



EDA · EDC CREATING MONTANA BUSINESS OPPORTUNITIES

Big Sky EDA/EDC Joint Executive Committee Meeting Minutes
Wednesday, October 4, 2017 – 7:30 AM – 9:00 AM
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 – Sheri Nicholson, Jennifer Smith, Cory Moore
EDC – David Trost (by phone), Eric Simonsen, Mike Nelson, Duncan Peete

Staff and others Present: Steve Arveschoug, Jim Tevlin, Sara Hudson, Becky Rogers, Melanie Schwarz,
Austin Trunkle, Evelyn Pyburn (Big Sky Business Journal)

Call to Order:
Sheri Nicholson, EDA Chair, called the meeting to order at 7:30 am

Agenda Changes for Today's Meeting:
There were no changes to the agenda and no public comment was made.

Public Comments: None

Agenda:
Approval of EDA/EDC Executive Committee Minutes of September 6, 2017

Motion: Cory Moore, to approve and forward to the Board of Directors, the September 2017 Executive Committee Minutes as presented to the Executive Committee.

Second: Mike Nelson

Discussion: None

Motion carried

Approval of August 2017 EDA/EDC Financials – Jim
Jim gave an update on the finances and mentioned there was nothing in particular to note or speak of.

Motion: Jennifer Smith, to approve and forward to the Board of Directors, the August 2017 EDA and EDC Financials as presented to the Executive Committee.

Second: Eric Simonsen

Discussion: None

Motion carried

Preliminary Investment Strategy - Jim

Jim explained a handout that outlined a preliminary strategy for investing the proceeds of the GE sale. The total funds outlined in this strategy was roughly \$6.2M. Jim said we want to invest the funds locally and spread the deposits throughout banks who are Member Investors. Our intention is to strike a balance between investing all of the funds into one bank and spreading it evenly among all nine. We will provide the banks with guidelines for the amount and term of various CDs and have them bid on the interest rate. When the bids have been returned, we will pick the best four proposals. There was a short discussion regarding what FDIC member banks cover. It was determined that beyond \$250,000, you must ask a bank to back whatever the balance of the funds would be. Eric then made mention that perhaps we should then spread our funds between larger banks and then smaller banks.

Larger banks will likely not have an issue covering this but smaller banks may. Mike Nelson said he thought it would be prudent to take the best rate for a CD for a given term, and then commit all of the funds dedicated to that period. Jim once again mentioned that we're allowed to invest this money however we see it and that it is up to the Executive Committee to decide where it goes. Cory said he thinks banks will change their rates depending on whether we commit to multiple CD terms or if we only commit to one. David proposed that he thinks we should give the banks just enough information and then let them give us an honest, competitive rate. Further discussion was had about how smaller banks will struggle to make an adequate bid. Sheri mentioned that Beartooth Bank will have a difficult time handling funds over \$140,000. Steve and Jim then both agreed that they're uncomfortable if this investment strategy only invites larger banks to the table. When discussion came up about the terms, Jim mentioned that we would like to be released from a CD by the time our lease is up, which is in May of 2019. Steve began to draw talks to a close and let the Committee know that he will sit down with Jim and reconsider how we would like to approach this situation. They will draft a solicitation and vet it with the Committee Treasurers. They will then bring an idea back to the Committee next month.

Executive Director's Report – Steve

Matching-Challenge MSU Billings and RMC Science Building Projects

Steve mentioned he had gotten good feedback on our willingness to step up on the Matching-Challenge MSU Billings and RMC Science Building Projects. He said what we're trying to do is get some early adopters for the Matching Program. The pre-meeting that starts at 10:00 am, before the Annual Meeting, Steve will announce the status of our matching program and who the early adopters are. Melanie is putting together a one-page flyer that talks about the program. It will be sent out to the Board as soon as soon as they get it out.

Succession Plan "First Draft" Review

Steve presented the first draft of his Leadership and Succession Plan. He will put it on the agenda again in November to discuss further but wanted to review a few key points. Steve's aim is to have a seamless transition for the Executive Director, Board Members, and Staff. With respect to replacing the Executive Director, Steve would like to have the job description, core competencies, and search parameters outlined and in place. There will be a designated group that will oversee the search, which will likely be our Executive Committee plus a few members of the Board. Steve would like the Committee Members to read the plan and discuss at the next Executive Committee. The Committee brought concerns forward about the language in the plan that would prohibit the interim director from being considered for the permanent position. While both parties saw the perspective of the other, Steve's concern was an adverse effect if the interim was an internal team member and was not given the permanent position. Steve mentioned that the Management Services Agreement between the EDA and the EDC, the Board recently approved, will need a resolution voted on to send to the SBA. That resolution will be brought before the Board next week.

Program/Org. Director's Updates

Operations - Becky

Becky announced to the Committee that the Community Development Department has hired a new team member. Thom MacLean will start on October 10th.

Work continues to move forward with the Future Facilities Taskforce. Becky has been reaching out to other economic development groups and interviewing them about their current and future facility needs. Helpful information is being gathered. The taskforce is on target to present initial findings to the Committee in December.

Becky has been tasked to review the Personnel Policy Manual. The last update was several years ago. Before Steve finalized any changes, we wanted the Committee to review a few of the policies and their financial impact. The first policy reviewed concerned BSED's Health Insurance offering. To comply with the County's Insurance program requirements, employees who work 20 hours or more a week will now be eligible for coverage. BSED will adopt a policy that shares the cost of the premium with the employee. The second policy concerned vacation leave accruals. We are considering adjusting the tier in which an employee moves up in vacation accrual at year 5 instead of year 10. We feel this is a good retention strategy considering the trend in younger employees switching jobs more often. This change does not impact the cash flow of the organization but does impact vacation accruals.

The third policy concerned the Sick Leave Policy. The currently policy has no cap on the amount of sick leave that can accrue and pays out at 25% upon termination. Becky is recommending a cap be put on the sick leave. She suggested a cap of 1040 hours, which is equal to 6 months of sick leave. She felt this change would help the organization sustain future payouts and would be fiscally responsible while still rewarding the employee for longevity. Discussion was held about the generosity of BSED's Benefit Package and ideas were shared about how to administer the policies to minimize adverse effects.

Annual Meeting Update – Melanie

Melanie updated us on the annual meeting. The meeting is at the Northern Hotel. In lieu of a keynote speaker, we will have a keynote panel facilitated by Jon Stepanek. After lunch, we will have our two Incubator consultants speaking about their plan for our community. We expect roughly 350 people to be attending which will be the max we can accommodate.

VBOC Update – Sara

Sara gave an update about VBOC. She passed out and explained some of the VBOC promotional material to the Committee. She also shared that our new hire, Rachel Court, has been an outstanding addition to our team and has already had a significant impact on the program. Sara announced that November 3rd from 7:30 – 11 is the National Veterans Event. There will be a panel discussion of Veteran Small Business Owners. BSED programs will also present on the resources and programs available to small business owners. It was noted that the agreement for BSED to host the VBOC program ends in April of 2018. The application to reapply to host the program closes at the end of this year. Steve has developed some criteria and would like a small group of Board Members to review this decision to reapply with him. The analysis will be brought back to the Committee for consideration.

GE/Zoot Final Building Issues Update – Steve

There will be a meeting with Zoot on Thursday addressing the structural issues with the building. We expect to have a remedy at that meeting.

Meeting adjourned at 9:11

Next Executive Committee Meeting – November 1, 2017

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 Economic Development at 256-6871.