

# MINUTES

Beartooth RC&D Area, Inc. Board of Director's Meeting  
Thursday, May 15, 2014 – Columbus, Montana

DRAFT

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

Meeting Called to Order at 5:30 p.m. by Vice Chairman Carter in the Community Congregational Church Fellowship Hall in Columbus, Mt.

Minutes from the March, 2014 meeting were reviewed. **Dan Lowe moved for approval of the minutes, seconded by Ryan VanBollegoyen. APPROVED.**

**Board Appointments:** New members to the Board were announced, and welcomed –

**Holly Higgins**, Branch President, First Interstate Bank in Hardin

**Al Swanson**, Billings City Council

**Clayton Greer**, Hardin City Council

**2013 Area Impact Analysis:** Under the auspices of a grant from Northwestern Energy, Solution Mountain, Inc. of Bozeman, Montana has conducted an analysis on data from 2013 Beartooth RC&D projects to measure the economic impact of these efforts in the Beartooth region. Luke Walawander presented a preliminary report to the Board members to give them a preview of the published report and explain the methodology in coming up with the impact measurements. The report is in the finalization stage and should be released by mid-summer.

### **Region Roundtable Discussion**

**Lisa Skriner – City College, Billings:** Graduation was accomplished two weeks ago. The college continues working on the SWAMI grant. Two year institutions are collaborating on another Trade Act Assistance Grant.

**John Klayman – SBA:** John reported on loan activity in the area, which was still less than previous periods, but improving. They regard their numbers as demonstrating a better economic health, especially on the eastern side.

**Chad Moore – Big Sky EDA and SBDC:** Chad is attending on behalf of BSEDA and specifically to represent SBDC activity. Recent BEAR activity in Billings was discussed. Emphasis is being placed on the IWT Program.

**Bob Van Oosten – Stillwater Co. Conservation District:** The district has a new Administrator. The main business this Spring has been repairing damage from 2011 flooding before significant runoff from this year occurs. We have approx. 200% of normal snowpack.

**Ryan Van Bollegoyen – Billings Job Service:** The recent job fair maxed out its space with vendors and employers. They are spending a lot of time on gender wage gap resolution. This issue is significant in Montana.

**Bill Foisy - Red Lodge City Council:** Foisy Expressed support for the Old Roosevelt School project (request for assistance presented later in the meeting). They are working on analysis of water/sewer rates and Capital improvement plan. They have an agreement with the County to re-use the millage to resurface some roadways.

**Mike Creeden – Carbon Co Conservation District:** Echoed Bob Van Oosten's report. Same activities.

**Ken Gomer:** Ken reported to the Board on his retirement from Stillwater Mining Corp, and expressed a high interest in continuing as a Board Member for Beartooth RC&D, especially since he now has more time to devote to personal projects.

**Bob Faw – Sweet Grass County:** The Family Dollar Store construction in Big Timber is progressing. Sweet Grass Tire expansion (BRDC RLF loan) is also progressing rapidly. Cowboy Hall of Fame is setting up an office downtown in Big Timber to get more exposure for fundraising.

**Al Swanson – Billings City Council:** Billings is busy with budgeting right now. They are contending with rock slides on the rim. \$7.7 million estimated costs to stabilize the cliffs. Menards store is coming in on Shilo Road, expected to be a 260,000 facility.

**Liz Ching – Governor's Office of Econ. Development:** The Governor has announced the launch of Main Street Montana program. Two staff positions have been assigned to manage the program in the Governors Office.

**Dan Lowe – Big Horn Co Conservation District:** Recent announcement of the Detention Center Contract is the largest news for the County. The airport project is moving along well. There is a possible new building going up for ShopKo.

**Clayton Greer – Hardin City Council:** New member to our board. Reported they may have a request for assistance related to housing issues in Hardin.

**Marvin Carter – Laurel City Council:** Yellowstone River bank restoration is complete. Street maintenance issues continue to be hard problems to solve.

**Jerry Dell – Stillwater County:** County budget hearings have started. Highway 78 project is now in full swing. The large Stillwater Mine project is also underway. There is no place to stay in southern Stillwater County. It seems the Family Dollar Store in Columbus is going up rapidly. Dealing with the Nye Post Office closure announcement was a trial.

### **Requests for Assistance:**

- 1. Old Roosevelt School, Red Lodge –** Luke Walawander presented request for assistance to develop a Big Sky Trust Fund Grant for feasibility study to re-purpose the school. *Moved approval by Foisy, seconded by Lowe. APPROVED*
- 2. Sweet Grass County Resource Team Assessment:** Luke Walawander presented request for assistance to support a community assessment project for Sweet Grass County. *Moved approval by Dell, seconded by Creeden APPROVED*
- 3. Custer-Gallatin National Forests Working Group:** Earl Atwood presented a request for assistance from Carbon County Commissioner John Prinkki to obtain support from Beartooth RC&D to aid in organizing and facilitating activities of a working group to aid, advocate and support planning and management of Forest Service projects. *Moved conditional approval for 30 hours of staff time, with progress report at that time. Dell, seconded Gomer APPROVED.*

**Financial Reports:**  
**Revolving Loan Fund Books- Reporting Ending April 30, 2014**

**Loan Client Review**

<u>County</u>	<u># of loans</u>	<u>\$ Loaned out</u>
Big Horn	1	\$ 43,129.68
Stillwater	4	\$ 524,887.64
Yellowstone	4	\$ 406,603.88
Carbon	5	\$ 212,421.43
<u>Sweet Grass</u>	<u>5</u>	<u>\$ 221,793.39</u>
<b>Total loans</b>	<b>19</b>	<b>1,408,836.02</b>

**Updates**

- 3 new loans – Wildflower Gardens (Red Lodge)  
                     Sweet Grass Tire (Big Timber)  
                     Fireline LLC (Columbus)
- 2 loans paid in full – Cattle Development Center (Custer) and Crazy Bean Coffee (Big Timber)
- Perfection Cycle – sale was a MAJOR success, and the building is SOLD!
- Refinanced Martin Theater (Big Timber) – now Cottonwood Cinema

**Bank Balances as of April 30, 2014**

Bank of Joliet- EDA	\$ 8,450.81
Bank of Joliet- CDBG	\$ 559,603.60
Bank of Joliet- IRP	\$ 363,616.64
Bank of Joliet- Fromberg	\$ 21,484.79
	<b>\$ 953,155.84</b>
 Funds held in reserve:	 342,590.64 (approx.)
 *Net Available to lend:	 <b>\$ 610,565.20</b>

*The amount available to lend is the total of the fund balances, reduced by amounts held in reserve to:*

- *Comply with percentage based reserve required on IRP funds*
- *Cover the amount of our annual payments*
- *Account for encumbered loans approved but not yet withdrawn by clients*

*The amount varies by reporting period; this period it is approximately \$342,590.*

**Beartooth Books- Reporting Ending April 30, 2014**

<b>YTD Net Income</b>	<b>2014 Budgeted Net Income</b>	<b>% Difference</b>
\$-24,563.02	\$10,410	-42%
 <b>YTD Income</b>	 <b>2014 Budgeted Income</b>	 <b>% Difference</b>
\$195,735.00	\$445,782	44%
 <b>YTD Expenses</b>	 <b>2014 Budgeted Expenses</b>	 <b>% Difference</b>
\$220,405.48	\$ 435,372	50%

**Financial Updates**

In-house work for the audit has been completed. Items yet to be completed will be done through email, etc. We anticipate having the audit completed by late summer or early fall.

**Bank Balances as of April 30, 2014**

Bank of Joliet-Savings	\$ 66,761.09	Bank of Joliet- Checking	\$ 74,287.41
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Financial Reports for the Revolving Loan Fund and Beartooth RC&D administration were presented by Jillann Knutson. VanOosten moved, seconded by Lowe to accept the reports and instructed staff to retain the reports on file for audit purposes. APPROVED.

## **Economic Development Program Update: (Luke Walawander)**

***Montana Cowboy Hall of Fame:*** In March 2013, we signed a contract with MTDOC for the remainder of funds in the appropriation for planning dollars to be spent toward design, engineering, financial pro-forma, and other development-related expenses. The MT Cowboy Hall of Fame staff are now spearheading the fundraising efforts, and Beartooth RC&D's services are currently on standby until further need is requested.

***Elation, Inc.:*** We sponsored 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. A potential new request for assistance was recently indicated by the business, and meetings with business leadership are to take place in May 2014.

***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 industries. Recently, Big Sky EDA staff, key partners, and project consultants from KLJ met with a team of experts to brainstorm implementation tools and strategies that will be included in the final feasibility study. The final study is expected to be completed at the end of June.

***BillingsWorks Workforce Council:*** Application was submitted to the Big Sky Trust Fund on May 2nd. We expect to hear results around the last week of May.

***Yellowstone Boys and Girls Ranch:*** We have shifted our focus to solely helping the ranch better generate revenue from their agriculture operations. After visiting with the EDA, we determined that the ranch is not eligible for EDA financing. We were glad to hear that the ranch's in-house grant writing team was able to submit a water/wastewater application to the Department of Commerce and DNRC. Big Sky EDA also assisted the ranch in submitting a TSEP planning grant application, which was at the invitation of the Yellowstone County commissioners. The water-sewer district creation process is moving forward and is expected to be completed in the coming weeks.

***Museum of the Yellowstone:*** The project is close to submitting a planning grant application to the Big Sky Trust Fund. A draft scope of work has been completed and letters of support are currently being collected. We expect to submit an application by May 23.

***Yellowstone County Healthcare Assessment:*** This planning grant application was denied by the Big Sky Trust Fund. Both Beartooth RC&D and Big Sky EDA discussed the outcome with Trust Fund and Department of Commerce staff in the hope of an appeal. The grant review committee elected to not fund this application because it would be considered precedent setting. Typically, they do not award grants for individual sectors, in individual counties. We were offered suggestions to correct the application, however, Big Sky EDA was able to raise the money and opted to not resubmit.

***Laurel TIF District Master Plan:*** The selection committee recently selected Sanderson and Stewart as the consultant to perform planning work for the project. The master planning is expected to be completed this fall.

***Red Lodge's Old Roosevelt School:*** The Red Lodge Area Community Foundation requested Beartooth RC&D's assistance in submitting a planning grant application to the Big Sky Trust Fund. Consultant work would include evaluating site development options, costs, and public support. Roosevelt School is currently vacant and public meetings have recently been conducted to evaluate support for the school becoming a performing arts center. The application is in development and we expect to submit by the end of May.

***CEDS:*** A draft for staff review will be available by Monday, May 19th. Since the last board meeting, staff have updated the SWOT analysis, Goals and Objectives, Action Plans, and body. The CEDS Strategic Committee will be asked to review the CEDS draft following the staff's review.

**Montana Economic Developers Association:** At the Spring 2014 MEDA Conference, Luke was voted to become a member of the MEDA Board. He is currently the Montana Web Portal Committee Chair and is helping the board determine whether or not to move forward with the web portal project. The project originally began under Chris Mehus, who successfully submitted a Big Sky Trust Fund planning grant application to hire consultant work.

**Stillwater County Economic Development Committee:** Beartooth RC&D was invited to submit a staff member for representation on the Stillwater County Economic Development Committee. Luke was selected for this role, given his management of the Economic Development program.

**Southeast Montana Geo-Tourism Project:** For most of 2014, Beartooth RC&D has not actively participated on this project. Recently, however, we have assisted the group in applying for an AmeriCorps VISTA volunteer. Luke introduced project leadership to the AmeriCorps program staff members and helped write the application. If the application is successful, it will allow the project to build capacity by having a volunteer staff member for a one-year period. Beartooth RC&D is named on the application as a possible advisor to the VISTA volunteer and will continue acting as a project partner.

**Crow Rest Area Project:** After a positive meeting in March, we expected there to be a signed MOU by the beginning of April. We have since learned that the MOU has not been completed; however, after recent emails with Crow officials, we now understand that the MOU was accidentally not processed and is currently being fast-tracked. It's our understanding that the MOU will be completed within the next two weeks. Once the MOU is signed, the Montana DOT will be able to move forward with phase 1b, which includes site selection process and moving to the conceptual layout work, permitting and work on the easement with the Tribe and the BIA.

**Beartooth RC&D Facebook Page:** The Facebook page was created in April and is updated several times a week. We plan to use this page as a tool for greater public outreach, as well as a source of news from partnering organizations and business owners across the region.

**Impact Analysis:** Beartooth RC&D opted to participate in an impact analysis, which was performed by Rob Gilmore of Solution Mountain, Inc. The free impact analysis is valued at \$10,000 and the costs were underwritten by NorthWestern Energy. The staff were asked to submit data such as grants awarded and loans executed to Rob Gilmore, who then manipulated the information to represent Beartooth RC&D's overall economic impact during 2013. Staff are continuing to educate themselves relative to the analysis' results.

**Pioneer Medical Center:** The Final Closeout Certificate was signed by the Sweet Grass County Commissioners and Mayor of Big Timber. The CDBG project is now considered closed.

### **Food and Ag Program Update: (Joel Bertolino)**

**Rural BEAR Program:** We have had the last Rural BEAR meeting in Columbus May and went over updates on trainings we are now planning for Fall. We have had two BEAR clients since then and they will be reviewed at our next meeting June 6<sup>th</sup> in Big Timber.

**Tumblewood Teas:** We have been assisting Tumblewood Teas in Big Timber they received their USDA RBEG grant for marketing and have completed their marketing plan and updates to their website allowing them to sell their line of teas more efficiently via the internet.

**Rocky Fork Food Hub:** A USDA proposal for marketing plan has been submitted for this business based out of Red Lodge to better assist them in marketing their idea to new crop producers as well as consumers of local food products.

**Stillwater Packing Co:** We have been assisting Stillwater Packing in Columbus, they received their USDA Rural Business Enterprise Grant for marketing. They have been working with Betula Creative on their marketing plan and advertising materials for Keysor Creek meats. They have logo sketches they are finalizing currently, when they settle on a design they will begin working on website development and signage.

**Yellowstone Valley Farms:** Reuben and Miriam Stahl have utilized the USDA grant to get a new logo that was designed in their signage, advertising. The project has been completed the final work on a Facebook business page and business apparel for Yellowstone Valley Farms.

**Beckys Berries:** This project is just in the beginning stage having visited with Becky about the need to develop a plan for a larger processing facility and new marketing to include her new line of bar-b-que sauces. We have worked with the business to develop a USDA RBEG grant for an expansion and marketing plan for the business.

**Fishtail General Store:** We worked with the 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. That proposal has been funded and we are working with the department of Commerce and the business to finalize paperwork on the grant.

**Colt James Signature Beef:** Colter DeVries is working on developing a pasture to plate beef business that would market beef he produces to a niche market. We are working with this business consistently and have brought in mentor business owners to discuss his start up business. We have developed a USDA RBEG grant for marketing for his business and have referred him to SBDC who he has met with and began putting together a comprehensive business plan.

**Warren Wind Project:** We have had several calls and a meetings with the local contact for the Warren Wind Project Dave Husar. 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 have finished up their application documents for the county and state which they have now submitted. They are waiting now for approval to begin construction planning for the first of three phases of the 120 2MW towers.

**Big Horn Wind Project:** We recently have discussed a potential wind project in Big Horn County and will be having a meeting with the project investors on May 27<sup>th</sup>. The company is NS2 Energy North America and they are planning a 42MW wind project along with a 22.5MW natural gas electric plant.

**Housing Program Update: (Val Smith)**

Since our last Board meeting, thirty-nine (39) households have completed Homebuyers Education, with twenty-eight (28) clients entering pre-purchase counseling and five (5) closing on home purchases. The transition from MT Board of Housing to NeighborWorks as the HUD Intermediary continues. BRCD has submitted a letter of support for the transition. The HUD certified counseling status is pending. The Billings Home center meeting has been postponed until June 11th, as has the MOU for the initiative from the partnering organizations. Homebuyer Education classes are scheduled in Red Lodge, Columbus, Miles City and Laurel for the increased demand during the 'buying season'. Twenty-nine (29) households are pending pre-purchase counseling.

**Fuels Program Update: (Dick Rath/Earl Atwood)**

During February, March and April we have been meeting with various program partners to assess the level of funding we have available for the 2014 season, and to develop budgets for each of the cooperating partners for our 2014 projects and field activities. Applications for additional grant funding have been submitted, but no determination has been made about supplemental funds for the season as of this date. Our current grants will support a moderate number of projects in 2014, including additional work on Red Lodge Mountain. If supplemental funding becomes available, we will make adjustments to project scope as appropriate.

**Next Meeting: July 17<sup>th</sup> , 5:30 pm in Joliet, Montana –  
Beartooth RC&D Office, 128 N. Main Street**

**Meeting adjourned at 8:00 pm**

Respectfully submitted, Earl Atwood, Office Manager