MEDA Board Meeting
July 9 – 10, 2018

MBAC Conference Room
225 Cruse Avenue, Helena, MT 59711

July 9th Strategy Session


Strategy Session

1. Welcome, MDOC Update – Sean Becker, Casey Lozar

President Steve Arveschoug welcomed everyone to the meeting and thanked those who participated in the Interim Economic Affairs Committee session and lunch. September 6th is the next Interim Economic Affairs Committee meeting and Steve encouraged everyone to attend the meeting once again. Marty said MDOC will be on the agenda to present bills; Marty will share the basic information with this board. It is expected one bill will be to extend or remove the sunset for the “2019 Programs.” Another bill pending is to remove the 25/75 split for the funding purposes of Big Sky Trust Fund.

It was noted there is no longer a “pension fix” problem with the 2019 programs.

Sean reported on MDOC preparation for the legislative session. Several documents are being refreshed with the hope of MDOC data being available once the Fiscal Year is closed. MDOC should have information for the MEDA fall conference regarding program data. Sean noted with the retirement of Karyl Tobel, he will be the fiscal contact. Dave Desch is also retiring; Jane Todd will remain in place to manage contracts. Mary Craigle is back at MDOC and will head up the census planning for 2020. The census committee will kick off this September.

Casey discussed the project map currently hosted on the MEDA website. MDOC may take this over for improved accuracy and shorter input time.

2. MEDA Legislative Strategy – Rick Edwards

After much discussion, the following legislative strategy was drafted.

**Background:** The total to fund the eight key economic development programs, otherwise known as the “2019 Programs” is $3,065,000 per year. [Note: Following the board meeting, the correct amount was learned to be $3,475,000 with the difference of 410,000 with $300,000 of this amount attributed to MMEC. The remaining $110,000 was placed in Research and Commercialization. The figures below have been adjusted to reflect these corrections.] Montana Economic Development Organizations have a record of success in using and implementing these essential tools to build and sustain Montana’s economy. Funding has remained flat for these tools for nearly 20 years, and Montana is losing ground in our effort to attract and retain workforce and private investment. Now more than ever, it is essential that Montana builds capacity in our economic development resources and updates our game plan for future economic growth. The following describes MEDA’s near-term strategy for addressing economic development efforts in Montana, as well as a commitment to partnering with business, state and local leadership, and others in recommending an economic development strategy for the future.

I. Addressing Immediate Economic Development Needs

A. Focus limited resources in areas of critical importance, where building capacity now will make a difference in communities across Montana. Refocusing resources as described below will make a
difference in the near-term that we believe will provide a measurable return on investment. We would also include the creation of a Food and Ag Center in Southwestern Montana;

B. Extend the 2019 Sunset for 8 or 10 years to sustain existing, effective economic development tools;

C. Support the one-time-only programs and encourage the funding for these programs be placed in the base, at current levels, including: Workforce Training Grant Program, Indian County Economic Development, and Native American Language Preservation.

II. Creating a Renewed Strategy for Statewide Economic Development

Prior to the 2021 Legislative Session, MEDA will support an independent study and evaluation of Montana’s economic development tools and resources with the outcome of clear recommendations for improving the future of Montana’s economy. This evaluation will take a contemporary look at the tools and resources that are needed to support the growth of Montana’s changing economy.

III. Immediate Economic Development Needs Addressed

Focus Limited Resources to Build Capacity:
⇒ Remove $475,000 from MT Board of Research and Commercialization. This transaction would leave a balance of $910,000. MEDA emphasizes that this would be a temporary funding shift.
⇒ Increase Certified Regional Development Corporation (CRDC) funding by $200,000 for a total of $625,000.
⇒ Increase Small Business Development Center (SBDC) funding by $200,000 for a total of $325,000.
⇒ Increase Food and Ag Center funding by $75,000 for a total of $375,000 including the addition of a center in Southwest Montana. Note: Food and Ag Centers are funded from Board of Research and Commercialization.

Funding for other 2019 Programs remain as follows:
$ 50,000 Montana Technology Innovation Partnership (MTIP)
$300,000 Office of Trade and International Relations (Trade)
$625,000 Growth through Agriculture (GTA)
$500,000 Montana Manufacturing Extension Center (MMEC)
$ 65,000 Montana Cooperative Development Center (MCDC)

Total List of Proposed “2019” Program funds:
$ 50,000 Montana Technology Innovation Partnership (MTIP)
$300,000 Office of Trade and International Relations (Trade)
$625,000 Growth through Agriculture (GTA)
$500,000 Montana Manufacturing Extension Center (MMEC)
$ 65,000 Montana Cooperative Development Center (MCDC)
$910,000 MT Board of Research and Commercialization
$625,000 Certified Regional Development Corporations (CRDC)
$325,000 Small Business Development Centers (SBDC)

Total for 2019 Programs remains $3,475,000 – minus $75,000 to go to the non-2019 program Food and Ag Development Centers which would raise the total of Food and Ag Centers to $375,000.

Total List of One-Time-Only Funded Programs
$600,000 Workforce Training Grant Program
$800,000 Indian Country Economic Development

IV. Continue Programs funded through the Big Sky Trust Fund i.e. Job Creation & Planning Grants

Consider: Modify/eliminate funding split of 75/25 between programs

Discussion regarding the above Strategy:
• Reduction of Research and Commercialization funds is temporary; as capacity is built in CRDC and SBDC programs, Research and Commercialization will have more support.
• Jim Davison, Board member for Research and Commercialization, noted the program has been hit hard over the years and some of the remaining $910,000 is committed to ag programs. Jim also noted the leveraged dollars from Research and Commercialization could pay for all of the 2019 programs.

• This information needs to be shared with legislative candidates and partners such as MACo and MT League of Cities.

• A bill to extend the sunset could begin in the Senate. Legislators who could be approached to support the strategy: Buttrey, Facey, Ricci, Tuss, and Whitford.

Sarah moved to approve the above MEDA 2019 Legislative Strategy. Kathie seconded the motion; motion carried with Jim Davison voting nay.

Action Item: Wayne will gather SBDC data from other states for comparison purposes.

July 10th, Board Business Meeting

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3. Welcome and Review
Steve welcomed everyone to the meeting and provided a summary of yesterday’s meeting. Additional action items include:
• Reach out to Research and Commercialization Board Members including Prairie Bighorn, Chair; Jim Davison, Larry Farrar, Eric Fulton, and David Opitz. Sean Becker will be the contact upon Dave’s retirement.
• Prepare for the Interim Economic Affairs Committee meeting on September 6th.
• The Relevancy Committee is to draft and RFP for the study, preferably prior to September 6th. The Relevancy Committee is Steve Arveschoug, Chair; Brian Obert, Sarah Converse, Sean Becker, Paul Tuss, Paul Reichert, and Rick Edwards. Brain Obert will Chair the RFP task.

4. Approval of April Minutes
Sarah moved to approve the April Minutes; Kathie seconded the motion. Motion carried.

5. Financial Reports – Rick Edwards, Treasurer
   a. Reports. Rick reviewed the financial reports. It was noted conferences generate income for MEDA and this needs to continue. As membership dues is a little behind, Gloria is to share a membership report regularly to the board and Membership Committee. Mike is to create a three year funding report to compare MEDA’s financial activities. Paul Reichert moved to approve the financials; Gypsy seconded the motion. Motion carried.
   b. Credit or Debit Card. After discussing the issue, Rick moved for the board to obtain a credit card with a limit of $5,000 to manage MEDA conference and operating expenses. Sarah seconded the motion; motion carried.
   c. Sponsor Innovate Montana Symposium. Ken shared information about the symposium. Rick moved for MEDA to sponsor the symposium at the $1,000 level. Paul Reichert seconded the motion. Motion carried. Gloria is to share the two registration tickets received with the sponsorship via a contest for start-ups on Facebook.

The contract between MEDS and MEDA was reviewed. Rick was asked to review the contract and change wording such as the contractor “providing” conferences. Rick moved to increase the contract by 2.2% for a total of $83,000. Kathie seconded the motion. Motion carried.

7. Board protocol and input from the Board to the Executive Committee – Sarah Converse
Sarah begin a discussion on improving communication between the Board and Executive Committee. In the future, when the committee requests board input, the issue will go back to the board for a decision.
8. Committee and Activity Updates
   a. Membership and Marketing – Chris Cerquone and Steve Arveschoug
      1. Chris updated the board on the Membership and Marketing Committee’s work on the board structure including:
         - board’s permanent seats to ensure geographic representation
         - rotating seats to encourage selection of individuals that provide key expertise
         - addition to at-large seats to include several key partners

   Permanent Seat Recommendations:
   Permanent seats shall be filled by key economic development organizations that represent all regions of Montana. The Membership Committee recommends the board add three permanent seats as an initial step and as there is turnover the board can evaluate geographical representation. Add as permanent seats: Snowy Mountain Development, Great Northern Development and Southeastern MT Development Corp.

   Note: This action would open three rotating seats on the board. The MEDA Membership Committee is making no recommendation regarding other representation than the CEO of each organization.

   Discussion:
   Eastern Plains needs to be added to the board which would bring to the total four additional permanent seats.

   Rotating Seat Recommendations:
   The Board is encouraged to evaluate the professional expertise and partnership value of each candidate when selecting rotating board members. When doing so, diversifying MEDA Board membership and selecting individuals with a professional background and career path that aligns with the mission of MEDA is essential. Toward that goal, areas of expertise and industry sectors that should be considered and would add value to the MEDA membership and Board, include, but not limited to, agriculture, education, economic development, healthcare, banking, natural resource development, transportation, manufacturing, tourism, technology, state or local chamber, cooperatives, and engineering. Additionally, geographic distribution around the state is also encouraged when considering the selection of rotating Board members. The board profile document is a guide for the Nominating Committee.

   At Large Resource Partner Recommendation:
   The MEDA membership Committee recommends adding Indian Country Economic Development, MACo, and MT League of Cities and Towns to the existing At-Large board seats which include GOED, MDOC, SBA, and USDA. We recommend these board members be considered voting members unless the organization they represent prohibits voting.

   Discussion:
   EDA should be added as a Resource Partner.

   Action Items for the Membership and Marketing Committee:
   Fine tune the recommendations and place the recommendations into the by-laws as a draft for the board to consider. The by-laws need to include language that two board members will be added to serve on the Executive Committee. Chris will compile a map to indicate the areas/regions covered by board members. The committee will also recommend members to fill the four rotating seats.

   The board will hold a face-to-face meeting to vote on the by-laws the end of August.

   2. MEDA Website Marketing Proposal:
   The Membership and Marketing Committee recommended the board upgrade MEDA’s website. Chris shared with the board the proposal with various levels and costs from Golden Shovel.
Following a discussion of various options, Jason moved for MEDA to purchase the Gateway Service as well as the Technical Service for a period of one year. Sarah seconded the motion; motion carried. Chris and Gloria will work with Golden Shovel. Analytics will be gathered in six months to evaluate progress.

b. Professional Development and Scholarship Committee
In the absence of Brett, Gloria reported a Professional Development Training will take place prior to or immediately following the MEDA Fall Conference.

c. Awards Committee – Kathie Bailey
Kathie reported Tori Matejovsky and Becky Bey have joined the committee, joining Brett and Kathie. The committee adjusted the page number allowed on the Innovation award to encourage more people to apply. One application from each EDO was requested. Kathie shared that multiple Innovation awards are sought and to keep award costs down a nice framed certificate could be used rather than an engraved plaque. In addition, there could be levels of awards such as gold, silver, and bronze.

d. Fall 2018 Conference – Jeff Fee, Gloria
Those serving on the Fall Agenda Committee: Russ, Tori, Sarah, Jason, Jeff, Lindsay Wallace and Jenni Graff. Several themes were discussed; the conference will be used as an opportunity to share the MEDA Legislative Strategy including the study to determine Montana’s economic development future.

Jeff Fee reported the search is being launched for a new Director/CEO of Missoula Economic Partnership and his work will be completed on September 1st.

e. 2019 Conferences
Glendive has asked to host the Spring 2019 conference; Lewistown is interested in hosting the Fall 2019 Conference.

f. Resource Team Three State Grant Update
Gloria reported the Chinook Community Review is in Phase 3 with a Coach, Steering Committee and Working Groups in place. Phase 2 is in progress in in Poplar with a team visiting next week.

g. Pending Committee: MT Rural Development Council – Gloria
Gloria shared basic information on how the Michigan economic development membership group houses the Michigan State Rural Development Council. Gloria was asked to obtain by-laws and/or mechanics of how the partnership works. Wayne offered his new Deputy Director, Brent Donnelly, to look into this program once he is on board.

9. Strategic Imperatives Update
   a. Partnership Building
      i. MIC – Jason Rittal
         The MIC Annual Meeting was held; MEDA’s new representative is Brian Obert as Jason will be representing Fallon County. Jason will begin his new work as MACo Deputy Director the end of summer. Brian reported there will be much discussion in the future of the expense of infrastructure and how to spread the expense. It was noted MEDA has built relevance by its service on MIC.

      ii. MACo -Sarah Converse
          Sarah encouraged MEDA to attend the MACo conference; the Economic Development Committee meets Monday, September 17th, in the morning. The meeting will include resolutions and policy updates; MEDA will be on the agenda and could share its 2019 strategy. Gloria will send out to the MEDA Membership the schedule of MACo District Meetings to be held in August. Sarah noted the Wednesday Tribal County Meeting at MACo is always very important.

   b. Relevancy – Steve Arveschoug
      Steve said this group is re-forming as a result of its RFP task to obtain an analysis and recommendation(s) for development tools and resources for Montana. Gloria will send a doodle poll for a meeting date.

10. Misc. and Wrap Up
    a. Kathie submitted the following names for retirement membership status: Evan Barrett, Andy Poole, Karyl Tobel, John Rogers, Jim Smitham, Roger Hopkins, Billie Lee, and Tony Preite. Sarah seconded the motion; motion carried.

    b. Jim Atchison invited everyone to the 15th Annual Energy Open August 16 – 17. He also encouraged everyone to review Initiative 186 as it would greatly impact mining in Montana.
c. Brian shared he is working with distilleries as fire marshals are testing barrels and their aging.
d. Paul Reichert and Jeff Fee said Bozeman and Missoula are working on a local options sales tax.
e. Sean noted the MEDA Legislative Committee should meet and clarified that decisions made by MEDA may or may not be supported by the Administration. Rick will call a meeting and extend an invitation to MEDA members to join the committee.