. On July 17th, Lisa Clark of Destination Medical Center will be visiting our community. On July 18th, there will be an Opportunity Zone workshop.

Melanie gave a final recap of the Member Investor revenues. Melanie said that they fell just short of their goal of \$370,000 for FY19 but is hopeful for FY20 as there has been increased interest in the program across the community. The final number was \$351,000. Melanie noted that the bankruptcy of Cloud Peak Energy will leave a gap that will need to be filled in the next fiscal year.

Consent Agenda

Approval of the June 5th EDA/EDC Executive Committee Minutes

Motion: Jennifer Smith to approve the June 2019 Executive Committee Minutes as presented to the Executive Committee.

Second: Ken Lutton

Discussion: None

Motion: Carried

Approval of EDA/EDC Financials – Jim

Jim presented the financials for May. Jim's focus for the balance of his time will be closing the ledger for FY 2019. He will also be working on the audit fieldwork before August.

On the EDA Balance Sheet, Jim mentioned that coming in the June report, one of the CDs matured and Jim put those funds in a Money Markets Account to keep it liquid. On the EDC Statement of Operations, the Opportunity Fund Investments can be parceled out to 406 Impact Districts, OBSD work, and Rock31 allocations. Jim also mentioned that we have an outstanding \$400,000 line of credit that we extended to the DBA. The DBA is currently working to find a broker to list and sell the property they bought with the credit. The DBA is not obligated to begin paying off the credit for 3 years but are looking to begin paying before their period of obligation begins. On the EDA year over year, Jim said the only items of note are the tax protests and vacancy savings

Balance sheet for EDC, there are no items of note. EDC Actual vs Budget, the member investor revenues show nearly \$300,000 through May. Another item to highlight is the \$50,000 in trade we hold with several companies in the city. This is largely the work of Melanie finding alternative resources for the organization. Loan origination revenue sits at \$129,000 by May's end and has exceeded the FY19 goal with a month to go.

Eric asked about the 406 Impact Districts spending. Steve reminded the Committee that this spending was related to the advocacy phase of OBSD and the legislative push we made at the beginning of the year.

Motion: Ken Lutton to approve and forward to the full Board, the May 2019 EDA/EDC Financials as presented to the Executive Committee.

Second: Paul Neutgens

Discussion: Above

Motion: Carried

Executive Director's Report

One Big Sky District/406 Impact Districts Next Steps Update

Steve began his Executive Director's report by again mentioning the event with Lisa Clark later this month.

Our lobbying team, The Taylor Luther Group will be meeting with us to help determine the best path forward from a legislative perspective. This effort has two tracks right now. One is to keep elements of the development plan front of mind, and two is to dialogue about any prospective legislative tools. In August, we are planning a road trip to Missoula to speak with our economic development partners on the Western side of the state to work with them on this effort. The MEDA Board will be meeting in Fairmont in two weeks for their annual retreat and will discuss how we can create more robust economic development tools for the future.

FY 2020 Organizational Workplans and Goals and Executive Director's Focus

Steve then brought the Board's attention to the Organizational Workplans and Goals. These goals and plans help frame our game plan to execute the work we want to fulfill. Steve also wanted the Committee to look at the last page which is the revised Executive Director's Focus. Steve highlighted the priorities that will fall directly to him, color-coded the items that he will be acting in a support role, and left in regular typeface the items that will be delegated to the team.

Steve is asking the committee to recommend adopting and forwarding this plan to the full board.

Motion: Ken Lutton to approve and forward to the full Board, the adoption of the FY2020 Organizational Workplans and Goals, including the Executive Director's Focus, as presented to the Executive Committee.

Second: Robin Rude

Discussion: None

Motion: Carried

August Executive Committee Meeting – Breakfast with the Executive Director

Steve's last item was to remind the Executive Committee that the next meeting will be at the Northern Hotel and will be a "hot topics dialogue" with the Executive Director.

Executive Session: None

Public Comment:

Melanie said that one of our Space2Place award recipients will be starting their mural next week which will sit on a wall of the Pub Station downtown. Melanie also mentioned that a travel blogger came through Billings and wrote a nice piece about our community.

Paul Neutgens announced that MSUB will begin to construct their new Science Building this summer. The airport is also close to beginning their renovation as well.

Adjourned: Mike Nelson adjourned the meeting at 8:58 AM.

Next Meeting – August 7th