

**Big Sky EDA/EDC
Executive Committee Agenda
February 1, 2023
7:00 AM to 9:00 AM**

Venture Conference Room (Lower Level BSSED Building)

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

EDC –Kim Jakub, Andy Gott, Nick Pancheau, Ann Kosempa, Jen Kobza

EDA –Judi Powers, Riley Bennett, Debbie Desjarlais, Ken Lutton, George Warmer

7:00 A.M.— Call to Order – Judi Powers, EDA Chair

Public Comments/Board Member and Staff Announcements

Agenda Changes

REGULAR AGENDA

A. Approval of EDA/EDC Minutes

- January 4, 2022 Ex. Committee Meeting

(Attachment A) (Action)

B. Approval of EDA/EDC Financials—Tami/Steve

- Approve Nov/Dec. Financials –(pending)

(Info) (Action)

C. Executive Director Report--Steve

- Re-Org/Staffing Update

(Info)

- Updates-Strategic Priorities

(Info)

• QoL Investments—Comprehensive Plan for Parks, Trails, and Rec.

(Attachment B) (Info)

• Downtown Housing Development

(Info)

- Board Committees Review—Sarah/Steve

(Handout) (Info)

D. Program Action Items/Reports

1. BillingsWorks Update—Marcell

(Info)

2. TEDD Update—Thom

(Info)

Consideration of Executive Session (as needed)

Public Comment

Adjourn

Next Executive Committee Meeting – March 1 (7:00 A.M. to 9:00 A.M.) Location-Venture Conference Room, BSSED Building). *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.*



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT A



Venture Conference Room (Lower Level BSED Building)

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 – Judi Powers, Ken Lutton, Debbie Desjarlais,
EDC – Ann Kosempa, Andy Gott, Kim Jakub, Nick Pancheau, Jen Kobza

Committee Members Absent: EDA –George Warmer, Riley Bennett
EDC – none

Staff and Others Present: Brandon Berger, Dianne Lehm, Lorene Hintz, Marcell Bruski, Patrick Klugman, Sarah Myhre, Steve Arveschoug, Jordan Wilson, CPA, Manager (Anderson ZuhrMuehlen)

Call to Order:

Kim Jakub, EDC Chair, called the meeting to order at 7:02 A.M.

Public Comment/Introductions

None

Agenda Changes for Today's Meeting:

None

REGULAR AGENDA

Approval of November 2, 2022 Executive Committee Meeting Minutes

Motion: Jen Kobza to approve the November 2, 2022, Executive Committee Meeting Minutes, as presented to the Executive Committee.

Second: Nick Pancheau

Discussion: None

Motion: Carried

Approval of EDA/EDC Financials-Steve

Approval of September/October EDA/EDC Financial Statements

The September/October EDA/EDC financial statements were presented to the full Board at the December 8, 2022 meeting, but action was not taken at that time. November financials will be presented in February. Tami Fleetwood, our new Senior Financial Officer will be joining the BSED team on Friday. One of the goals for Tami is to build proper cadence for the presentation of financials.

Motion: Andy Gott to approve and forward the September/October EDA/EDC financial statements to the Board, as presented to the Executive Committee.

Second: Jen Kobza

Discussion: None

Motion: Carried

Investment Policy Consideration

Steve reviewed the draft Investment Policy previously shared with the Board in December. No action was taken at the December meeting. The policy is the framework for the rules and the schedule is the strategy. Tami and Steve will take a look at the strategy to develop a more thoughtful, aggressive strategy for how we are investing our funds. Steve shared a handout with the schedule of our current investment funds and maturity rates. Andy raised the point that the investment policy, did not specifically address FDIC coverage. Steve clarified the policy language for the Executive Committee. The Executive Committee discussed the FDIC limits and potential recommendations. Andy recommended evaluating the strength of the bank. Steve asked Andy to draft additional language to include in the policy. Steve and Andy will work on updating the current draft to bring before the full Board.

Motion: Ken Lutton to approve and forward the Investment Policy Consideration to the Board, as presented to the Executive Committee with the exception that Andy and Steve will come up with a strength metrics for assessing the strength of deposit institutions.

Second: Judi Powers

Discussion: None

Motion: Carried

Presentation of FY22 Audit – Jordan Wilson, CPA, Manager, AZ

Jordan with AZ, presented draft documents to the Executive Committee summarizing the audit. There were no significant difficulties during the audit and no proposed adjustments. BSEDA received a clean, unmodified opinion. Jordan reviewed new standards that will be required in the coming year. Jordan reviewed the Management Discussion and Analysis (MD&A). Shanna authored an overview of the financial statements that aided in this piece. BSEDA's total net position increased by approximately \$2 million (Federal EDA Grant). Current ratios decreased by about 10 points due to more cash flow last year related to COVID funding and there was more spending this year with the new building. BSEDA still has a strong current ration. Current year vs. prior year revenues were consistent aside from the Federal EDA funding. Expenses were consistent with prior year. Salaries and expenses increased. The PTAC program was selected for the single audit and received a clean, unmodified opinion.

Big Sky EDC received a clean, unmodified opinion. Jordan reviewed upcoming changes and accounting standards in 2023. According to the financial statements, prepared by Shanna, on the balance sheet, current assets were down a bit with the new building and notes receivable increased due to new loans issued. Net assets remained similar to the prior year and current liabilities. On the statement of activities (income statements), other income increased in relation to the Federal revolving loan fund. Functional expenses, which provides a breakdown of expenses across different programs, showed a contribution expense increase (funding provided to Coco-Cola) and BSEDA for the building. Salaries and benefits increased from prior year which is appropriate given the current economy. Liquidity and availability of resource showed financial assets as of year-end at \$1.6 million of "cash" and current financial assets. \$250,000 was set aside by the Board for liquidity funds (cash reserves). Jordan noted this to be a very healthy balance. The cash reserve decreased a bit from prior year, but this was due to funding of the building and COVID related expenses.

The Committee discussed the audit presentation, and their questions were answer. A decision was made to send the audit presentation to the EDA/EDC Board electronically so Board members have an opportunity to review in advance and raise any questions they may have. Jordan will provide an overview of the findings to the Board at the January 12th meeting.

Motion: Andy Gott to accept the audit results and forward to the Board the Presentation of the FY22 Audit as presented to the Executive Committee.

Second: Debbie Desjarlais

Discussion: None

Motion: Carried

Executive Director Report-Steve

Staffing Update

Steve shared with the Committee that the loan officer in the Helena office, Jo Ann Jones' last day of employment was December 30th. Steve shared that BSED will look to fill this vacancy. It is important that BSED continue to market and utilize the Big Sky Finance Department.

Steve also shared that approximately six months ago, he had a series of conversation with each of his direct reports to determine if they see growth potential and longevity at BSED. Steve identified two to three direct reports that could be making changes within the first quarter of this year. One of those team members, Kevin Scharfe's last day of full-time employment with BSED will be January 31, 2023. Kevin will remain on contract to facilitate the Accelerator Program and a pitch event at the end of the month. Kevin and the SBDC/Rock 31 team will work to complete the barista space. Steve and Kevin have asked the Founders group to convene to decide how best to fill this position. The next thirty-to-sixty-day game plan is mapped out strongly for SBDC/Rock 31 and we will utilize the Founders Committee and Board members to assist with a transition plan moving forward. Steve answered the Executive Committee's questions.

Preliminary Reorganization Taskforce Recommendations

Steve shared with the Executive Committee the preliminary Reorganization Taskforce recommendations. Steve met with the Taskforce on December 28th to review the BSED Restructure Suggestion that he has been working on with the Board Taskforce on Reorganization. The goal of the reorganization plan is to strengthen the bench, empower key leaders, and reduce the number of direct reports to a single director to five or less. Steve reviewed "The Four Functional Quadrants of Responsibility" which include: Finance, Development, Engagement, and Economic Development Programs. Steve shared projected costs to support each quadrant and also reviewed next steps/considerations. Steve answered the Executive Committee's questions.

Motion: Andy Gott to forward to the Board the preliminary Reorganization Taskforce Recommendations as presented to the Executive Committee.

Second: Jen Kobza

Discussion: None

Motion: Carried

Strategic Priorities-Comprehensive Plan to Develop Park, Trails, and Rec.

Steve shared that we will have a focused discussion/panel on one of BSED's Strategic Priorities, "Invest in the quality of our community through a comprehensive parks and trails development and fundings plan" at the January 12th Board meeting.

Program Action Items/Reports

Small Business Development Center Contract-Lorene

Lorene shared with the Executive Committee the Montana Department of Commerce Small Business Development Center Contract. The contract included an amendment to Section 2. Authority in the Contract between BSEDA and Montana Department of Commerce included the following goals: 208 clients served, 400 jobs supported, 1,200 client hours, 11 new business stars, \$4,600,000 in capital funding obtained, 50 long term clients, and two success stories to be entered into Neoserra. The contract takes effect January 1, 2023 and terminates on December 31,

2023. The contract also included an amendment to Section 6. Budget included \$84,000 allocated by the Department in federal funding for SBDC Host reimbursement. The Department will provide up to \$51,000 in state funding reimbursement for match. The SBDC Host will provide the remaining 1:1 match in which at least 50% must be cash match. A final amendment was included to Section 8. Amount of Contract and Method of Payment included The Department will authorize the Host Agency to draw up to the allocated amount of \$135,000 against the funding reserved for it by the Department. In drawing against the reserved amount, the Contractor will follow the instructions supplied by the Department. All other provisions of the contract and preceding amendments remain in full force and effect. Lorene shared that overall there was a cut in goals and a cut in funding, but the SBDC department has gone from three full time employees to two full time employees and these goals are achievable. Lorene answered the Committee's questions.

Motion: Ken Lutton to approve and forward to the Board the Small Business Development Center Contract as presented to the Executive Committee.

Second: Jen Kobza

Discussion: None

Motion: Carried

Summer Jobs Program MOU-Marcell

Marcell shared with the Executive Committee the Memorandum of Understanding between American Jobs for America's Youth Montana (AJAY MT) and BSEDA outlining the terms and understanding between AJAY MT and BSEDA in order to implement the Summer Jobs Program (SJP) in Yellowstone County in 2023. Through this partnership, Yellowstone County youth and employers can participate in and benefit from SJP. The program will help area high school youth build work skills, gain job experience, and learn about career options. SJP will connect youth with employers, engage local adults as mentors, and grow the local workforce. BSEDA will strive to support at least 20 area youth through SJP, matching them with local mentors and employers. The MOU will be in effect January 1, 2023 through September 30, 2023. In September, AJAY MT and BSEDA will mutually reestablish partnership terms. Marcell answered the Committee's questions.

Motion: Nick Pancheau to approve and forward to the Board the Summer Jobs Program MOU as presented to the Executive Committee.

Second: Debbie Desjarlais

Discussion: None

Motion: Carried

SSBCI Loan Consideration - Brandon

Big Sky Finance requests approval of the use of \$300,000 from Big Sky's SSBCI funds to assist Hometown Leasing LLC with financing the purchase of equipment to be leased to a third party. Big Sky Finance first requested from the Board up to \$300,000 of our funds to be matched with \$300,000 from the new MT SSBCI 2.0 loan program. We are unable to obtain the \$300,000 from the MT SSBCI 2.0 program. Therefore, we are requesting only the use of our existing SSBCI funds. The Executive Committee discussed this request in depth, including the interest rate on the Loan Request.

Motion: Andy Gott to confirm the use of \$300,000 in SSBCI dollars, but at a minimum interest rate of 5.25% and to forward the request to the Board.

Second: Nick Pancheau

Discussion: None

Motion: Carried

Abstained: Ken Lutton

Conflict of Interest Policy Review-Steve

Steve reviewed with the Executive Committee the Rules of Conduct Conflict Interest Policy Resolution for Big Sky EDA and EDC as well as the Big Sky EDA/EDC Conflict of Interest Policy Statement of Understanding which each EDA/EDC Board Member will be asked to review and sign. Steve will likely have legal counsel review this document and make any suggested edits and changes before updating.

Org Calendar Review-Sarah/Marcell

Sarah and Marcell reviewed the 2023 Board Calendar with the Executive Committee including the schedule for the Executive Committee and EDA/EDC Board meetings and key events in 2023.

Executive Session:

None

Public Comment:

None

Adjourn:

Kim Jakub adjourned the meeting at 9:10 am.

Next Meeting – February 1st, 2023



BIG SKY
ECONOMIC DEVELOPMENT

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ATTACHMENT B



January 17, 2023

Mayor and Council Members
City of Billings

RE: Recreation Center Master Plan

Dear Mayor and Council Members,

The Board of Directors of Big Sky Economic Development (BSED)--both the EDA and EDC Boards--hereby expresses our support for the proposed Master Plan for the Billings Multi-Generational Recreation Center. The Boards, acting jointly, unanimously voted to support this Master Plan as a part of what should become a comprehensive vision for the development of parks, trails, and recreation facilities in the Billings community.

In March 2022, the BSED Boards adopted as one of four strategic priorities the following—***Invest in the quality of our community through a comprehensive parks and trails development and funding plan.*** Since that time the BSED team has been active participants in the planning and community outreach efforts led by members of Council and other advocacy groups and business leaders. In years prior, BSED was active in the funding and planning work for the Coulson Park/River Corridor Development Master Plan.

Why all this time and attention to the development of parks, trails, and recreation? Because such investment retains and attracts talent which positions Billings for strong, sustainable economic growth. It also provides a built infrastructure to our natural beauty that is essential to our well-being and overall community health. Researchers asked 1,000 workers that had recently relocated to another community, what were the most compelling reasons for the move (Talent Wars; DCI, 2021-22). The answer — “quality of life”—defined by them as “good schools, outdoor recreation, and attractions and amenities”, followed by cost of living and safety.

At our January 12th Board meeting, we received an overview of the plans for the development of the rec center project, along with an update on parks funding and development and plans for investing in our trails systems. The BSED Board encourages City Council to adopt the Rec Center Master Plan and then begin work on a comprehensive plan to move parks, trails, and rec center development from planning to action. With our encouragement comes our commitment to continue to support this effort with both time and resources.

Thank you for your thoughtful consideration and your willingness to invest in our community for current and future generations of workers and residents.

Respectfully,

A handwritten signature in black ink, appearing to read "Steve Arveschoug", is written over a horizontal line.

Steve Arveschoug
Executive Director

On behalf of the BSED Board of Directors—listed here:

EDA Board of Directors:

Judi Powers, Ernest Health
Riley Bennett, Dick Anderson Construction
Debbie Desjarlais, NativeWellness.Life Magazine, Debbie Desjarlais Designs
George Warmer, Coldwell Banker Commercial
Ken Lutton, Technology By Design
Zach Dunn, Yellowstone Bank
Paul Neutgens, CECO Building Systems
Bryce Terpstra, Jones Construction
Bryan Wood, Wood's Power Grip
Lucy Aspinwall, Aspinwall Mountain Wear
Kate Vogel, North 40 Ag

EDC Board of Directors:

Kim Jakub, ExxonMobil
Andy Gott, First Interstate Bank
Nick Pancheau, Collaborative Design Architects
Ann Kosempa, The Pub Station
Jennifer Kobza, TKI
Dave Ballard, Ballard Petroleum Holdings, LLC
Craig Bartholomew, 360 Office Solutions
Nicole Benge, NorthWestern Energy
Dj Clark, Sanderson Stewart
Spencer Frederick, Stockman Bank
Mac Fogelsong, City of Billings
Stefani Hicswa, MSUB
Jennifer Kondracki Weaver, Weave Companies/ Warren Transport
Mike Marsh, Midland Claims Service, Inc.
Justin Martin, KTVQ Communications, LLC
Mike Nelson, Northern Hotel
Michael Phillips, Little Horn State Bank
John Ostlund, County Commissioner
Mike Seppala, Western Security Bank
Bob Wilmouth, Rocky Mountain College
Tyler Wiltgen, St. Vincent Healthcare Foundation