

federal grant received during the fiscal year. AZ issued an unmodified opinion and indicated that they did not identify any deficiencies in internal control over compliance. There were no audit findings to review.

Stefeni then reviewed the EDC financials. For the EDC, there were new accounting practices related to revenue recognition that needed to be implemented. The Financial Accounting Standards Board did allow for a one year delay for implementation, but these changes were implemented during the fiscal year and AZ completed the audit in accordance with these changes. Stefeni mentioned that these changes did not have a significant effect on how we recognize revenue. AZ issued a clean opinion and concluded that the financial statements present fairly. Stefeni also noted that the EDC is in a strong cash position with a high current ratio.

The staff and Committee went on to commend Shanna and her excellent work.

Motion: Steve Loveless to refer to the Board, the FY2020 Audit Review, as presented to the Executive Committee.

Second: Robin Rude

Discussion: Above

Motion: Carried

Approval of September EDA/EDC Financials – Shanna

Shanna then reviewed the September EDA balance sheet where current assets increased due to the first draw on the Federal EDA Grant. Accounts receivable decreased by that same amount. Protested taxes remains at \$21,000. Accrued expenses increased with the bulk of the amount going toward salary and benefits.

On the August EDA Statement of Revenues and Expenses, most revenue items remain in line with budget amounts through the first three months of the fiscal year. The SBDC is slightly under budget since we did not fill the COVID-19 advisor position. Professional fees are under budget due to timing around when we forecasted architectural fees.

On the EDC balance sheet, a portion of the Stabilization Loan was moved to non-current assets. Accounts receivable are in line with projections. We received two stabilization loan payoffs which will reduce the balance of that portfolio.

On the statement of operations, loan origination and servicing revenue is a bit under budget and MI revenues will be increasing with the quarterly invoices having been sent out and returned. Event expense is slightly over budget with the annual meeting having just taken place and professional fees increased with the audit being conducted by AZ.

Motion: Ken Lutton to approve and forward to the Board, the September 2020 EDA/EDC Financials, as presented to the Executive Committee.

Second: Judi Powers

Discussion: None

Motion: Carried

Executive Director's Report – Steve

Staffing Assignments and Reorganization

Steve began by reiterating the staffing changes and restructuring of the team. Kayla has been elevated to a SBDC Small Business Advisor. Marcell has taken on marketing for all of BSED's programs and has been elevated to Marketing Manager for BSED. Allison has taken on additional responsibilities and is reporting directly to Steve. Allison will now oversee Austin as he has been moved to the Business Outreach and Economic Development Policy Project Manager. Finally, Roz has been elevated to Senior Advisor status within the PTAC.

Legislative Priorities Update

Austin and Steve updated the Committee about the BSED Legislative Priorities. Austin is working with partner organizations to understand their priorities and to see where there is alignment with BSED's. Steve and Austin will also be meeting with State Legislators once the results of the elections are finalized.

FY 2021 Salary Adjustment Reconsideration Update

Steve also addressed considerations for salary adjustments for the organization. At the beginning of the fiscal year, we held off on pay increases until we had better line of sight to the effects of the pandemic on the organization. Some money was set aside at that time in the case we could offer mid-year adjustments. Steve is intending to give mid-year adjustments to the team and shared a plan for how to fund those adjustments.

MSUB Chancellor Search Update

Steve updated the Committee about Dr. Stefani Hicswa, the new Chancellor of MSUB. Steve is excited about Stefani and she will introduce herself next week at our Board Meetings. Stefani has experience in Montana and Wyoming's higher education.

Program Directors/Leaders' Updates - BSED's IRT COVID-19 Response Update

Stabilization Loan Program/EDA RLF Grant Update – Brandon

Brandon updated the Committee about the EDA RLF Grant program and the Stabilization Loan program. BSF has received three payoffs for those loans and there are now eight loans in that portfolio. Brandon went on to explain a bit about our Management Services Agreement between the EDA and EDC and must be approved by the SBA. This year, the SBA is asking for a new confidentiality clause. Brandon will bring this to the Board next week for their approval.

Economic Response and Recovery Plan Next Steps – Thom/Steve

The ERRP rollout was changed due to the spike in cases across the state. The ERR Team will move back to weekly meetings on each Thursday. Melanie mentioned there will be a healthcare appreciation day next week to show our support of our workers. The whole community will be coming together to thank them for their hard work over these trying months.

Enhanced Training Offerings – Melanie/Dianne/Lorene

Melanie spoke about the additional trainings we will be offering through our programs and how we've extended them to the five county region that Beartooth RC&D serves. Most trainings are offered at no cost and are centered on how companies can work through COVID-19.

Operations: Big Sky to Sky Point Project – Becky

Becky gave a Big Sky to Sky Point update. The team is working to submit the first part of the historic tax credits application and Becky thanked the help of Randy Hafer in that work.

Nominating Committee EDA Board Appointment Update – Becky/Steve L.

The EDA applications for Board positions has yielded one applicant. The opening for that position will close next week. From there the nominating Committee will interview the applicant and make a recommendation to the County Commissioners for approval or not.

Community Development – TEDD Update – Dianne/Thom

Thom gave a TEDD update and the City Council voted to approve the amendment to the Waste Water Services agreement. Next is for the property owners to ratify the amendment. Steve added that this is a very significant vote by the Council and Thom's steadfast and patient work has been instrumental to getting over this hurdle. The team is hopeful moving forward.

Big Sky Finance Staffing Update – Brandon

Brandon was back up for a staffing update for Big Sky Finance. Sherry O’Donnell has taken a position with another CDC and we are looking to fill that position quickly. We have posted the listing in Billings and will also post it in Helena. In the meantime, Brandon will be handling most of the closing functions.

Annual Meeting Feedback - Marcell

Marcell was next with an Annual Meeting update. Marcell asked for feedback from the Committee regarding the Annual Meeting. Mike S. thought the meeting went very well, especially given the circumstances. Mike enjoyed the video and was glad it highlighted the work BSED has undertaken over the past year. Steve thanked everyone for their help with the video. Ann and Sean made an appearance in the video and were thanked by the team.

Steve went on to commend Marcell’s work on the video and Annual Meeting as a whole.

Executive Session: None

Public Comment:

None

Adjourn:

Mike adjourned the meeting at 9:12am

Next Meeting – December 2nd, 2020