**Board of Directors Meeting**

**May 20th, 2021**

**Minutes**

**Members Present:**

Joel Bertolino, BRCD

Jillann Knutson, BRCD

Steve Simonson, BRCD

Myrna Lastusky, BRCD

Ryan Van Ballegooyen, Billings Job Service

Bill Foisy, City of Red Lodge

Lorene Hintz, Big Sky EDA

Molly Bell, Sen. Tester’s Office

Barb Wagner, Yellowstone Conservation District

Melanie Roe, Sweet Grass County

Holly Higgins, First Interstate Bank of Hardin

Steve Riveland, Stillwater County

Marvin Carter, City of Laurel

Dan Lowe, Big Horn County Conservation District

Guests:

Deb Brown, SaveYour.Town

**Location**: Columbus Fire Hall

**1:00: Meeting called to order.**

**Pledge of Allegiance, Introduction of Members and Guests**

**Review March Board Minutes** – Minutes were approved by the Board.

**Congressional Updates**

* Molly Bell (Sen. Tester)
	+ ARPA updates for the region.
	+ Taking input on infrastructure before putting the package together.
		- Steve asked her to explain the definition of infrastructure.
			* Roads bridges, broadband, etc.
			* Also, money for fire stations, police stations possibly. Think about things outside the realm of typical infrastructure projects, and let them know of needs.
			* Might be able to add to some existing grant programs.
			* Probably this summer is when this will happen.
		- Steve asked about housing, senior living. Molly wasn’t certain, but she said affordable housing is a big issue all over the country. She will share it with policy staffers.
		- Molly\_bell@tester.senate.gov

**Treasurer/Financial Reports**

1. RC&D Financials
	1. Pg. 13: Things are status quo at this point. One red flag is non-budgeted income – was the result of Stillwater County grants that came through us (just pass-through money).
2. RLF Financials
	1. One loan getting ready to close soon – goal is June 15. Construction loan.
	2. Loan activity is very slow – people are holding out to see if and what grants might be available. Beginning of year was crazy, but now people are waiting. Jillann is a little frustrated right now. Clients are less willing to jump on loans.
	3. Got payoffs from clients, so those are going well.
3. De-federalization of RLF Funds
	1. EDA funding has $38,000 in it. Partial EDA grant that was given from back when they did golf tournaments about 20 years ago. Jillann still reports on quarterly and has to go to trainings yearly.
	2. Funding is so old, they are allowing us to de-federalize the money. It’s a whole process, and it must be approved by our Board.
	3. Each program has a different set of rules, but once it’s de-federalized, we can do more with it. E.g. we can’t fund alcohol or gaming if it’s federal, but possibly we could in the future.
	4. There are still 4 outstanding loans on that.
	5. Jillann asked the Board to allow the de-federalization.
	6. Steph asked if it will go into regular set of funds.
		1. Jillann would love to put the money into another source, but other funding sources have rules attached. We’ll have to keep the account as is, but the rules of it will be gone.
		2. Before taking a loan to committee, Jillann makes sure it would fall under the set of rules for it.
	7. Mel asked if the goal is to put the money in a fund with less strings attached. Jillann said yes.
	8. Bill asked why the loans are so slow – what can we do to help the process in our counties?
		1. Jillann: We can present to different groups, like Lions, Elks, etc. Reach out to those who do a lot of loans with us. For example, Holly knows what we are doing and refers us quite a bit. Jillann has reached out to some bankers in the area (wrote a letter and sent to area lenders). Jillann has had a referral to someone regarding a daycare center. A guy in Billings she works with hasn’t seen much activity, either. Royce from Bank of Red Lodge sends us stuff, too, but he also hasn’t seen much lately. She talked to someone that was a bank referral a few months ago, and he said he loved our program but was holding out to see if there was going to be free money offered.
			1. Bill will talk with Jillann about maybe talking to First Interstate Bank in Red Lodge.
			2. Dan asked which loans just paid off:
				1. MAV Properties (across from Pub Station). They are a lending institution and just paid us off.
				2. Wildflower Gardens in Red Lodge (we were in legal with them. They sold the business. We received $178,000 that was paid out).

Jillann had long discussions with RLF Committee on that one to figure out all the expenses/interest.

* + - * 1. Dan said his memory is that we knew some loans would fail when we started the program.
				2. Jillann said about 95% of the losses have NOT been from the business itself failing, but gambling issues, divorce, death, etc. There was one that was just a bad business model, but MOST are personal.
	1. Holly moved to accept the Financials. Dan seconded. Motion carried.
	2. Jillann asked everyone to keep us in mind when working with different organizations for lending or presentations on it.
	3. Mel moved to allow the Treasurer to continue the process of de-federalizing the money, allowing the RLF Committee and Board to give input on how to use the funds in the future.
		1. Dan seconded. Motion carried.
		2. Mel asked how much it would be coming in. Approximately $40,000 right now – but it could be up to $100,000 if everyone pays off.
	4. Dan asked if the money could be used as a secondary support to other loans. Jillann said yes, although it’s not her favorite because they would have to write separate checks. It’s more complicated, but it could definitely be done.

**Executive Committee**

1. Executive Committee Activity Report
	1. Discussed having an in-person meeting and had a report from all staff.
	2. Bid on a new door for the office. Permission granted to obtain bids.
	3. Discussion of legislation on our radar and whether we needed to advocate for something to support BRCD.
	4. Bill asked if all the positions are filled on Executive Committee. Ryan said yes, including Marvin in advisory committee.

**Deb Brown-EDA CARES Act Grant Update**

* Steve introduced Deb, who works with SaveYour.Town. She’s working on recovery in the region with BRCD.
* Deb submits a quarterly report of her work with Steve and BRCD.
* Iowa State University did a study and found that the towns that are succeeding are open to new things, not stuck in old ways.
* Idea-friendly Method:
	+ Gather your crowd
	+ Build connections
	+ Take small steps
	+ Example: Rose Williamson of the Crow tribe helps people write grants who want to start a new business.
	+ Deb posed the question: What if you want a splash pad in your town? But it’s so expensive. So set up some little pools and sprinklers with parents and kids in town and sit around and talk about it. Will people show up? (Gather your crowd).
		- Build connections – talk to city council
		- Take small steps – what can you do to move closer to a solution?
* Another example is the Bozeman Trail project we are doing.
	+ We have been gathering our crowd, and it continues to grow. Working together to build connections and crowd. People are in action, not sitting around a table scheduling more meetings.
* Housing in Lodge Grass is another example.
	+ Deb met Mayor Dabney last October. He hired 5 men, and they were cleaning up sidewalks, shot video, and it was shared online. Mayor went and cleaned up two properties on his own, and others started cleaning up their own. Be a role model.
	+ We were on tour in Lodge Grass on Tuesday, and they have done SO much now – hauled off broken-down cars, old trees, mowing empty lots, etc.
	+ We met with Amish shed guy yesterday and explored the idea of using sheds as tiny houses. Little Big Horn College program can put in plumbing and electrical.
	+ Dan mentioned that Lodge Grass has had a bad reputation for years, but they are turning things around.
* Every month Deb and her business partner Becky shoot videos. They have Watch Parties each money ([www.saveyour.town](http://www.saveyour.town)). The first 3 watch parties had more people from Montana than anywhere else.
* 18 months ago Deb spoke at the National Brownfields Conference about filling empty buildings. There are \_\_\_\_\_\_\_\_\_Brownfields locations just in Carbon County. As a Board we should look for opportunities in this area. Is anyone working on some?
	+ Steph: individually in counties, we are aware and want to get them cleaned up.
	+ Steve said DEQ has been helpful, but we don’t have an assessment grant or RLF to get the program going.
		- Deb asked Molly Bell to put it on her list.
	+ Deb said a small step could be posting some info on Facebook to spread the word.
* Joel asked about the timeline of Deb’s consultant process. It’s a 2-year project, but after the 2 years are up, Deb will still continue to be in touch with BRCD and our region to make sure things are continuing.
* Steve: Different chambers have engaged at different levels – some are willing to try while others don’t want anything to do with new ideas.
	+ Deb: Not just young people! 2 older men on our Bozeman Trail project have been very excited to get involved & help. We want tourism and economic development in the counties. People who come to see stuff will stay and spend money.

**Department of Energy Rare Earth Mineral Research**

* Jim Atchison at Coal Strip called Steve. Coal mining and revenues are going downhill. There is an opportunity with the rare earth minerals. Sibanye-Stillwater is doing some things that might fit in with this. Stay tuned.
	+ Molly: What is outlook for rare earth minerals in our region? What is available?
		- Steve: Looking to tail the fly ash ponds, but there are residual rare earth minerals in the coals. China has a lock on the market of rare earth minerals, so this could be an opportunity to return an industry to USA.
	+ Mel asked Randy:
		- He said they are tracking some of the rare earth minerals and are looking at it a bit – nothing local, but it’s on their radar.
	+ Steve said there are some pockets in a few counties. Places friendly to mining have a leg up. It’s good to have a backup plan in interest of national security.

**Joliet Funding Request** (Steve)

* We’ve done community assessments in Big Timber, Laurel, Lockwood, and Red Lodge. We haven’t helped financially, but based on Joliet’s size, they are asking for some help to do a community assessment.
	+ Bill asked about the one in Red Lodge. It was before Steve’s time and even before Sue. Jillann thought it was with Chris Mehus.
	+ Steve said this would fit in the CRDC budget.
	+ Ryan suggested the Board give the Executive Committee a dollar amount to consider & vote on.
		- Steve said Joliet Town Council is meeting on Monday night and will vote whether or not to fund the entire thing.
			* Follow-up Note: Joliet Town Council DID approve funding.
* Bill: How is this different than a growth policy?
	+ Steve: Former mayor brought beautification project (to improve facades on Main Street), there is a Bozeman Trail crossing there, etc. Trying to get more community involvement. It’s a small step in the idea-friendly method.
		- Deb said she took the mayor and others out in Joliet on Monday to look at things they could do. They got excited about possibilities.
		- Joel said Red Lodge did Main Street revitalization back in 1986, updated in 2006. It brought together a group of people, increased involvement, and gave them a document to look back on. Joliet has none of these things, so this process could be very helpful.
	+ We will wait to see what the City Council decides this week.

**Staff Reports – Program/Project updates**

1. **Food/Ag Program – Joel Bertolino**
	1. Value-added producer grants – 2 projects referred to us by USDA. Both were direct-market beef projects. Both grants for operating capital to expand business. One in Big Horn County, one in Sweet Grass. Sweet Grass one was completed and sent in, so we’ll see.
	2. FADC refunding:
		1. Background: For a long time, we had to fight for funding every year with legislature and would get one-time funding. Finally got statutory funding. There were 4 centers, then expanded to eight 2 years ago with more funding. Every year there are more organizations who want their piece of the pie.
		2. More organizations this year, so there will probably be cuts. There is talk of the Dept of Ag taking funding for administration, which they haven’t done in the past. BRCD may take a cut for the FADC.
	3. MT Ag Resiliency Program – ARPA funding for ag projects. Proposal on how to allocate those funds. Looking at Covid-impacted businesses especially.
		1. We have 6 businesses already interested in those funds if available.
	4. GTA Projects – funding opens in July and is usually due in November.
		1. Joe Murdock
		2. F Bar 3 Vineyard
		3. JWK Enterprises LLC
		4. Basin Inc. – just completed working with them. Asked for about $100K and were funded.
		5. Charter Ranch Vermicast Soil Amendment – process where they develop soil in an all-natural way to generate low-quality soils.
		6. Yellowstone Valley Food Hub – received $20,000 GTA to expand operations.
		7. Pryor Mountain Wind Farm – completed. It was the first project Joel worked on when he came to BRCD in 2007. $400M project. \_\_\_\_\_\_\_\_\_\_\_ went directly to local governments. Local land owners are getting paid well for having turbines on land.
		8. 406 Bovine – great project. Check out the Youtube video: [Montana AgTech Showcase - 406 Bovine - YouTube](https://www.youtube.com/watch?v=kTwkhUj9leA). Can identify sick animals sooner, source-verify, etc. This technology would be a huge jump from the tags they use now.
		9. Stillwater Packing / Emmett’s Meats – one of 3 to receive MT Meat Processing Infrastructure grant last summer. Slow expansion.
		10. Pioneer Meats
		11. Miller’s Customer Processing – received $104,000 to expand their space. Done with shell and now trying to expand cooler space. This is the choke point for the processors due to aging beef. If he can complete this, he can process 3-4 times more animals.
	5. Workforce has become a big issue for these businesses – can’t find workers, and that will hamper growth.
		1. Jillann: She is on the 4-H Board in Carbon County, and they reserved spots for next 5 years just to ensure they will have a processing facility.
		2. Joel: Large demand on direct-market beef, especially in the last year. Markets are growing, but you can’t build a direct market in meat without timely processing.
		3. Controlled Environments Construction: Good conversation with Gary Guesman this morning. Project is still moving forward. Have purchased 2 sites for a medium-sized processing plant (big for the state of MT). This would be a huge change – 500-1000/week kill facility for Montana-branded beef. This is a great opportunity.
		4. Yellowstone Region Ag Sustainability Project – great project. Public/private with Western Sugar, Miller-Coors, and 3 counties. Received $500-600,000 over the course of 5 years. One final project, and then it will be done. This dealt with conservation of water to produce beer products and soil erosion – helping farmers to develop new technology without the huge cost. Incentivized farmers using gated pipes to change to pivot irrigation that can be controlled from smartphone – and this prevents overwatering. Also put some drip tape on some. Trying to schedule some tours this summer. One producer was amazed at how quickly he could get a quarter-inch in fields; he had been overwatering, so he conserved water and can be more sustainable.
			1. Dan: They are looking more at underground drip irrigation, which prevents the loss of water through evaporation.
		5. Becky’s Berries: We’ll tour today, but Steph Ray and Joel both helped her with grants last year. Becky received both.
2. **Revolving Loan Fund – Jillann Knutson. See above.**
3. **Economic Development/ CRDC – Steve Simonson**
	1. Pg. 21: Affordable Housing in the region.
		1. S2A (modular homes) could develop a factory in our region.
			1. $20 million investment
			2. 50% return rate
			3. These are NOT mobile homes. Configured in a factory.
			4. Hardin, Lockwood, Laurel are possibilities.
			5. Steve and Steph met with Stillwater commissioners to see if this is an option for their county.
			6. Bozeman: 61,000 new houses needed in next 20 years. We won’t get ahead of the curve with traditional stick-built houses. Need to find creative solutions. We’re losing affordability for first-time homebuyers.
			7. Considering sites in Stillwater County and Laurel. Didn’t have enough infrastructure in those places. We have one-time money with ARPA and need communities and county leadership to look at some planning opportunities to have shovel-ready sites.
	2. Joint Planning Meeting – see packet.
		1. Big Sky EDA invited us to this.
		2. Public Safety, Infrastructure, and Quality of Life
			1. Joel: Great meeting because they had county, city, chamber, BRCD all at the table. No silver bullet, but the leaders came up with some tangible goals and steps to take going forward.

**Regional Roundup** – News and updates from regional members on projects and activities in key CEDS categories…. (see topics on next page)

 Infrastructure (Housing, Transportation, Broadband)

 Economy (Upturns or downturns in industry sectors, New business openings or closures)

 Communication (Marketing and Outreach)

Services (Healthcare)

 Natural Resources (Agriculture, Energy)

 Human Capital (Workforce, Education)

* Lorene: SBDC received CARES money and used some for training. They are creating a documentary to be filmed and produced this summer – inspiring entrepreneurs in unexpected places. Big Timber, Harlowton, Red Lodge, Big Horn County, Billings – people who started from ground up, what they faced in Covid, how they pivoted. We hope it’s inspiring as well as educational and entertaining. Will be shown in theaters in Big Timber, Harlowton, Red Lodge, Hardin, and Billings.
	+ Medical School was approved to come to Billings. Big step forward. Plenty of hurdles past and present, but a good thing.
* Marvin: Trains going in and out in Laurel. 5 different trains going east. Going to get a power plant in Laurel – NorthWestern is putting it in. Marvin is encouraging the City to put in new water towers to expand west, but he isn’t sure if they will listen. Producing oil/gas and thriving.
* Steph: New lumber store is opening tomorrow. Pinnacle Properties just opened. Working with local property owner to utilize a Brownfields site for a new brewery. Working with Steve on Bozeman Trail. EDA Road project. Feasibility study for a business park and to address infrastructure needs – a huge need here.
* Barb: Yellowstone Conservation. This morning had a realtors’ workshop dealing with permits in selling land on the Yellowstone. There were about 100 people there. Very successful, lots of good questions on restrictions. They are planning to have more of these in the fall. Barb asked if Jillann would like to present, and Jillann said yes.
	+ Also have a pollinator workshop and soil workshop in June.
	+ Lots of 310 permits. Barb brought the 310 booklets if anyone would like one.
* Dan: 310 permits. Purpose is to manage navigable stream flows within jurisdiction of property owners. Deals with construction where erosion happens. The conservation districts in each county are responsible to help landowners with those projects. For example, one application had a picture of their garage hanging over the river bank where there was erosion. Work with Fish and Game and Army Corps of Engineers to visit the application site and talk with them about how to proceed, who to help with the project, and stabilize areas. Part of challenge is remote areas where people aren’t attuned to if they need a 310 permit. Education is important – let people know there is help available in managing their property on a stream.
	+ Big Horn County put out about 400 trees this year – to stabilize soil and improve habitat.
	+ Doing a cover crop cost share – 40-acre applications to introduce cover crops to people farming.
	+ When winter comes, freezing temps break out soil, making it erodible.
	+ Inspect all watercraft for invasive species.
	+ Managing a grant on underground rechargeable studies – put together by Montana Tech. Have some monitoring wells and where water comes from.
	+ Local work group – NRCS and BHC developed a survey to mail out.
	+ Working with NRCS, DNRC, FWP, BIA, Army Corps of Engineers, Big Horn River Alliance.
	+ Partner with MT Salinity Board. Easy to identify in spring when the white salt fields emerge. Makes it tougher for vegetation to grow.
	+ Managing reserve water.
	+ Biological Weed Pollinator program.
	+ 4-H programs: They make two awards available to 4-H fair. Over the years, there has been less and less interest in conservation-related projects with young people. Trying to pump up interest in this.
	+ Conservation is the wise use of resources.
* Randy Weimer – Sibanye-Stillwater Mine.
	+ A little more normal after Covid.
	+ Very challenged with supplies – tough to get stuff in. Common for things to be 8-12 months out.
	+ Markets are good.
	+ Expansion projects are proceeding. Hoping to wrap up in mid-2022.
	+ Employment is about the same. 1800. Plus 500 contractors. Trying to fill 200 positions, which is challenging (including where they will live!).
* Steve Riveland:
	+ Stillwater County is busy. Feasibility study for business park.
	+ Moving ahead with law and justice center planning and more toward community awareness gathering information.
	+ Thanks to Steph Ray – she works hard for us.
	+ Infrastructure, projects, City take up most of time.
	+ Thanks to Randy & Mine for tour of tailing pond
* Bill Foisy:
	+ Beartooth Highway opens a week from tomorrow.
		- During its open months, Red Lodge does about 40% of their resort tax.
	+ MDT – 5-year state-approved program. Double-check this.
	+ New businesses in Red Lodge:
		- East Rosebud Fly Shop
		- Pizza Co is remodeling. Tom remodeled the Pollard.
		- Roosevelt Center is completely full.
		- True Value changed to Ace.
		- Marketing – City got MT Main Street grant for parking and access study at Roosevelt. Nonprofit got grant for trail access.
		- June 22: Deadline to submit names for local elections. Either run or find someone to run.
* Holly Higgins – First Interstate Bank
	+ Visited Center Pole outside of Garryowen yesterday. Limited sources for food. It’s their own food bank. It is also a local flea market. Lot of people coming in and out. The people running it want someone to do landscaping to get water to where they want it. They have free food & are doing a lot for the community. Bringing in solar. Any possible grants available for them?
* Ryan VanBallestrooyen – Job Service.
	+ Back to 3-4% unemployment.
	+ Many have left the workforce, so it’s worse than before.
		- Some don’t have childcare.
		- More women than men on UI now.
	+ Some who were going to retire in 2010 but didn’t have now retired.
	+ Workforce issues are getting worse.
	+ Real wage growth in MT is top 5 in nation, but housing has outpaced that.
		- This happened even during Covid.
	+ Employers have to step up their game.
		- Metaphor of using rice cooker, but employers are saying use the microwave.
	+ All tied together – we need housing for workforce, need new innovations, and still need to balance it all.
	+ Come live in Montana – our message to tourists to try to beef up our workforce. But we need housing!
	+ Job Service took 50,000 calls in April through July on unemployment.
	+ End of June = regular unemployment (no more extras), so hopefully that will get some people back to work.

**Next BRCD Board of Directors Meeting:** July 15th, 2021: Joliet Luncheon

**Adjourned at 3:07** – Tour of Becky’s Berries’ new processing facility