

Big Sky EDA/EDC Joint Executive Committee Meeting Minutes
May 6th, 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, Paul Neutgens, Greg McDonald, Ken Lutton
 EDC – Mike Seppala, Mike Nelson, Ann Kosempa, Mac Fogelsong

Committee Members Absent: **EDA** – Steve Loveless
 EDC – Judi Powers

Staff and Others Present: Steve Arveschoug, Melanie Schwarz, Austin Trunkle, Becky Rogers, Dianne Lehm, Shanna Zier, Brandon Berger, Deanna Langman, Dena Johnson, Sherry O'Donnell, Marcel Bruski, Lorene Hintz, Kayla Vokral, Thom MacLean, Allison Corbyn, Jo Ann Jones, Brian Clemons, Evelyn Pyburn

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

Agenda Changes for Today's Meeting:
None

Public Comment/Introductions
None

Agenda:

Approval of the April EDA/EDC Executive Committee Minutes

Motion: Mike Seppala to approve, the April 2020 Executive Committee Minutes, as presented to the Executive Committee.
Second: Greg McDonald
Discussion: None
Motion: Carried

Approval of March EDA/EDC Financials – Shanna

Shanna reviewed the EDA balance sheet and noted Opportunity Fund CDs have been renewed or moved to money markets accounts. She also noted that she will begin depreciating the Montana Bank Building over a 39 year term. We also had a first draw on the Coal Board grant for MSUB.

On the statement of operations, Shanna noted the reimbursements for VBOC, SBDC, and PTAC, with PTAC expecting contributions from Gallatin County and the City of Bozeman.

Variance in the accounts can be attributed to the PTAC reimbursement, Opportunity Fund reinvestment, salary and wages, and professional fees.

On the EDC, the purchase of the building continued to cause some variance across accounts. Loan origination and servicing revenue remain over budget. Member Investor dues are continuing to come in in the 4th quarter.

Melanie and Shanna explained the revised projections for the MI program. Steve asked about outstanding MI receivables. Mel and Shanna are working to see what may need to be written off.

Motion: Mike Seppala to approve and forward to the Board, the March 2020 EDA/EDC Financials, as presented to the Executive Committee.

Second: Ken Lutton

Discussion: None

Motion: Carried

Draft FY 2021 EDA and EDC Budgets – Shanna

Shanna shared the values that guide the draft budget, and the key assumptions, including a full mill levy with a minimal increase. On the EDA, she noted the expense assumptions which include vacancy savings, carrying costs of the building, and an overall conservative budget approach.

Shanna then reviewed the EDC assumptions, MI Revenue, Loan origination and servicing revenue, conservative budget for events, marketing, and recruitment as well as the cost sharing between EDA and EDC.

Shanna highlighted program operating revenue and expense comparisons between FY 20 and FY 21

Included were the FY20 budgets, the FY20 Projections, and the FY21 Budget for our operating revenue and our operating expense on both the EDA and EDC.

Robin offered some insight into what the assessed property values may look like in the next couple years. Shanna has made an assumption of tax protests totaling 2%. Robin thinks it may rise to 3%.

Shanna again mentioned we've taken a very conservative approach for this next budget year.

On the EDC, Shanna highlighted revenue items that were decreased due to COVID-19. Shanna is hopeful that we will be able to make midyear budget adjustments in December once some normalcy resumes.

Steve also mentioned that there will be grant dollars available to non-profits who have been impacted by the pandemic. BSED will look to apply for those dollars that have been made available by Governor Bullock.

On the BSF side, Brandon explained what they are expecting to see from a loan origination and servicing revenue perspective. Brandon has also made conservative projects for FY 21.

Shanna also shared the budget categories for both Revenues and Expenses.

Brandon updated on the \$250,000 we made available to businesses in the form of stabilization loans. Brandon is hoping to have the full \$250,000 committed in the coming weeks.

Executive Director's Report

Yellowstone County Economic Response and Recovery Team

Steve spoke about the Governor's communication piece and the recommendations from the Economic Response and Recovery team.

MEDA Next Generation Economic Development Tools Project

Steve continued with a MEDA update. The Steering Committee will reconvene on the 19th for a second look at the findings and recommendations from the consulting team. The final plan is expected to be done in June.

Outline of Strategic Priorities

Steve then shared the draft Strategic Priorities which are as follows:

- A. Implementation of Economic Recovery Plan—all about BRE, x2 on business support services and the fundamentals
- B. Build a Shared Economic and Community Development Vision
- C. Ready (re-position) the Community to Seize Opportunities for Growth
- D. Provide Leadership at the State-Level for New Tools

Steve mentioned that these will be the priorities will run for the next year rather than for the next two years, given the circumstances around the pandemic.

Program Directors/Leaders' Updates

BSED's IRT COVID-19 Response Update – Melanie

Melanie shared an update from the Internal Response Team and how they are going to tackle the recent announcement from the Governor about the next round of funding. She also shared the trainings and webinars we have been facilitating for our community to arm them with as much information as possible. Dena added that the State SBDC noted that folks who have received PPP or EIDL funding will be wait-listed for this next round of funding. This is not to say they should not apply but just to be aware of that note.

Dena also went on to say that business owners are rallying together to promote local businesses across industries and sectors.

SBDC Temp Staffing Proposal – Dena

Dena then explained that through the CARES Act, SBDCs across the country received additional funding to expand capacity. Dena and her team provided a narrative to the State SBDC that explains the need to hire a new, temporary staff member. The grant we received does not require matching dollars from BSED. The job description is put together and will soon be out the door. We are looking for a seasoned individual to become a Small Business Advisor for the next 18 months.

Motion: Mike Nelson to approve and forward to the Board, the execution of the SBDC Temporary Staffing Contract, as presented to the Executive Committee.

Second: Mike Seppala

Discussion: None

Motion: Carried

Operations: Big Sky to Sky Point Project – Becky

The RFQ is out and advertised for the public. May 13th will be the date for the mandatory meeting. Three firms have reached out to us already and expressed interest. Mitch, Eric, Steve, and Shanna will be on that selection team.

Becky also spoke about the return of 10 staff members to the office. Appropriate measures and guidelines remain in effect.

Also, Mike Phillips will remain a Board Member with Little Horn Bank becoming a Member Investor.

Member Investor Program 2020 Growth Strategy Update - Melanie

Melanie gave a brief Member Investor update and the considerations her and Shanna have made in light of the circumstances. Melanie mentioned that MIs will have an additional quarter to make their payment if they reach out and ask for an extension.

Mel is hoping to see a bit of an increase in membership as the situation across the country begins to stabilize. The biggest challenge that exists right now for the program is determining what payments will still be receivable.

Community Development Projects Update – Dianne

Dianne said the METRA Park border project will go ahead with Sanderson Stewart at the helm of the project.

The Lockwood TEDD work continues and Dianne is hopeful there will be a solution with the sewer issue out in the TEDD. Dianne is encouraged by the conversations that have taken place between City and County leadership.

Steve added that both the City and County arrived at an agreement to support both of the BUILD Grant applications, one made by each entity.

Executive Session: None

Public Comment:

None

Robin adjourned the meeting at 8:54 am

Next Meeting – June 3rd, 2020