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MEDA Board Meeting Agenda August 14 – 15, 2017

Jake Jabs College of Business & Entrepreneurship - Montana State University,
Jabs Hall, Room 111; S 8th Ave, Bozeman, MT 59717

August 14th Attendance

Present: Paul Tuss, Tim Guardipee, Kathie Bailey, Jim Davison, Paul Reichert, Jason Rittal, Brett Doney, James Grunke, Sarah Converse, Stephanie Ray, Brian Obert, Leslie Messer, Sue Taylor, Roger Hopkins, Steve Arveschoug

Ex Officio and Guests: Ken Fichtler, Pam Haxby-Cote, Todd Jackson, Karyl Tobel, Carolyn Jones, Jason Seyler, Brandon Kingsbury, Dorothy Meyer, Kim Morisaki, Casey Lozar, Marty Tuttle, Emilie Ritter-Saunders, and Gloria O'Rourke.

EPA Denver (via phone): Dan Heffernan, Ted Lanzano, and Greg Davis.

Strategy Session

1. Statewide Brownfields RLF Presentation and Discussion – Pam Haxby-Cote

Paul Tuss welcomed everyone to the meeting and recognized MSU for providing parking permits and room arrangements.

Pam Haxby-Cote thanked MEDA for making time on the agenda to discuss a statewide Brownfield RLF. Karyl Tobel explained the state is interested in pursuing Brownfields RLF coverage for areas currently not being served by any organization in the state.

Jason Seyler compiled a white paper that was shared with the board to explain how the state Brownfield RLF would work.

Discussion:

- Should the state apply and receive funds, the state would agree to write a support letter for each local RLF application, establishing a true partnership. The state would be clear that it is not seeking funds in that area.
- Pam and Karyl clarified should a call come into the Department for funds, the LDO will always come first as far as a referral point.
- The state will need letters of support from communities.
- How will sites be prioritized? First come, first served.

Conclusion: This would be another tool to have in place for Montana economic developers; create an MOU with the state to have the process in writing. If in the future it becomes a “train wreck” MEDA and MDOC will come back to the table.

Brett moved to support the state application contingent on entering into an MOU that would demonstrate a state and local partnership. James Grunke seconded the motion. Motion carried. Steve Arveschoug and Sarah Converse abstained.

2. Legislative Strategy Session – Pam Haxby-Cote, Casey Lozar

Overview: Set the table by reviewing status of economic development programming, budgets and impacts.

Following staff introductions, Pam Haxby-Cote kicked off MEDA’s strategy session. Pam described the state budget as tough: General Fund spending will be reduced by .5% for FY18 and FY19. The budget to promote Montana will shrink by 8.1%. The Native Language Preservation program’s budget will be reduced by \$125,000 each year of the biennium. Funding to pay for employee’s 1% pay raises has been voided for FY18 and cut by \$2.7 million.

MDOC Priorities

1. Renewing the 2019 programs; they generate revenue.
2. Promote Montana as a destination for tourism, workforce, and business.
3. Count every Montanan 2020 Census; Montana has lost a lot of money (\$43 million) due to inaccuracies.
4. Address infrastructure challenges to modernize water systems, bridges, and schools.
5. Put Montana back on the map for television and film production.

To kick off the process, Casey Lozar broke the board into small groups to discuss the question:

What is at risk if the programs are not funded?

<ul style="list-style-type: none"> ▪ Business infrastructure declines= less revenue ▪ State budget declines due to less tax base ▪ Great return on investment will be lost ▪ Erosion of community support ▪ Small business support system disappears ▪ Internal battles for limited resources ▪ Losing ground from a regional competitive standpoint (loss of talent, etc.) ▪ Snowball effect ▪ Leveraged funds severely diminished, i.e, Board of Research and Commercialization ▪ Unable to match Federal funds with State funds ▪ Inability for communities to transform ▪ There is great risk in the status quo ▪ Ability to act and work intentionally with these tools. 	<ul style="list-style-type: none"> ▪ Negative impacts for Tribes ▪ MT less successful in matching higher wages and the cost of living. Wages are currently 77% of national average. 96% for cost of living; this gap needs to be filled. ▪ Sense of despair in communities; downtown and Main Streets hit ▪ Montana’s reputation at risk – not investing in ourselves – sends wrong message ▪ Local capacity even more diminished; some jobs lost and organizations closed. ▪ A healthy strong economy makes for strong communities; if these go away, our communities will decline.
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Cassey asked the board to respond to the following three questions using the following topics:

	What programs do you actually use?	What programs do you not use?	What programs are needed/you wish you had?
Manufacturing	MBOI, GTA, SSBCI, BSTF, CDBG, WPRLF, IWT, BOI, GTA, GTA, CRDC, MMEC, IWT, ICED, CDBG-ED, CRDC, Micro, CRDC, GTA, Micro, BOI Loan, Job Creation, Trade Show,	Micro Business MTIP Board of Research, BOI Federal Guarantee, BOI Investment Loan, BOI Value added	State needs a talent attraction effort that piggybacks on tourism marketing. State needs a business attraction effort. EDTIF – State of UT 30% tax credit, paid for performance,

	Primary Worker Training, SBDC, BSTF Job Creation, MMEC, BSTF, BSTF, Primary Sector WF, GTA, BSTF Workforce, Training, PWI, IWT, WPRO, WTG, Trade Show, GTA	SBDC WTG	110% wage level, requirement, job creation requirements. Money to incentivize manufacturing to buy buildings.
Capital	GTA, BOI, BSTF, MBDC, Micro Finance, SSBCI, CRDC, CRDC, Micro, CDBG, BSTF, MBDC, MBRCT, Native Collateral Support, ICED, Micro Business RLF, CDBG, CDBG, Micro, SSBCI, Indian Equity, Local Govt Infrastructure, Micro, BSTF Job Creation, CDBG, BSTF, CDBG ED,	Wood Products, BOI Fed Guarantee, BOI, Micro Business Finance, CRDC, SBDC, BOI Inf Loan, Micro business finance, CDBG - CEP	State matching fund for qualified angel and venture funds, in-state, business only. RSD tax credit – paid for performance, direct expenses only. Equity investment Community Investment Tax Credit – business help fund community projects like parks, art, trails, paid for performance. SSCBI type program Capital for tech businesses that doesn't require an exit strategy (no collateral, no real estate)
Tech Transfer	BSTF, Big Sky, WTG, CRDC, CRDC, SBDC, Growth through Ag, MMEC	We make referrals, MTIP, Trade Show, SBIR/STTR, CRDC, SBDC, WFTGP, MBRCT, MBRCT, MTIP, SBIR	
Planning	BSTF, BSTF, BSTF, Workforce Training, CRDC, BSTF, Trade Show, CDBG, BSTF, BSTF Planning, GTA, BSTF Planning, BSTF, BSTF Planning, CDBG – ED, CDBG, GTA, TSEP, MCDC, BSTF, BSTF, BSTF, CRDC, TSEP	CRDC SBDC Tourism Grants	CDBG, BSTF, and TSEP planning need to be combined under one simple application and the project is considered rather than LMI vs Job Creation
Construction	BSTF – Job Creation, BSTF Planning, BSTF, CRDC, GTA TSEP, MBOI, CDBG, MT BOI, CDBG-ED, CDBG Job – Hospital, CF – Water/WW, BSTF, CDBG, BSTF, TSEP, CDBG, Micro, TSEP, BSTF, CDBG, CRDC, CDBG, BSTF Planning	CRDC SBDC	Higher Ed/Workforce program innovation. Community Development Project Money Infrastructure Money Money to incentivize redevelopment of buildings – Brownfields Tax Reimbursement Incentive – like Idaho. CDBG Infrastructure and TSEP for water and sewer projects

			need to be one application so we can reduce frustrations effectively and get the project completed.
Technical Assistance	SBDC, MT NABA, MMEC, SBDC, CRDC, SBDC, CRDC, SBDC, SBDC WTGP (MEP), SBDC, SBDC, Board of Commercialization, SBIR, Trade Show, CRDC, MMEC, CRDC, CRDC, MMEC, CRDC	CRDC Trade Port Authority or LDO, MTIP, CRD, Trade Office, MTIP, Trade Show, Trade Show, MTIP, SBIR, ICE, SBDC	Do Business in Montana Campaign Economic Gardening Program Entrepreneur Innovation Program Reverse Pitch Business Development Program -needs to be met locally, target industry cluster. Workforce STEM in Schools Apprentice Program Funds given/granted directly to CRDCs for highest need, fast acting grants or loans - very flexible. CTAP and MSU local government center need to be consolidated.
New Market Development	GTA, IWT, Trade Show, Tourism Grants, BSTF, CDBG, BOI, Trade Show, Micro, GTA, Trade Show, Tourism, GTA, CRDC, CRDC, GTA, BSTF – workforce training, GTA, GTA	Wood Products RLF Wood RLF CRDC SBDC WTG Wood Products RLF, ICED, MTIP, Board of Research	State needs a business attraction program. Film incentives Wood Products Local Promotion Money Broadband Investment Analysis of what communities are doing – options? Public/Private Partnerships and jobs to go with it

Three Strategies Explored:

- #1. Only work to secure/increase funding for 2019 programs.
- #2. Package all 2019 program and OTO programs under new piece of legislation.
- #3. Package all economic development programs into cohesive program based on needed functions.

Discussion:

- Need to understand what tools the surrounding states are using.
- No one responds to the data, i.e., BBER report. Can we use BBER to create fundamental building blocks for economic growth? Use this as a platform to educate public officials and legislators.
- NADO research foundation compares states with other states. Great way to learn what other states are doing by just attending a NADO conference.
- Time to consolidate programs and fix programs.
- What MIC had the last session was representation each and every day during the session. Buy-in is needed from partners. MLCT, MACo, etc., to stand behind us, along with all of our businesses.
- A full time lobbyist is needed.

- MDOC has a list of stakeholders started so that once a plan is in place, it can be pitched.
- Message needs to be always the same.
- What outcomes do we want? Business recruitment, business retention, support core economic drivers like agriculture, and tie in economic drivers, etc..
- Identify pillars under the umbrella of economic development; create a big strategy for the vision of Montana’s economic future.
- MIC was unified, in spite of those who wanted to divide the group. Grab the appropriate partners and get the job done.

Conclusion: Package all economic development programs into cohesive program based on needed functions.

Pillars under the Economic Development Umbrella	Ask	Outcomes (end results)
<p>Four fundamentals that all fit under. If these four things are being funded, there should be successful economic development.</p> <ol style="list-style-type: none"> 1. Workforce and Talent 2. Small business and entrepreneurship 3. Innovation and economic diversity 4. Community and infrastructure development. 	<p>Ask: What are the tools under each one of these categories to be successful.</p> <p>Explain briefly why each pillar is important.</p> <p>How will the programs be managed?</p>	<p>Higher Wage Jobs Redevelopment of basic properties Community vitality Assisting new and expanding companies Help with attracting and training workforce Workforce housing Private sector taxable investment Local tax flexibility Additional market opportunities Better broadband Stronger tax base Economic diversity Commercialization – early stages, start ups Consider a statewide CEDS</p>

Next steps:

- a. MDOC will put together a survey based on information gathered. The strategy is to place four pillars under the overall umbrella of economic development. MDOC will have further talks with MEDA to build specifics under that umbrella.
- b. The framework of this plan needs to be in place within the next two weeks, by the first week in September. The MEDA Executive Committee will work with MDOC.

Working Dinner

Paul Lachapelle demonstrated Ripple Effects Mapping to the board during a working dinner. This process is an excellent way to demonstrate a program’s success and outcomes.



TUESDAY, AUGUST 15TH – MEDA BOARD BUSINESS MEETING

8:30am – 12:15pm

Present: Paul Tuss, Stephanie Ray, Kathie Bailey, Tim Guardipee, Steve Arveschoug, Jason Rittal, Leslie Messer, James Grunke, Chris Cerquone, Sue Taylor, Brett Doney, Sarah Converse, Paul Reichert, and James Davison. Ex Officio and Guests: Roger Hopkins, Ken Fichtler, Casey Lozar, Mike O'Rourke, Kim Morisaki, Dorothy Meyer, and Gloria O'Rourke.

1. Welcome and Overview

Paul welcomed everyone to the meeting and asked for any ideas or discussion from yesterday. Jason suggested that between now and the October MEDA Conference bones be placed on the strategy. Jason asked for feedback on what might work and for board members to submit ideas to Gloria. Much work is needed for MDOC and MEDA to get to a good place to move forward with a consolidated message. Casey is most concerned about time as agencies must have a defined plan for the Governor soon. As decided yesterday, the Executive Board will work with MDOC; Kathie asked if the CRDCs could add this topic to their meeting agenda. Roger Hopkins offered to also serve on the committee with the Executive Board. Brett said he was not advocating for a block grant approach as most politicians would oppose this option. Brett wants to see a new approach. He encouraged representatives to be at the table if their programs are to be discussed to keep lines of communication open.

Additional discussion points:

- Brett suggested using the MIC process as an example. A coalition is needed to drive the votes that are needed. Stakeholders will be rounded up once a clear message is ready to be shared.
- Consider visibility as too many of our success stories are not shared. Announce every success story in the coming months. Stephanie Ray agreed; get stories out now.
- A core group of legislators will be needed to carry the message forward.
- Another board meeting will be held to review the strategy from MDOC and the Executive Committee. Basically, the working group has one month to come up with a general framework for the board to review. Location: Helena.

Paul sent a letter from MEDA to the Montana Congressional Delegation. Sen. Daines and Sen. Tester have responded and would like some dates and times. Paul will send Gloria some dates.

3. Approval of May 2, 2017 Minutes

Leslie moved to approve the minutes; Kathie seconded the motion. Motion carried.

4. Financial Reports

- a. Mike O'Rourke reviewed the financial reports on behalf of Treasurer Rick Edwards. Dues is above what was expected; the Spring Conference was a financial success. It was noted MEDA has no insurance for events. PayneWest proposed \$600 per year. Brett asked for a copy of MEDA's existing insurance policy to review. MEDA has Director and Officer's insurance but not General Liability.

A discussion was held on switching the MEDA books to accrual accounting. Instead, it was decided to provide a detailed Profit and Loss Report on each conference held.

Jason moved to purchase a Director and Officer Insurance with General Liability and coverage for events as proposed by PayneWest. Jim Davison seconded the motion. Motion carried. Mike will make sure Resource Teams, Rotunda Day, two conferences per year, six board meetings, etc., are covered. Motion carried.

Kathie moved to approve the Financials; Jason seconded the motion. Motion carried.

b. Project Map

Gloria noted the new MDOC contract contains the task of keeping the Project Map updated. In order to do this, Gloria will need to work with AD Creative to transfer the MEDA side of the database to the MEDS server. Costs, including training for Gloria, should not exceed \$2,000. Brett moved to approve the expense to updated the map. Leslie Messer seconded the motion. Motion carried.

5. MEDS Contract

Gloria reviewed the changes in the MEDS contract which reflect the changes in the MDOC/MEDA contract. The board asked for referrals from any IWT application to be made as quickly as possible. They would also like to be informed as to whom the referrals were sent. The board requested a future contract to contain a line item with expenses for travel to attend a conference for management of economic development membership organizations.

Kathie Bailey moved to approve the contract with MEDS; Leslie Messer seconded the motion. Motion carried.

6. Code of Ethics Review

Paul asked the board to review the MEDA Code of Ethics document as it had not been reviewed in some time. With tight budgets and cuts, with RLF boundaries crossing, a reminder is needed to honor each other's position and work. The importance of communication was emphasized.

Gloria will include the Ethics document in conference packets. Every spring, as part of the annual meeting, the Code of Ethics will be shared. Gloria will look up MCA 2.2 and see if a grievance process is noted in state statute. Gloria will provide Conflict of Interest documents to be signed at each board meeting prior to the Annual Meeting.

7. MEDA Board:

There is one vacancy on the MEDA Board. Sarah moved to appoint Gypsy Ray to the board. Chris seconded the motion. Motion carried. New Board Member: Joe Willauer is the new Director of Butte Local Development. As this position holds a permanent seat on the board, Joe was welcomed to the board.

8. Committee and Activity Updates

a. Membership – Chris Cerquone

This committee met last week and has identified several projects to strengthen MEDA's membership. A first task is to have more diversified membership by focusing on groups such as MACo, MLCT, engineering firms, educators, etc. The group has noticed a lack of a marketing committee within MEDA and may be willing to add this to its duties or create a subcommittee. Relevancy is key to adding members to MEDA. A discussion will be held regarding the permanent seats paying a bit more and a retirement rate proposal. With the legislative issues pending, marketing will be more important. Sue suggested an application to be submitted to MSU's intern program. It would also be a way to encourage a closer relationship to education sector partners. Sue will share the document with Gloria.

b. Professional Development and Scholarship – Brett Doney

The fall training was to be an economic development 101 training but time may not allow for this topic. Sue suggested a workforce training segment instead. The committee is meeting this week to fine-tune the plans. Scholarships continue to be undersubscribed.

c. Awards – Kathie Bailey

The annual deadline is September 5th. Kathie encouraged everyone to submit nominations. The MEDA Executive Committee will appoint three people to review the nominations if there is a conflict of interest on the Awards Committee. Brett challenged the board to engage in this process.

d. Fall 2017 Conference – Sue Taylor

Sue shared a draft agenda for the Fall Conference. Breakout topics were based on the evaluation suggestions from the spring conference. The theme is still being considered but all should be finalized in the next week.

- e. Spring 2018 Conference
The board reviewed a proposal from Headwaters to hold the Spring 2018 conference in Dillon. Sarah noted it would be beneficial to have a location and date in advance to invite legislators and officials. Kathie moved to have the 2018 spring conference in Dillon. Steve seconded the motion. Motion carried.
- f. Resource Team Three State Grant Update – Sue Taylor
Sue provided an update on the progress being made with this three state grant. Montana lacks data to track outcomes from the 48 assessments held but the grant will address this. Pending changes: to break the process down into three phases. A small team would visit the committee to hold listening sessions. A second team would return with expertise in the areas and topics discovered and compile a thorough report. The third phase is to offer coaching and follow-up to build capacity and success.
- g. Pending Committee: MT Rural Development Council – Roger Hopkins
Roger provided background on the discussions held by this group. The group is striving to improve communication with Federal entities and integrate more with MEDA. A discussion was held on restoring the Montana State Rural Development Council. Paul Tuss noted much of the work MEDA does today is a result of carrying on the MT SRDC work. Brett suggested using our state funding as match for reforming the SRDC. Steve questioned creating another structure; instead use the partners that exist and empower them.

Conclusion:

Roger will reach out to federal partners and ask them to bring any requests for more engagement to MEDA. Paul and Gloria will invite our Federal partners to the table to serve as Ex Officio during our board meetings. Roger will look deeper into the Partners for Rural America and the council concept. A letter will be sent from MEDA to the Federal partners (USDA/EDA/SBA/HUD/EPA) to engage in MEDA board meetings; Gloria will place them on the listserve.

9. Strategic Imperatives Update

- a. Partnership Building – Jason
 1. MIC has not meant recently but continues to work behind the scenes. Partnerships with MLCT, MACo, and the Chamber are strong.
 2. MIC will meet the end of the month to begin planning once again. A main topic will be bonding and if it should be pursued or allow to die. MIC will continue to seek permanent funding and mechanisms for infrastructure dollars on the street.

Discussion:

MEDA should have a similar entity to MIC so that representation is available in Helena. Consider a full time Government Liaison. Cost would be estimated at \$10,000 per month. Casey noted individual across the board buy-in is needed; very deep support is a must.

- b. Other Opportunities
 1. GOED Startup Weekends – Ken Fichtler
Ken shared information about StartUp Weekends. These are 54 hour events that expose people to entrepreneurship over a weekend. By the end of the weekend, a business could be created and functioning. Ken said there needs to be an organizing group that obtains the free license, organizes the facilitation, and obtains sponsorships. Montana Ambassadors would help with mentorship and judging. Food sponsors and venue costs need to be covered, as well as marketing the event. Ken has been heavily involved in StartUp weekends in the past and would like MEDA to assist with bringing these back to Montana. Some outcomes of the weekend may not have staying power, but the relationships that are built are invaluable.

Ken would like two StartUp events per year. Kim said Kalispell conducted one that was very successful but there are not enough entrepreneurs in the area to keep the momentum going to have a StartUp year after year. However, if there was a schedule that listed when they would take place and prepared clients for the experience, there would be more success.

Conclusion: There is philosophical support for this activity. Each LDO will consider its capacity and seek partners to help. Ken will provide Gloria a paragraph to send across the listserve to see if there is interest.

c. Relevancy – Steve Arveschoug and James Grunke

Workforce was going to be the next topic of focus for the MEDA Relevancy Committee but the immediate need is to demonstrate the necessity for the economic development tools. MEDA also needs to be engaged in the TIF issue which will no doubt be targeted during the 2019 Session.

Gloria is to share the schedule from MLCT regarding the topic of TIFs. The board should also be made aware of meetings of the Interim Committee on Economic Affairs.

It was recommended MEDA develop a partnership with BBER and start addressing the numbers they report. Use the numbers to understand the trends and create strategies to address the issues.

d. Misc. and Wrap Up

Sarah is going to Alaska for NADO, Brett will be attending IEDC.