



MINUTES
 Beartooth RC&D Area, Inc. Board of Director's Meeting
 Thursday, January 16, 2014 – Laurel, Montana

<p>Board Members Present Chuck Egan, Chairman, Town of Columbus Marvin Carter, Vice Chairman, City of Laurel Dick Rath, Sweetgrass Co. Conservation District Gerald Dell, Stillwater County Steve Arveschoug, Big Sky EDA Bob Faw, Sweet Grass County Commission Jeffrey McDowell, Two Rivers Authority Dan Lowe, Big Horn Conservation District John Pulasky, Yellowstone Conservation District Yolanda GoodVoice, Crow Nation Clinton Giesick, Town of Bridger</p> <p>Members at Large Present Marissa Hauge, Stillwater County Ec. Development Ryan VanBallegooyen, Billings Job Service Lisa Skriner, MSU-Billings, College of Technology Kendall Hartmann Ken Gomer, Stillwater Mine Corp</p>	<p>Board Members Not Present Jim Reno, Yellowstone County Doug Tucker, Carbon County Royce Njos, City of Red Lodge Page Dringman, City of Big Timber Sidney (Chip) Fitzpatrick, Big Horn County Commissioners Bob Van Oosten, Stillwater Conservation District Mike Creeden, Carbon Co. Conservation District Ed Ulledalen, City of Billings Kathryn Callahan, Town of Joliet</p> <p>Members at Large Not Present John Klaman, SBA</p>
<p>Guests Bill Foisey, Red Lodge City Council Bob Carr, Elation Liz Ching, Governors Office of Economic Development Rachel Court, Senator Tester's Office Jessica Flint, Rep. Daines' Office</p>	<p>Staff Luke Walawander (present) Joel Bertolino (present) Jilann Knutson (present) Dick Rath (present) Valentine Smith (present) Earl Atwood (present)</p>

Presentation and Tour: Prior to the meeting Luke Walawander introduced himself as the new Economic Development Director for Beartooth RC&D, and gave the group a brief presentation of his background, work history and personal interests. Luke expressed excitement and eagerness to get started in this new role.

Meeting Called to Order at 1:30 p.m. by Chairman Egan in the Community Library Meeting Room in Big Timber.

Minutes from the November, 2013 meeting were reviewed. **Jerry Dell moved for approval of the minutes, seconded by Dan Lowe. APPROVED.**

Election of Officers for 2014: Jerry Dell reported from the nominating committee that no new candidates were added to the ballot for 2014 Officers, and that the current slate of officers have

all expressed agreement to continue serving in their current capacities for the coming year. Chairman Egan accepted the report and called for any additional nominations from the floor. The call for nominations was repeated a second time. There being no additional nominations, Chairman Egan declared the nominations closed.

Dan Lowe moved to re-elect the current slate of officers for the year 2014 by acclamation. Motion seconded by Jerry Dell. APPROVED.

Resolution Commending Chris Mehus on his service: Earl Atwood presented the following resolution to the Board with a recommendation that it be adopted for the record:

Resolution of the Board of Directors, Beartooth RC&ID

Whereas, Mr. Chris Mehus, Economic Development Director, has taken new employment and will be leaving the service of Beartooth RC&ID after serving the organization faithfully for over seven years; and

Whereas, Mr. Mehus has been instrumental in numerous successful economic development projects in our five-county region over this time; and

Whereas, Mr. Mehus, through his diligent efforts and professional approach to the work, has improved the reputation and effectiveness of Beartooth RC&ID as a regional Economic Development entity; and

Whereas, Mr. Mehus has demonstrated his commitment to the mission of Beartooth RC&ID through his willingness to support a wide range of projects with enthusiasm and optimism; and

Whereas, Mr. Mehus has been devoted in his endeavors to improve economic conditions for Native Americans in our region through his nurturing of the Bridging Cultures initiative on the Crow Indian Reservation; and

Whereas, Mr. Mehus will be greatly missed as a team member and vital resource within the Beartooth RC&ID organization,

Now therefore be it resolved . . . that the Board of Directors does hereby officially commend and sincerely thank Mr. Chris Mehus for his exemplary performance as Economic Development Director for the past seven and one-half years, and extends to him our heart-felt best wishes for success in his new occupation.

Adopted by the Board of Directors of Beartooth RC&ID this 16th Day of January, 2014.

Charles E. Egan, Chairman

Steve Arveschoug moved, seconded by Jerry Dell to adopt and approve the resolution, and to direct Earl Atwood to arrange for it to be presented to Mr. Mehus. APPROVED

Executive Committee Updates. The Executive Committee reported on two changes adopted since the last meeting. First was a revision to the office structure following Chris Mehus' resignation. A memo was previously circulated to all Board members advising them of the change, the essence of which is to place Earl Atwood in the role of interim Office Manager, the addition to staff of Luke Walawander as Economic Development Director, and certain adjustments to the management of the Revolving Loan Fund program. The staffing adjustment memorandum is attached to the minutes for reference. Second was an update on the approval of a lease with Carbon County to take possession of the former Extension Office space at 128 Main

Street in Joliet. The lease takes effect on January 1, and the office move will be completed by the end of January.

Region Roundtable Discussion

Chairman Egan welcomed Luke Walawander to the organization and encouraged Board Members to visit with Luke after the meeting to get better acquainted and welcome him aboard.

Jerry Dell – Stillwater County: Commissioner Dell noted this is his 2nd year as County Commission Chairman. Main issue recently has been attention given to oil exploration in the Stillwater/Carbon county area. Will continue to be the case for the foreseeable future.

Jessica Flint – Rep. Daines’ office: Ms. Flint reported on recent actions by Congress on key bills including Budget, Farm Bill and HR696 dealing with personal information security.

Lisa Skriner – MSUB City College: A new semester started yesterday at City College. Chancellor Grant will be retiring. Ms. Skriner provided an update on US Dept. of Labor grant (SWAMI) for workforce training, as well as progress with the Billings Works project undertaken in concert with Big Sky EDA.

Steve Arveschoug – Big Sky EDA: Mr. Arveschoug provided further details on the Billings Works initiative, designed to focus attention and resources on the need for qualified workers in the Billings area. The Industrial Park Feasibility Analysis is fully underway. Health care summits is planned for July 8-10. Three other projects of interest include Museum of the Yellowstone, Laurel TIF master plan, and Convention Center Study.

Kendall Hartman – Park City: Important to note that Park City Shed manufacturing has been shipping a large number of completed units recently, and appears to be doing a booming business.

Marrisa Hauge – Stillwater County Economic Development: Currently working on feasibility of a new Library and Community Center in Columbus. Has just completed community planning meeting for local ED Plan. The digital marketing class has been post-poned until Spring.

John Pulasky – Yellowstone Co. Conservation District: John reported that this past week 900 7th graders went through a program on the Lewis & Clark Expedition. 15 volunteers have been doing this program for 9 years! Saturday John will take part in a Science Expo in the new Billings Library to get kids excited about their spring science projects.

Bob Carr – Elation, Inc.: Bob reported that Elation has moved into their new offices on the 2nd floor of the Masonic Temple building in Billings, across from the Alberta Bair Theater.

Bill Foisy – Red Lodge City Council: MDOT is taking bids on three projects in Red Lodge. Sidewalks, a roundabout, widening roadway shoulders. They are looking at reusing millage from resurfacing the streets. Recently have been working a recreational trails grant. A public forum will be held to look at options for re-using the Roosevelt school on March 29th. CDBG Grant has been received to update the Carbon County Growth policy.

Liz Ching – Gov. Economic Development Office: Currently the Governor’s Economic Plan for the state is a high priority. Strategic Business Plan is to be unveiled in the first quarter – the driver for 2015 legislative strategies.

Jeff McDowell – Two Rivers Authority: Jeff reported that his new offices are in the Hardin Detention Facility. There is some renewed interest in the Facility – remaining airport work should be picking up in the next 90 days.

Ken Gomer – Stillwater Mine Corp: The new CEO, Mick McMullen, is from Australia. First signs of change in management are appearing. Mine expansion is ongoing. Not sure yet what is going to happen with the Argentina property. SMC annual meeting will be held at the end of April.

Ryan VanBallegooyen - Billings Job Service: Job service is working on a grant to get 9th graders out to the Career center, plus Billings Works initiative and STEM. The received \$80,000 for OJT grants, with wage support up to 90%. Building permits are almost back to 2007 levels.

Rachel Court – Senator Tester’s Office: Rachel wanted to be sure everyone was aware that additional funding is likely to be available for water projects under the new omnibus Budget Bill.

Yolanda Goodvoice – Crow Tribe: Yolanda reported on recent activities to promote Indian Equity grants and provide technical assistance. Plus, efforts to complete Tribal Corporate code and establish a Tribal Financial Institution. Crow Tribal Legislature approved \$10 million Economic Development loan from 1st Interstate Bank for the Yellowtail AfterBay Generator Facility project. Veteran Housing has also provided a \$3.2 million grant for the reservation. A language immersion program has been launched. \$30,000 grant was received to improve the Crow Fair.

Bob Faw – Sweet Grass County: Bob stated that the Stillwater Mine continues to be a key asset to Sweetgrass County due to its tax base and the resulting metal mines taxes. The Cowboy Hall of Fame project still in its 1st phase, but ongoing. There is a new Family Dollar Store on 1st Street and some new restaurants are open. The fire hall exercise center has some new equipment.

Marvin Carter – City of Laurel: Marvin reported that Laurel has a new mayor.

Clinton Geisick – Town of Bridger: The bank in Bridger was remodeled recently. There has been steady loan activity recently, with low mortgage interest rates. Farm commodity prices have slipped a lot but cattle prices are great. Bridger will be getting a Family Dollar store soon.

Program Reports and Actions:

Jillann Knutson: The 2014 budget was presented for Board consideration and approval. Jeff McDowell moved, seconded by Dan Lowe to accept the proposed budget. APPROVED.

Financial reports for the Revolving Loan Fund and the Beartooth administration were presented, along with an update on upcoming property sales in Hardin and Bridger, Montana. Jeff McDowell moved, seconded by Dan Lowe to accept the financial reports and have them put on file for audit. APPROVED.

2014 Beartooth Resource Conservation and Development Area, Inc. Budget

Income

ITEM	AG	BOARD	RLF	CRDC	FUELS	EDA	NW	MISC CONTRACT	TOTAL
AG-FOOD AND AG CENTER	62,000								62,000
AG-MCDC	3,300								3,300
BOARD - EDA SPONSOR DUES		39,000							39,000
BOARD-INTEREST INCOME		300							300
BOARD-FOUNDATION MONEY		1,500							1,500
RLF-STAFF REIMBURSE			18,000						18,000
RLF-ORIG FEES			3,000						3,000
RLF-LOAN PAYBACK			10,000						10,000
CRDC				43,000					43,000
CRDC-4th quarter				10,750					10,750
CRDC-ADMIN FROM GRANTS				3,000					3,000
FUELS-TOTAL					138,500				138,500
EDA - GRANT						62,000			62,000
NHS - HOMEBUYER ED							43,432		43,432
CONTRACTUAL-HALL OF FAME								4,000	4,000
CONTRACTUAL-LBH REST AREA								4,000	4,000
TOTAL INCOME	65,300	40,800	31,000	56,750	138,500	62,000	43,432	8,000	445,782

Expense

TOTAL STAFF EXPENSE	281,372	
COMMUNICATIONS	8,000	
EQUIPMENT & VEHICLE	5,000	
CONTRACTUAL	100,000	(FUELS AND AUDIT)
SUPPLIES	7,000	
TRAVEL	22,000	
OTHER	12,000	
EXPENSE TOTAL	435,372	

PROJECTED NET INCOME 12/31/2014

10,410

Revolving Loan Fund Books- year ending December 31, 2013

Loan Client Review

<u>County</u>	<u># of loans</u>	<u>\$ Loaned out</u>
Big Horn	3	124,703.67
Stillwater	5	154,683.99
Yellowstone	5	415,541.68
Carbon	4	133,052.14
Sweet Grass	4	530,019.59
Total loans	21	1,358,001.06

Updates

- A new loan in Sweet Grass County will be funded in January 2014 for up to \$180,000.
- 2013 results:
 - 3 loans were approved and funded in 2014.
 - 3 more loans were approved, but were turned back for various reasons.
 - 1 loan was approved in 2013 but will be funded in 2014.
 - Knutson worked with 29 potential RLF clients in 2013.
- 2 loans were paid in full in 2013.
- Net income on the RLF was \$44,886.07 in 2013

Bank Balances as of December 31, 2013 **Total available for lending**

Bank of Joliet- EDA	\$29,366.22	29,366.22
Bank of Joliet-CDBG	\$552,536.95	552,536.95
Bank of Joliet- IRP	\$364,528.51	181,314.52
Bank of Joliet-Fromberg	\$21,460.98	21,460.98
		784,678.67

Beartooth Books- Year Ending December 31, 2013

YTD Net Income	2013 Budgeted Net Income	% Difference
\$10,158.52	\$2,728	373%
YTD Income	2013 Budgeted Income	% Difference
\$824,775.19	\$785,150	105%
YTD Expenses	2013 Budgeted Expenses	% Difference
\$815,017.93	\$782,422	105%

Financial Updates

- We ended the year in the black! Overall had a good year, we got more income than we expected and our expenses were reflected in the same percentage.
- The auditing process has begun and will consume a lot of time for the next 6 months.

Bank Balances as of December 31, 2013

Bank of Joliet-Savings	\$66,695.31
Bank of Joliet- Checking	\$100,980.21

Valentine Smith – Homebuyer Education: In the 2013 season the BRCD Housing Program helped approximately 200 potential homebuyers take steps towards their dream of home ownership by providing homebuyer education and individual homeownership counseling. BRCD is working closely with NeighborWorks MT to meet the requirements of becoming a HUD Certified Agency. Additional certifications will also be required for all Housing Educators and Counselors. The goal in 2014 is to increase visibility and offerings in the smaller outlying areas by exploring new avenues of advertising and outreach.

Beartooth RC&D Staff Project Update*

December 2013

Montana Cowboy Hall of Fame – In March we signed a contract with MTDOT for the remainder of funds in the appropriation for planning dollars to be spent toward design, engineering, financial performance, and other development-related expenses. We signed a contract with Slate Architecture of Helena as general contractor to complete the scope of services. There was a small amount of administrative dollars available; thus MT Cowboy Hall of Fame is performing the bulk of direct correspondence and oversight with the consultant while we assist and distribute the funding. The project is moving along well and should be wrapped up early in 2014.

Elation, Inc. – We are sponsoring a Big Sky Trust Fund planning grant to assist this Billings business with developing an electronic strategy and framework for delivering their innovative employee training and personal development process in web-based and smart phone applications. The company presented their business model to the Beartooth Board in the fall of last year; and we continue to help them develop leads for potential new clients.

Crow Agency Rest Area – Beartooth RC&D is acting as project lead for this collaborative development process including the Crow Tribe, MT Dept. of Transportation, and National Park Service. Participating parties are interested in co-locating an Indian museum, State of MT Rest Area, and Little Big Horn Battlefield Visitor's Center. The Crow Tribe has accepted the lead in providing input for the development plans. The planning and feasibility process, funded by MTDOT for the Rest Area portion of the project, began in April with good representation from all interested parties. Public input was gathered in the form of a brief survey during Crow Native Days in late June. These results will be summarized and

will form the basis for the initial rest area plans. The planning process is expected to continue through fall and conclude early in 2014. The State plans to initiate construction in the fall of 2014.

Billings Expo Gateway – This plan was completed in May and has been endorsed by local government and business groups with enthusiastic response. It provides a good set of action items, which the East Billings Urban Renewal District, MDOT, County Commissioners, City Planners, and Big Sky EDA will collaborate to complete over the next several years. Among the high points are: essential infrastructure improvements will need to be made to storm water management, water, sewer and other utilities; Old Highway 312 would be renamed “Exposition Drive”; numerous street improvements would differentiate the existing travel routes for various purposes; a pedestrian overpass is recommended over Exposition Drive to access the Metra.

Yellowstone Industrial Park Feasibility – Beartooth staff assisted Big Sky EDA in successfully applying for \$20,000 in planning grant funds to conduct an assessment of potential sites for an industrial park to house numerous new businesses that are considering Billings for a staging area to service the Eastern Montana oil and natural gas industry. We will be targeting properties that are 250-300 acres with good access to infrastructure and proximity to rail and Interstate travel routes.

Custers Last Camp – Plans are nearly complete for this new tourism business development near Busby. The consultants have done an excellent job of compiling local demographic information, historical amenities, and other pertinent information to construct a site design plan and development strategy for camping, RV park, concession, horse-back riding, historic tours, and other potential business enterprises. Total project cost for the planning phase is \$45,000 and is being led by Redstone Consulting, a planning/development company owned by Northern Cheyenne tribal member Major Robinson. Clara Caufield has begun moving forward with some of the site development due to an Indian Equity Fund grant for \$7,000 with teepees, restroom facilities, an archway, and signage. She hopes to open with camping, limited food concessions, and historic tours for the Sturgis rally in August.

Rural BEAR Program –

We had to reschedule the December BEAR meeting due to bad weather and held the meeting a little later in the month at the Stillwater County Economic Development offices and discussed two BEAR businesses as well as future training opportunities including the last Quick Books training we held in Big Timber January 6th and 7th, and discussed the Digital Marketing training developed by Marissa Hauge and Jessica Burch which is planned for January 21st, 22nd and 23rd in Columbus. We will take a look at how the training turns out and make adjustments if necessary before planning them for Carbon and Big Horn Counties this spring.

Tumblewood Teas –

We have been assisting Tumblewood Teas in Big Timber they received their USDA RBEG grant for marketing and we worked with them to develop a request for proposals from marketing consultants and have received several to choose from, they selected Glenn Hansel from Hansel and Associated located in Michigan. We have had the initial planning meeting on the grant and they are now working on the businesses marketing plan.

Boja Farms –

The USDA proposal for marketing plan was denied and we can try again next year if they still have needs, they did receive a GTA mini grant for signage for the Clarks Fork Valley Farmers Market.

Stillwater Packing Co –

We have been assisting Stillwater Packing in Columbus, they received their USDA Rural Business Enterprise Grant for marketing. We worked with them to develop a request for proposals and received several from marketing consultants, they reviewed the proposals and selected Jessica Burch with Betula Creative from Columbus to work with them on developing a marketing plan and advertising for their Keysor Creek brand of custom meats.

Yellowstone Valley Farms

Reuben and Miriam Stahl have utilized the USDA grant to get a new logo that was designed in their signage and advertising. This project is just being finalized and the business has been very pleased to date to have a website, signage, labeling and advertising materials. The project has been extended so the

business and consultant can finalize the work on a facebook page and develop a business brochure and business apparel for Yellowstone Valley Farms.

Muddy Lamb Studio

This project is finalized with the business having received website upgrades, product labels, advertisements in travel magazines and new signage.

Fishtail General Store

This project is finalized with the business having worked with the consultant to develop their marketing plan, product labeling and signage and advertising materials for the store after having updated their logo. We are now working further with this business on developing a Big Sky Trust Fund proposal to assist the business in developing engineering plans for a new building that will help them expand their line of prepared food products.

Spicz Galz

Spicz Galz have developed their marketing plan and updated their logo with the assistance of their marketing consultant. They have completed label designs with UPC codes and updated their website to allow purchases.

Warren Wind Project

We have had several calls and a meeting with the local contact for the Warren Wind Project Dave Husar as well as the Senior Director of Development of a company called Everpower whose headquarters are in Pittsburgh, PA. They needed assistance working through the county application paperwork for the development, I was able to put them into contact with someone to help them develop a Noxious Weed Plan for the project. They are planning three phases of 40 2MW towers ideally and are working on finishing up the lease contracts with land owners in the area.

**This report is recap of our 2013 projects. Some are reprinted from the last report without change, however the Food/Ag projects have been updated with 'end of year' status.*

Next Meeting: March 20th, 1:30 pm in Hardin, Montana – location to be announced.

Meeting adjourned at 3:40 pm