

Big Sky EDA/EDC Joint Executive Committee Meeting Minutes

January 8th 2020 – 7:30 A.M. to 9:00 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, Judi Powers, Greg McDonald, Paul Neutgens
EDC – Mike Seppala, Mike Nelson, Steve Loveless, Ann Kosempa, Mac Fogelsong

Committee Members Absent: None

Staff and Others Present: Steve Arveschoug, Melanie Schwarz, Austin Trunkle, Becky Rogers, Dianne Lehm, Shanna Zier, Evelyn Pyburn, Dena Johnson, Thom MacLean

Call to Order:

Robin Rude, EDA Chair, called the meeting to order at 7:29 A.M.

Agenda Changes for Today's Meeting:

Steve will include a BUILD Grant update in his Executive Director's Report.

Public Comment/Introductions

None

Agenda:

Approval of the December 4th EDA/EDC Executive Committee Minutes

Motion: Ken Lutton to approve the December 2019 Executive Committee Minutes, as presented to the Executive Committee.

Second: Paul Neutgens

Discussion: None

Motion: Carried

Approval of November EDA/EDC Financials – Shanna

Shanna reviewed the November financials with the Committee.

On the EDA, Shanna pointed out that our current assets have increased to \$1.4m and that can be largely attributed to having received the Yellowstone County tax funds. The Accounts Receivables were high due to the controller transition but have since received payment and balanced out. She also reconciled the Due To/Due From accounts and made an adjustment to clear out an old balance. The number now reflects only the current amount due to the EDA from the EDC.

On the Statement of Operations, the VBOC and SBDC are on budget with PTAC slightly below. Shanna is still working to reconcile the Opportunity Fund account and will have an update for us soon. Our salaries and wages expense are slightly over due to the PTAC agreement to take on Phillip as a temporary employee. Also, our professional services budget is high because of our contracted work with Avitus Group to assist during the Controller transition and the fees paid to AZ for our audit.

On the EDC balance sheet, our current assets are up. Member Investor receivables were recently invoiced and payments are actively coming in. More work will be done in the future to reconcile that receivable and clean up old balances.

On the Statement of Operations, Shanna worked with Brandon and ended up reclassing some of the 504 Revenues there were recorded incorrectly between loan servicing and loan origination revenue. That adjustment put numbers more in line with the budget and now are in balance.

Motion: Mike Seppala to approve the November 2019 EDA/EDC Financials, as presented to the Executive Committee.

Second: Judi Powers

Discussion: None

Motion: Carried

Executive Director's Report

MEDA Next Generation Economic Development Tools Project

Steve updated the Committee about the MEDA Next Generation of Economic and Community Development Tools project. We are in the discovery phase with our consultants and met with them in Helena prior to the holidays. TIP will be returning on January 20th to connect with community leaders in Eastern Montana. They will be learning what the status quo is with regard to our current set of tools and what tools or programs would be able to help bridge the urban/rural divide

2020 Board Planning

Steve let the Committee know that our March 12th Board meeting will be coupled with our annual Board Planning Meeting. We will review the Stakeholders Survey as well as some data from peer communities to give us a heading as we look to further define our strategic priorities.

BUILD Grant Update

Steve met with our Mayor, City Administrator and a County Commissioner to discuss how we can bolster future applications for these kinds of grants and how our community can make a collective effort to back a project.

Missoula, MT received a BUILD Grant and we believe a more concerted effort on our part may net our community the same success next cycle.

Program/Org, Directors Updates

Operations: Future Facility/Rock 31 Grant Project – Becky

Becky mentioned that we will have a project kick-off call with the Federal EDA to discuss next steps and then we can begin to move the project forward. Becky provided the Committee a revised draft timeline and discussed where the current lease ends within that timeline.

A Phase I assessment was conducted on the facility which recommended a Phase II environmental assessments to test air contaminants. The tests came back saying contaminants related to the dry-cleaning plume that runs through downtown were under screening levels and not a concern. Four other contaminants were identified that are common in households in Montana. The recommended response was to place a sealable cap over the sump and seal any cracks in concrete or walls in the basement. Those items will be addressed in the renovation moving forward.

Becky added that we also conducted our safety inspection which came back with no large concerns. In fact, the inspector said "you are getting one heck of a building".

Further, we will be taking the Billings Symphony on as tenants until their new space is ready to be occupied. That has been approved by the EDA and Becky will call Ignacio to inform him and his team later this morning.

2020 Stakeholder Survey

Every two years, we send out a Stakeholder Survey to the public to gather input on the effectiveness of our programs, what they consider to be community priorities, and the effectiveness of our organizational communication. Those results are distilled into themes and presented at Staff and Board to help guide the conversation as the Board sets the next two-year strategic priorities. The survey will be released next week and will run through the end of the month.

2020 BSED Calendar

Becky provided an updated Calendar for the Board marking important dates.

SBDC Contract Amendment

Each year, we have an annual contract amendment that Steve will need to sign between the Department of Commerce and BSED. This will be the last year of the current contract. Steve will be signing two amendments that will be increasing our funding to \$177,000. Dena explained some of the ins-and-outs of the contract and Steve pointed to the defined goals set by the State. Steve has full faith in our SBDC team to achieve those metrics.

Dena continued to explain how the SBDC is reimbursed for staff and how the goals are set by the State. Steve continued by saying House Bill 52 has helped to increase the availability of funding at the State Level.

Motion: Ken Lutton to approve and forward to the Board the execution of the SBDC Contract Amendments, as presented to the Executive Committee.

Second: Paul Neutgens

Discussion: None

Motion: Carried

TEDD Update - Thom

We are continuing to work with the City on the LWSD (Lockwood Water and Sewer District) issue and are due to present to City Council in February about this issue. Thom said the city is looking into what the cost of annexation is with respect to providing emergency services to the area in question. LWSD needs the City's approval to expand their district since they have an agreement with the City to treat their water. The City would allow that but the cost would be annexation of those properties.

Member Investor Program 2020 Strategy Review

Melanie gave an update about the MI program and a couple of large gaps this year that need filled. The largest gap that was left is that of Cloud Peak who unfortunately went out of business. Melanie met with the Membership Committee to help with an idea of how to fill these gaps. The idea that was pitched was to have each Board Member provide an introduction to a person or company on the prospect list to help Melanie make in-roads with that individual.

Executive Session: None

Public Comment: None

Robin adjourned the meeting at 8:27am

Next Meeting – February 5th, 2020