**Beartooth RC&D**

**Board Meeting Minutes**

**July 21, 2022 – 12:30 pm**

**Beartooth RC&D**

**Members Present:**

Ryan Van Ballegooyen, Billings Job Service

Joel Bertolino, BRCD

Nan Knight, BRCD

Jacy Head, BRCD

Myrna Lastusky, BRCD

Holly Higgins, First Interstate Bank of Hardin

Tina Toyne, Big Horn County EDD

Danny Choriki, Billings City Council

Lorene Hintz, SBDC

Kayla Vokral, SBDC

Jacob Cote (rep. Brent Moore), City of Red Lodge

Dan Lowe, Big Horn County Conservation District

Denis Pitman (rep. Don Jones), Yellowstone County

Martin DeWitt, SBA

Emily Schneller, Rep. Rosendale

Tory Kolkhorst, Sen. Daines

Bonnie Gray, Town of Joliet

Barb Wagner, Yellowstone Conservation District

Randy Weimer, Sibanye-Stillwater Mine

Josiah Porcel, Sen. Tester

**Meeting Called to Order:** Board Chairman Ryan Van Ballegooyen

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

**Review May Board Minutes (Action):** Dan Lowe motioned to approve the minutes. Barb Wagner seconded. Motion carried.

**Congressional Updates:**

* **Josiah Porcel, Sen. Tester:** 
  + Helping with FEMA response, deploying additional ARPA funds.
  + Chairman of Senate Veterans Affairs Committee – hopefully president will sign bill next week.
  + Working on meat-packing consolidation bills, too.
* **Tory Kolkhorst, Sen. Daines**
  + Sen. Daines is involved in flood-response including conducting informational sessions in the counties impacted.
  + Just had 3 bills pass Senate today on Forestry.
* **Emily Schneller, Rep Rosendale**
  + Emily is the new rep replacing Cade.
  + Working on flood-relief. Stillwater County is struggling more than many – houses at risk of going in river, etc.
  + Working on some Veterans issues, healthcare, conservation, and energy production.

**Treasurer/Financial Reports (Nan Knight)**

1. **Treasurer Update – p. 15**
   * 16 loans: 2 in Big Horn County, 1 in Stillwater, 8 in Yellowstone, 2 in Carbon, 2 in Sweet Grass = $1.2 million
   * EDA finally de-federalized our EDA fund – a long time coming.
     + Danny asked what this means: We need to report on EDA RLF funds. Once the loan money is paid back, it has revolved and is eligible to be de-federalized. We just did this, and now we have more options on how to use those funds. EDA signed off on it, Ryan signed the paperwork, and we are de-federalized.
     + That funding was originally received in the mid-90s and have been reporting on it for almost 30 years.
     + Ryan said it was originally specific to Fromberg area and could only be loaned out there, so this has made it more flexible. For example, we can now loan to a restaurant that also has a bar or a slot machine in it (this wasn’t possible before).
     + Nan will go into more detail later on the RLF fund.
   * Account balances to lend are getting low
     + Looking into some new funding sources to continue lending
   * Just closed on two more Yellowstone County loans not included in the 16
   * Dan asked if all the loans were healthy & active
     + Nan said there is one inactive one she is working to get written off. That is the only one, which is great. She has worked hard since starting to get a few paid off (2 paid off in the last few months). At the moment, every *active* account is paid.
   * Martin added that the de-federalized money can now be matched to attract other federal dollars (since you can’t match federal with federal).
   * Dan said the Revolving Loan Fund is a great success story for BRCD.
2. **P. 16 – Budget**
   * Where we budgeted to be right now vs where we are right now. Shows negative at the moment, but that is due to CARES Act money that went in last year.
3. **RC&D Financials (Action) –** see above and p. 16.
4. **RLF Financials (Action)**
   * **Motion to approve both financials – Holly motioned, Dan seconded, motion carried.**

**Staff Compensation (Ryan)**

* It’s been awhile since staff have had raises.
* Joel: Myrna came on as admin asst but her role has grown since. So we decided to raise Jacy, Nan and Myrna all $2/hour.
  + Dan asked if $2 is enough. Joel said he feels it is a fair raise.
  + No motion needed. Executive Committee authorized it, and just wanted to give Board opportunity to give voice.
* **Beartooth Holiday Schedule (Joel) - ACTION**
  + We follow federal holiday schedule for everything else. Asking if we should add Juneteenth in the future to match the federal schedule. We were affiliated with USDA and NRCS up until 2010, which is why we follow the federal schedule.
  + **Dan motioned that the board adopt the schedule to follow state and federal holidays. Lorene seconded, motion carried.**

**CEDS UPDATE (Jacy Head)**

* CEDS handout to give overview for everyone (see end of these Minutes for the handout).
* We are an economic development district, so every 5 years we need to create a CEDS document. It’s a plan for regional economic development. It’s a very valuable document and probably under-utilized. The process for creating it is a CEDS Committee from regional members as well as other partners. Tried to have a broad group to get a lot of good input.
* Resiliency can be ribboned through the document or have as a separate section. We are trying to include resiliency throughout the CEDS.
* Jacy walked through the 5 main parts of the CEDS with a brief overview on each:
  + Vision Statement
  + Summary Background – demographics of our region, including:
    - Environment
    - Transportation
    - Industry sectors
      * Ag
      * Mining and Energy
      * Healthcare and Social Services
      * Construction and Manufacturing
      * Tourism
    - Economic factors
    - Additional factors
      * Housing
      * Broadband
      * Childcare
      * Natural disasters
  + SWOT Analysis
  + Goal areas (in order of priority)
    - Workforce Development
    - Infrastructure Development
    - Economic Growth & Resiliency – including Steady-state initiatives and Responsive initiatives. EDA wants to see these sort of actions to increase resiliency in our region.
    - Business Development and Entrepreneurship
    - Quality of Life
    - Policy-Leadership-Capacity
  + Evaluation Framework – checks and balances for BRCD
  + Resiliency piece is ribboned through the document and will highlight strategies that pinpoint resiliency.
  + Dan asked if there were any things we decided were no longer needed in the CEDS from past ones?
    - Jacy said yes, there were a few things that weren’t as necessary. Some things didn’t fit with EDA’s priorities.
  + Dan: Anything that needs extra help?
    - Jacy said EDA is accentuating environmentally-sustainable development.
    - Dan said it looks like we’ve done a very comprehensive effort on goals moving forward.

**USDA Signature (Jacy) - ACTION**

* Working on RCDI grant for Big Horn County and have many documents to sign. So far Joel has had to sign all that paperwork.
* Asking board to approve that Jacy be able to sign paperwork for the grant, so she doesn’t have to hunt down Joel every time.
* **Holly Higgins motioned to allow Jacy to sign the paperwork, Danny seconded, motion carried.**

**Staff Reports – Program/Project updates**

**Food/Ag Program – Joel Bertolino**

* Brief overview of projects. Working primarily on outreach.
  + Visited New England Chowder Co again
  + Visited Swanky Roots with Kayla and Lorene
  + Wilcoxson’s – get all products from Gallatin Valley. They say the real show is in their Livingston facility, but it was neat to see the Billings one, too.
  + Hoping to visit Primitive Meats in the fall – they are too busy right now.
  + Hoping to visit Cory – Mushroom project
* Getting numerous calls on GTA (Growth Through Ag) grants
  + GTA hasn’t updated website yet
* FADC originated in 2003. The goal was to capture more dollars in state to add value to our commodities. Funding was from a federal source, went through MSU, then to 4 centers that received funding. Expired after 3 years and the new governor applied for a new grant. Called them Bioproduct Innovation Centers. When that expired, went to State and got temporary funding through state legislature for a couple cycles. Expanded to 6 centers, then 8, and now last cycle one more was added for a current total of 9.
  + Great program. Need stable source to fund them equitably or not.
  + Focus: provide technical assistance and funding to startup, value-added businesses and growing existing businesses.
  + Value-added: anytime you add value to a commodity, it can be considered value-added.
  + Ryan: MT is great at value-added. Food security is an important current/future topic, between Russia/Ukraine food battles. Increasing our food security is important, and anything that can support that is a positive. Please take that back to our legislators. Lots of work to be done, but the budget goes down and we could use more personnel.
    - Tory: We were chatting with Lorianne Burhop of Montana Food Bank Network. Our office is looking at ways to promote food security.
      * Ryan: Instead of saying there is the right amount of money going around, they fight each other over it. A couple million dollars would go a long way in Montana.
      * Josiah: China is a big piece of the food security issue, too.
      * Danny: Just the fact of what our climate is, our food systems are insecure. Montana (and much of the US) is unable to grow many crops.
      * Ryan: Fires, flooding, other natural disasters come into play. Pandemics – there is food but no one to get it around the country. That’s why FADCs are so important.
      * Jacy: Meat-processing improvements are one of our CEDS responsive measures. Montana increased local meat-processing by 50% since 2020.

**Revolving Loan Fund – Nan Knight**

* + RLF provides financial assistance to businesses.
    - Started in mid-90s with EDA funds. Then BRCD got a Montana Board of Investments loan and matched it with a USDA loan and began a loan from them ($1 million total) = IRP funds
    - CDBG (Community Development Block Grant): applied for loans through State, and we would manage them in our area. Program no longer exists like it was originally set up.
  + Nan can work directly with a business or indirectly. 1st question is “Have you gone to a lender?” Must be denied by a bank in order to loan to someone. We work *with* banks, not *against* them. We require 10% down and we can assist the bank at any other percentage.
  + Many times loans are for buildings or equipment to start a business or renovate.
  + If we are primary on the loan: We have an RLF committee with great experience and knowledge.
  + We don’t have guidelines that typical banks have. We can be more flexible with their credit. Covid hurt a lot of people’s financials. It’s exciting to help people who couldn’t otherwise get loans.
  + Nan is working very hard to find more funding for the RLF to keep helping businesses.
  + Beartooth books – the other part of Nan’s job
    - Sometimes counties run funds through BRCD – this helps them because they don’t have to cut checks, do the reporting, etc.

**Economic Development/ CRDC – Jacy Head**

* + 2 designations
    - State-designated CRDC (Certified Regional Development Corporation): Jacy is the facilitator for our region. Local strategic planning, developing economies, fostering collaboration.
      * To maintain our designation: complete quarterly reports in order to withdraw our annual assistance (a little over $70,000/year for CRDC)
    - Economic Development District (*federally*-designated): Regional economic development. Helps leverage collaborative funds from public, private, tribal sectors.
      * Maintain: Report semi-annually (about $70,000/year)
    - Both provide value to our region. Majority of projects are business planning and community development.
    - Wear a lot of hats, including housing, and many different pieces of the economic development puzzle.

**Operations Support - Myrna Lastusky**

* + Here to support the 3 directors, who all do great work and have a lot on their plates. Much of her role involves helping with reporting, proofreading/editing, and communication.
  + After the previous Economic Development Director left, we had a couple months’ gap before Jacy joined the team, and Myrna took over most of the EDA CARES Act responsibilities and has continued to report on that (that funding ended as of June 30th and reporting will be complete by the end of October).
  + Was hired primarily to assist the Economic Development Director, and most of work is supporting Jacy because it is such a broad scope of work. Also helps Joel and Nan as needed.

**Joel:**

* Updated policies were sent out with Board materials. Let me know if you have any changes or suggestions.
* Group that started in Joliet is doing great work – Joliet Beautification Committee (Bonnie Gray)
  + Bonnie: We love our little town, so a few of us business owners got together and planned a fundraiser. We had a street festival and dance on June 25th, and it went really well, so we’re planning to do again next year. Flowers hanging, flags flying, pocket park, painted benches, etc. Gina Schaible has tons of energy and keeps me going!

**Regional Roundup:**

**Randy Weimer, Sibanye-Stillwater Mine:**

* Floods have been the main focus for past month. Stillwater Mine shut down since that Monday. Just got people back to work 3 days ago. Hoping to be fully operational in 2 more weeks. Paid everyone during those weeks. $5 million to get everything back up and going.
* Backing off on some of growth stuff – try to hold our own for next 3 years.
  + Acquiring employees is a huge challenge
  + Supply chain – getting materials in has been tough. Made us look at strategic planning because we have to look out 9-12 months to order what we need.
  + Economic outlook – backing off a bit on growth depending on commodity prices, inflation.
* Attrition rate is 20% right now. 2000 employees = lose 400/year.
  + Hard to recruit, find housing. We interview people and then they go to find housing and can’t take the job.
* Completed economic impact study. Pat Barkley out of U of M.
  + Sibanye-Stillwater Mine accounts for 6% of state economy ($6 billion annually).
* Completed annual employee survey
  + 30% live in Stillwater County
  + 20% live in Yellowstone County
  + 15% live in Sweet Grass or Park
  + 10% in Carbon
  + 10% in Big Horn County, Musselshell and Gallatin counties
* Just submitted permit application to continue operations at East Boulder in Sweet Grass County.
  + If permitted for the next phase of development, it will take us from 2025 to 2042 approximately.
  + If we don’t get that permit, we will shut down that location in 2025.
* For every employee at the mine, we employee about 3 people in community (teachers, stores, etc).
* Tourism has been hurt a lot due to the flooding – we usually see hundreds of campers/tourists go past the mine, and it’s been dead.

**Jacob Cote, City of Red Lodge**

* Temporary bridges are arriving – East Side Rd and Meeteetse.
  + Planning to build new permanent one

**Holly Higgins, First Interstate Bank of Hardin**

* Crow tribe putting up new arbor. Old one was old and dilapidated.
  + Crow fair: Aug. 19-22
  + Tribe hired 600 kids to clean up Crow Agency for the fair. Working very hard.
  + Per capita comes out on Aug. 10th and that brings in money to area. Per capita is a special fund that comes from government. Happens 3 times per year.
* Big Horn Senior Living is shutting down. 28 residents in nursing home, 10 in \_\_\_\_\_\_, and 10 in \_\_\_\_\_\_
  + 80% of residents are Medicaid payers, tougher to sustain. 3 years behind in paying.
  + Nan: I have background in medical billing. Every 3 years you have to re-credential. After Covid, it was a freefall. If they aren’t getting paid, the hospital isn’t doing something. Nan can help make some calls if necessary.
    - Ryan: Another reason to bring stuff up – there may be connections to be made.

**Martin DeWitt, SBA:**

* Covid-funding options finally ended. Paycheck Protection Program was huge for Montana – helped many businesses, let them stay up and running through restrictions. Our agency will be able to go back to offices finally (just got that word).
* Getting back to origins of programs:
  + Federal contracting opportunities – i.e. disabled veterans, in a HUD zone, etc. SBA provides assistance to get in the system. PTAC centers are part of that (one located in BSED).
  + Counseling side – SCORE chapters, Veteran Biz Outreach Center, Women’s Business Centers - 2 centers in our state (Bozeman and Missoula).
    - Missoula: more of a focus on rural and native communities
  + Money: 504 loan program (housed in BSED), which is a great lending tool to create economic development opportunities. Participation loan between CDC and bank. 10% down equity. Banks expect 20-30% down on real estate transaction. CDC portion is fixed. Great for borrowers but also for lenders – they are only at risk for 50%.
  + PPA – 70% guarantee
  + Micro-program in State - Lend funds up to $50K
* Flooding – SBA has a disaster recovery center in Red Lodge to provide assistance.
  + Loan funds for businesses
  + Loans for home damages, too
  + They are only open as long as traffic is coming in the door. They will walk you through applications and process.
  + Include Yellowstone, Treasure and Sweet Grass counties (disaster-designated areas). Extended the disaster-declaration period to go up to July 5th of this year.
  + Jacob: Any testing available to see if you need to have some work done?
    - Martin: Supposed to work with FEMA first, then SBA will come in to help if needed.

**Commissioner** **Pitman**, **Yellowstone County**:

* Meeting with FEMA tomorrow morning in Yellowstone County. Anyone welcome to join.
* Directed all ARPA money toward Metra Park and infrastructure.
  + Tore down most of grandstands, horse barns. Only 2 barns left, but not useable.
  + Back area will be leveled out and become parking.
  + There is a lot going on and we’re creating some great partnerships.
  + Maroon 5 cancelled – and we were one of their best-selling concerts on their tour.
  + Getting new and more diverse groups in to Metra Park.
* Inner belt loop got funded right before Covid. 18 months to completion. Billings bypass will be completed in 2 years. Lots of growth in Yellowstone County (250,000 predicted in next 10 years).
* I’ll let Lorene cover the BSED move.

**Kayla Vokral, SBA:**

* Expert Week in October with theme days (attorneys, marketers, accountants) and providing free one-on-one sessions.
  + End week with trade show and will have resources from across the state
    - MMEC
    - Women’s Business Center and more
* Food Incubator – waiting on word from a grant that Joel wrote. Big need for food security.

**Lorene Hintz, SBDC:**

* Annual meeting is Sept 8th with ribbon cutting.
* Hope to move in to new building by Aug 15th
* Rock 31 – private offices are all rented out except for one. This is meeting a big need out there.
  + Shared workspace on 3rd floor.
  + Will also have an incubator barista program – can learn ins and outs of running coffee shop and be successful with running a café.
* Community Development: there is a $500K Brownfields grant coming for downtown Billings. Call Dianne Lehm to get more info on this.
* BSTF: Currently 9 active grants in Yellowstone County. Getting money out into Yellowstone County, creating jobs.

**Tina Toyne, Big Horn County**

* Helping Hands Food Bank had an Open House last night – nice turnout with food trucks. BRCD is helping them with a Brownfields grant.
* Working with Jacy on a new laundromat downtown.
* New bait shop on Main Street.
  + New consignment shop, and part of that building opened up for the bait shop.
* 3 weeks into Tina’s position, she was asked to do a Coal Board grant.
* Commissioner Fitzpatrick was going to come today but was unable to.

**Bonnie Gray, Town of Joliet**

* See notes above with Joel regarding the Beautification Committee & the activities they have been doing to improve foot traffic to Main Street businesses.

**Danny Choriki, City of Billings:**

* City Council passed $850K to help break cycle of violence, poverty, etc. First thing is to hire a consultant to coordinate the nonprofits in town. Public coordination and input with nonprofits is exciting.
* Workforce housing
  + Effort starting to bubble up – interesting take on a workforce housing tax credit to get private equity involved. More to come . . .
* City Hall getting built
  + One project along with that is to reflect the history of the city, county and region somehow and the ability to use phones to learn more.
* Billings Chamber of Commerce went to Omaha to see what they are doing there. Danny had 2 takeaways:
  + Need a billionaire with middle-class sensibility. ☺
  + Pick an issue or project every year and try to focus on it. As a community, they may not completely solve it in a year, but they have a focus. Great idea.
* Resilience
  + Comments to city government after Covid: We are not resilient. We’re stuck in bureaucratic ways, so when something new comes along, we are not equipped to deal with it. Resilience is a key issue for next 10 years.
    - Transition in area to retirement economy is going to be a big deal. If anyone wants to sit down and talk, Danny is willing. We need to find solutions.

**Dan Lowe, Big Horn Conservation District**

* Dan’s joke (as told through Myrna’s feeble memory): In LA, a cop pulled into a gas station to fill up. Just then a pickup truck pulled in next to him. The back of the truck was filled with penguins. The officer couldn’t believe his eyes. “Lady,” he said, “you can’t be driving around with those penguins!” The woman said, “I know, but I don’t know what to do with them.” The cop said, “Take them to the zoo!” The lady said, “Why didn’t I think of that? Thank you. I’ll do that right away.” And she drove off. The next day the cop was on patrol again and saw the same pickup truck. Same lady. Same penguins. He pulled her over and walked up to her window. “Lady, didn’t I tell you to take those penguins to the zoo yesterday?” She said, “Oh yes, Officer! And I did. And we had so much fun there, we decided to go to the amusement park today!” (Thank you for your great sense of humor, Dan!)
* We have 18 employees in our conservation district. Lot of manpower to deal with.
  + $18/hour for this work
* Water flows from higher level to lower level. The faster water flows, the more energy it has, and it takes other materials with it. When the load drops, the water seeks a new avenue to run – why river has ribbons and meanders.
  + 3 feet per second is typical. When the volume increases, it seeks other routes.
  + We need a plan for any manmade interference in streambeds. People come to conservation districts with requests. We don’t do the engineering, but we have suggestions and also do eyeball inspections and try to ensure new problems won’t happen. This is the 310 Law and how it fits into conservation district work.

**Barb Wagner, Yellowstone Conservation District**

* Busy doing what Dan discussed.
* Working with the Emergency Watershed Program – NRCS. The commissioners are researching feasibility.
* HB2 funds allocated last year for $50K/year for eradication of invasive Asian clams in Lake Elmo.
  + Irrigation head gate (1st year funds)
  + 2nd year: Waterless cleaning station to be utilized at Lake Elmo
  + Will also be educational videos to show the whole Lake Elmo eradication effort (available next year)
* Fly Creek watershed has a huge salinity problem
  + Workshop to assess damage and work on solutions
* Saltcedar: been working on for years on the Yellowstone
  + Contracted with Rocky Mountain College to collect data
* $25K grant received for weed spraying
* Forming a Saltcedar task force
* Zoo Montana: Financially sponsored a new shelter belt at the zoo
* Sent 5 MT students to \_\_\_\_\_\_\_\_Days

What is a CEDS?

* A strategy-driven plan for regional economic development.
* The result of a regionally-owned planning process designed to build capacity and guide the economic prosperity and resiliency of an area or region.
* Provides a vehicle for individuals, organizations, local governments, institutes of learning, and private industry to engage in a meaningful conversation and debate about what capacity building efforts would best serve economic development in the region.
* Must update their CEDS at least every five years to qualify for EDA assistance.
* Prerequisite for designation by EDA as an [Economic Development District (EDD)](https://eda.gov/edd/).
* Provides recommendations on what should be included in each of the sections required by EDA’s regulations, and suggests tools, resources, and examples to help in each section’s development.
* Intended to be aspirational in nature and should not be construed as additional requirements.
* Emphasizes strategic approaches based on regional visioning, goals, measurable objectives, and prioritized actions
* Underscores the need to think beyond traditional job creation and embrace capacity building and broad-based wealth creation when developing goals, measurable objectives, actions, and performance measures.
* Highlights the need to undertake an asset-based approach (i.e. efforts that focus on the strengths of a community or region) while considering the interdependencies between regional economic prosperity and other topics

The CEDS has five primary sections included:

1. Summary Background- *Where have we been?*

2. SWOT Analysis- *Where are we now?*

3. Strategic Direction/Action Plan- *Where do we want to go and how do we get there?*

4. Evaluation Framework- *How are we doing and what can we do better?*

5. Economic Resilience- *How do we anticipate, respond, and recover from economic shock?*

EDA’s Investment Priorities:

1. Equity
2. Recovery & Resilience
3. Workforce Development
4. Manufacturing
5. Technology-Based Economic Development
6. Environmentally-sustainable Development
7. Exports & FDI