MEDA Board Meeting
Dillon, MT
April 26, 2018

7:45am Breakfast Meeting: Swysgood Technology Center; Upstairs Board Rm, Western Campus

Agenda Item: Presentation and Discussion with Budget Director and MDOC Director

Present: Paul Tuss, Tim Guardipee, Jason Rittal, Rick Edwards, Paul Reichert, Joe Willauer, Charles Robison, Brett Doney, Sarah Converse, Brian Obert, Kathie Bailey, Sue Taylor, Anne Boothe, Gypsy Ray, Russ Fletcher, Pam Haxby-Cote, Ken Fichtler, Jim Davison, Jeff Fee, Kim Morisaki, Sean Becker, Tracy McIntyre, and Gloria O'Rourke. Non-board members and guests: Casey Lozar, Carly Wheatly, Dan Villa, and Marty Tuttle.

Following introductions, Dan Villa began detailing the revenue projections for Montana. The situation has changed since the board met last Summer. Dan said the revenue is not at the levels expected and there is a very trying legislative session ahead. The session will start out in the hole and will affect TSEP, BSTF, and will seriously impact other key economic programs. TSEP will need to be made whole. Dan said the good news is interest rates are kicking up.

Regarding the 2019 sunset: how will the programs be renewed in a very difficult session? There is a great challenge ahead. MDOC is being asked now to track their hours of work for each program; each program is being scrutinized. The Governor is planning a program inventory and a comprehensive state review of programs so that effective programs can be saved and defended.

Dan said it is essential for MEDA to have a strategy and cohesive message moving forward. Pam presented MDOC’s legislative strategy last week to the Governor and requested key economic development programs (2019’s) be placed in the Governor’s budget. Funding these programs is MDOC’s #1 priority.

Pam said recommendations now are to guard what we have as severe budget cuts will threaten the funds. There still will be a “campaign” as discussed last summer in the sense all involved in economic development should have the same message. MDOC is working with local officials to start sending the message. A media kit is being prepared. It is essential in the meantime for everyone to talk to legislators and local officials. It should be noted that economic developers are not asking for more funding but wish to keep what currently exists.

MEDA needs to be prepared to defend existing programs. The sunset must be moved or eliminated, emphasis on eliminated. In addition, the funding source will change. Currently funds are from special revenue.

Dan and Pam listed key legislative issues:
1. Eliminate or extend sunset
2. How much of what type of money can be utilized
3. Funding available to which programs

A conversation needs to be had on program value; are there some that can be negotiated as they are less used? Pam said CRDCs and SBDCs along with Indian Economic Development draw the bottom line for her. She also mentioned International Trade, and MMEC. Pam’s goal is to make sure MDOC will still have the capacity to get their programs on the ground. There comes a point where funds can no longer be whittled.
A stand-alone bill will be required; it will be in the Governor's budget so his office will find sponsors. The Governor's budget will be released November 15th.

The MEDA project map needs to be repaired via the state update link so that it is up-to-date.

Discussion:
- Would a trade be construed to switch the sunset for funding?
- Although state programs may be under attack, state employees are in support of what is in the Governor’s budget.
- Is it better to remove the sunset or go for another ten years? Conclusion: too soon to tell.
- Tracy stated MEDA’s membership needs to be in support of all programs, even those not used in their area.

April 26, 2018
6:00pm Dinner Board Meeting
Lewis and Clark Room
Western Campus
Dillon, MT

Present: Gypsy Ray, Rick Edwards, Steve Arveschoug, Paul Reichert, Kim Morisaki, Sarah Converse, Jason Rittal, Kathie Bailey, Sue Taylor, Anne Boothe, Tim Guardipee, Jim Davison, Joe Willauer, Wayne Gardella, Paul Tuss, Jeff Fee, Tracy McIntyre, Sean Becker, Russ Fletcher, Brett Doney, Mike O’Rourke and Gloria O’Rourke.

1. Welcome, Introductions, Agenda Approval
President Paul Tuss welcomed everyone to the meeting and requested introductions. There were no changes to the agenda.

2. Approval of Minutes from October 5, 2017 Board Meeting
Kathie Bailey moved to approve the minutes; Sarah Converse seconded the motion. Brett clarified he is not against award categories but wishes for more entities to apply for the awards. Motion carried.

   a. Financial Reports – Treasurer Rick Edwards reviewed the financials. Rick moved to approve the financials, Anne seconded the motion. Motion carried.
   b. Approval of the 2018 Budget
      Rick reviewed the 2018 Budget. Regarding the reduction in membership fee income, Gypsy suggested offering MEDA membership when people register. Brett noted conducting conferences at colleges or community centers saves a lot of money. In addition, relying on the expertise of the membership for training is a plus as well as less expensive. Brian moved to approve the budget; Rick seconded the motion. Motion carried.

4. Committee and Activity Updates
   a. Nominating Committee – Tracy McIntyre
      Tracy reviewed the Nominating Committee Report which included Officers: Past President Paul Tuss, President Steve Arveschoug, Vice President Brian Obert, and Treasurer Rick Edwards; Rotating board seats: Tim Guardipee, Gypsy Ray, Rick Edwards, Russ Fletcher, and Leslie Messer with the recommendation of adding Tori Matejovsky as Anne Boothe is stepping off the board.
At one point Kathie Bailey moved to remove the nine permanent board seats; another motion was made by Steve to create at-large officers and change the by-laws. After much discussion, both motions were withdrawn.

Sue moved to approve the officers and board of directors; Joe seconded the motion. Motion carried. Anne was thanked for her many years of service to the board; she will continue as Scholarship Committee Chair.

Steve moved for the board to ask the membership to amend the by-laws to create two At-Large positions to serve on the board to assist the Executive Committee. It was clarified this would not add more seats to the board but integrate board members who may be interested in an officer role to be a part of executive conversations. The position would be for two years at which time the individual could move into an officer seat or remain as is.

After much discussion the board requested the Membership and Marketing Committee to create a subcommittee to review the board structure, both permanent and rotating board seats as well as consider adding two At-Large board members to serve on the Executive Committee. Steve will ask the committee to make recommendations to the board. The membership will be notified of potential by-laws changes at tomorrow's membership meeting.

b. Membership and Marketing – Russ Fletcher and Chris Cerquone
Russ submitted the Membership and Marketing Committee update. Russ moved to approve the MEDA Emeritus Member Status: An individual who is retired but wishes to maintain membership in MEDA. Such person’s annual membership dues may be reduced to $25 annually, if said person is nominated by an active MEDA member to receive emeritus status and said person is approved by the Board to be an Emeritus Member. Tracy seconded the motion. Motion carried.

c. Professional Development and Scholarship – Brett Doney and Anne Boothe
Brett shared regarding a successful Economic Development 101 pre-conference training which was conducted by Brett and Sue Taylor this morning. A webinar on business recruitment is in the works; the topic of downtown revitalization was suggested for the fall pre-conference training. It is working well to use Montana trainers for professional development. Anne mentioned a training on public meetings that would be an excellent training for our members. It is expensive at $1,400 per person but well worth it.

d. Awards – Kathie Bailey
The award applications are typically due September 5th. Kathie will be out of the country so requested the committee to be expanded. The members will be asked tomorrow to step up. Brett strongly encouraged applications from the board.

e. Spring 2018 Conference – Joe Willauer
Joe reported sponsors were obtained and the Western Campus seems to be working as a great venue for the conference. Joe expressed his thanks for the opportunity to host the conference and show-case all that is happening in Dillon.

f. Fall 2018 Conference – The membership will be asked to submit options for hosting the fall conference.

g. MT Community Review/Resource Team Update – Sue Taylor
Sue provided and update on Montana’s first Community Review which was held in Choteau; the second will be held in Poplar. The Montana Design Team is working with Idaho and Wyoming to
build an excellent model for rural Montana communities.

h. Legislative – Rick Edwards
Rick reiterated that it is going to be a tough Legislative session as was heard this morning during the MEDA conference. Main issues for MEDA: remove the sunset or extend it; deciding what skin will we put in the game (will a program need to be sacrificed); and how will the OTO programs be sustained. Brett suggested engaging the entire MEDA membership in this process.

It was learned internal audits are ongoing now at MDOC; MEDA would like to see the information so that a prioritization strategy could be determined. Jim cautioned that the audits can be misunderstood; language can be inflammatory and misleading. Interim committee leadership can influence the reports to justify drastic budget decisions. Note SJ20 recommendation C.

Steve suggested members of the MEDA Board attend an Interim Economic Affairs Committee and share public comment as applicable. A MEDA Board Meeting could be held around that time.

5. Strategic Imperatives Update
a. Partnership Building
i. Jason Rittal (MIC). Mid-May is Infrastructure Week; two teams will be crossing the state to inform and share of infrastructure issues. Montana’s Infrastructure Report Card will also come out at that time. MIC is looking into revenue buckets to better understand how funds are used and spread. MIC does not want to compete with funding DPHHS. P3 will come up in the Legislative Session as well as local tax options. New sources of revenue are needed. TSEP projects must be funded that were left hanging last session. The Federal budget could add additional challenges.
ii. Sarah Converse (MACo). Sarah reported on the February MACo meeting. A main topic was coal and the Coal Trust. The third week in September is the next MACo meeting. Regional meetings for both MACo and MLCT are scheduled; Sarah encouraged everyone to attend. MEDA needs to be present at MACo as they are supporting the 2019 programs.

b. Relevancy – Steve Arveschoug
Steve would like this committee to “hit the restart button” after the 2019 legislative leadership is known; Tracy wants to assist. Steve feels MEDA needs to advocate for big bold tools to increase Montana’s economy. Wyoming and North Dakota are making strategic investments to move forward; perhaps presenters from neighboring states could help Montana move forward at the fall conference. Job creation is not the quantifier any longer because there are not people to take the jobs. Quantifiers are now based on talent, retention, and attraction. It was suggested time spent with Governor Bullock on big picture ideas would be beneficial.

a. Follow-up by Roger Hopkins on SRDCs and MEDA.
Gloria reported Roger made a contact in Michigan that models what MEDA is contemplating regarding the formation of a State Rural Development Council under MEDA’s umbrella. Gloria will meet with her counterpart in Michigan and report back to the board.

b. SBA update – Wayne provided an SBA update on grants, FTE’s and future funding. Wayne feels SBA could take a 15% hit and still function fairly normally.

c. Brett - Opportunity Zones. Brett suggested forming a taskforce to help members deal with Opportunity Zones. Sean and Ken said they are waiting for guidance from the IRS. The MDOC website will likely be the aggregator of projects followed by a search for investors.