



SNOWY MOUNTAIN

DEVELOPMENT CORPORATION

BOARD MINUTES

June 2019



**Snowy Mountain Development Corporation**  
**Board of Directors Meeting**  
**Wednesday, June 19, 2019, 10:30 AM**  
**Pine Meadows Golf Course, Lewistown**

**Attendance:** SMDC Board Members: Ross Butcher, Holly Phelps, Carol Schaeffer, Dean Blomquist, Ian Reed, Gary Barta, Kay Klepey, Nicole Borner, Sandra Jones and Chad Brindle.

SMDC Staff: Kathie Bailey, Diane Pennell.

**Call to Order:** Chairman Ross Butcher called the meeting to order at 10:30 am.

**Minutes:** Minutes of the April 17, 2019 meeting were unanimously approved (Sandra/Holly).

**Financial Report**

- **Budget:** Kathie reported that the committee met prior to this meeting. Staff went through income and expenses with committee who then recommended the proposed budget for full board approval. Kathie added that staff are at capacity and agency may need to hire an employee to cover all the Brownfields work. If the opportunity for the right person comes along, this budget allows for hiring. CDFI will also require concerted effort but will open doors for organizational resources for the region that could be far reaching. The budget was unanimously approved (Holly/Dean).
- **Financial Report:** Staff reported no unusual expenses. Financial report shows net income of \$42K after Brownfields loan funds expended with additional revenues to be received of \$17K. Visuals were also distributed, demonstrating again that we are driven mostly by grant income. As we approach FY end, staff conservatively project \$10-20K in net operational income. The financial reports were unanimously approved. (Carol/Ian).

**Executive Director's Report/Educational Moment:**

- **Marketing:** Kathie stated that the board will hear more during the annual meeting. Marketing materials and our new website will be shown.
- **REAP:** Local business was awarded a \$102K REAP grant for energy efficiency which will cover 25% of eligible expenses. This business owner is investing a lot of financial resources into Main Street, Lewistown, and is very appreciative of these funds. Kathie stated that this same program has been used in Stanford and is a potential for the malt shop in Roundup. She added that it takes about a year for an energy audit and is a tedious process, but it is great help for businesses, including agriculture producers and rural small businesses.

**Public Input:**

- **Ross:** He asked for a list of accomplishments in each community to be able to present to fellow commissioners. Kathie responded that economic development is often misunderstood and behind the scenes, but most of the successful businesses in our region were touched by SMDC through receiving technical assistance, loans or PTAC assistance. SMDC will send out annual report to local governments, showing SMDC impacts, which will help tell our story.
- **Chad:** He reported that Judith Gap may be getting a new store. They are looking at the café building which isn't in great shape.

**Old Business:**

- **Legislation**
  - **HB 52:** Economic Development legislation that affected CRDC funding was approved. CRDC's will get a boost in funding. Overall funding went from \$450K to \$600K. There will be additional reporting requirements, as Department of Commerce wants to be certain each community is reached.
  - **HB652:** This bonding bill which had TSEP included as well as "delivering local assistance" (DLA) passed.

Winnett got in on TSEP, but will need USDA funding to complete their wastewater project. In the DLA portion, each county can apply for up to \$1.5M, \$750K max for any one project. They are taking applications from June 1-September 30<sup>th</sup> however, only a draft application is out.

- **2020 Census:** Kathie is working on making sure all our counties have groups in place to ensure an accurate count, as this can affect future funding. She's worried mostly about Musselshell County and wants to set a time to meet with those who can help ensure a full count (chamber, hospital, fire department, school and ministerial association).
- **Project Updates:**
  - **806 W. Corcoran:** Staff are meeting with potential buyers next week. Two liens have not yet been removed from the title, even though one of them has been settled. Kathie talked to the estate attorney who stated that the final lien holder missed the 30-day *notice to creditors* window and lost their rights. Attorney will follow-up. Workers at the house are cleaning out debris, and a contractor will replace windows and do some repairs. A painter will also paint and repair all walls. Agency is living within budget and anticipates making \$10K on the sale. There is still the City of Lewistown water bill to negotiate.
  - **Brownfields:** Right now eighteen projects are open with sixteen active projects in five of SMDC's six counties. Three additional projects are active outside of our counties in the coalition area.
  - **EPA Supplement:** Staff requested \$500K in supplemental Brownfields funding. Staff expects the request will be awarded. There is over \$3M in the RLF and \$400K in the assessment both of which are almost entirely committed. Will go back for additional assessment funding in September.
  - **Coal Country Coalition:** Kathie is meeting today with coalition. The group continues to look at grant programs for workforce training. The Department of Labor and Industry, in conjunction with EDA, have a grant for mine workers and their households to build skills now, they could use in other professions should mine employment dwindle.
- **Coal Board Meeting:** Funding will run out at the end of June. SMDC staff will submit the following three grant applications at the meeting tomorrow:
  - Musselshell County Road Department mower
  - Roundup Memorial Hospital
  - Hawk Creek Fire

#### **New Business:**

- **Audit Engagement:** Randall & Co. CPA's have submitted an engagement letter to do SMDC's annual audit as well as the agency tax return for a maximum fee of \$11,750. Board unanimously approved the engagement letter (Sandra/Carol).
- **BLM Fuels Mitigation:** Four community assistance agreements expired on 12/31/2018 and remaining funds have been de-obligated. One application for the three northern counties and one for Musselshell/Golden Valley were submitted before the first deadline of May 24th. SMDC staff were told there would be a quick turnaround. Staff were later informed that an additional \$90K was available in the three northern counties, so a new application was resubmitted. Staff were assured that this would not delay awarding.
- **Financial Policy Updates:** Federal financial guidance changed and staff updated financial policies to incorporate the change in the name of the guidance SMDC is under from *OMB Circular A-133* to *2 CFR 200* or *current regulations*. Other minor changes were made including changing wording: (1) on page 7 to "Bank deposits will be made on a frequent basis" (2) on page 9 "Sick and vacation leave accrual will be updated monthly" (3) on page 9 "FICA, state and federal tax withholding will be paid within required times" and (4) on page 12 purchasing policy was changed to be the same as in the policies and procedures manual. Policy changes were unanimously approved (Dean/Holly).
- **Fees:** Tabled to next meeting.
- **RLF Committee:** RLF committee needs to be appointed or reappointed each year at the annual meeting. The following committee was unanimously reappointed: Ross Butcher, Joe Eckhardt, Jim Wier, Tom Spraggins, Chad Robinson, Pete Moe and Nate Stulc. (Chad/Holly).

- **Board Sharing:**
  - **Sandra:** MDT is doing sidewalk repair with ADA compliance. Water project moving forward.
  - **Ian:** \$5M water project moving forward with \$2.1M grant.
  - **Nicole:** Hoping to roll Reclamation and Development \$500K grant into fairgrounds along with Mitigation grant it matches. There are 22 properties in the FEMA buyout, five or six will be cleaned up with Brownfields funds.
- **Announcements:** The next board meeting will be on Wednesday, August 21st.

**Adjournment of Meeting:** Chairman, Ross Butcher adjourned the meeting at 11:30.

Submitted by Diane Pennell

*Kathie A. Bailey*

Reviewed by Kathie Bailey Executive Director  
7/17/2019



**Snowy Mountain Development Corporation  
Board of Directors Annual Awards Meeting & Lunch  
Thursday, June 19, 2019, 11:30 noon  
Pine Meadows Golf Course, Lewistown**

**Attendance:** SMDC Staff: Kathie Bailey, Bob Giese, Sara Hudson and Diane Pennell. SMDC Board Members: Ross Butcher, Carol Schaeffer, Dean Blomquist, Ian Reed, Gary Barta, Chad Brindle, Nicole Borner, Sandra Jones, Kay Klepey and Holly Phelps. Guests: Wilbur and Elizabeth Wood, Sarah Kolar, Sherry and Joe Irish, Jim and Esther Kalitowsk and Ralph Corbett.

**Welcome and Annual Report:**

Kathie Bailey, Executive Director, gave a brief year-in-review, celebrating SMDC's successes and welcomed the guests and board members to the 18<sup>th</sup> Annual SMDC Meeting. Kathie then had Sara Hudson present SMDC's new, impressive website and acknowledged and thanked each of the SMDC employees for their contributions to the organization and its significant work.

**Call to Order:** The meeting was called to order by Chairman Ross Butcher at 12:00 noon.

**Roll Call of Board Members by County:**

Judith Basin: (Garth French, Cody McDonald absent, vacancy)

Fergus: Ross Butcher, Holly Phelps and Gary Barta

Petroleum: Carol Schaeffer (Paul McKenna and Bonnie Dill absent)

Wheatland: Ian Reed, Chad Brindle (Richard Moe absent)

Golden Valley: Dean Blomquist and Kay Klepey (vacancy)

Musselshell: Nicole Borner (in place of Tom Berry), Sandra Jones (Amy Angel absent)

**Awards Presentation:**

- Business of the Year** – Red Rover Pet Boarding, Sarah Kolar
- Educator of the Year** – Joe Irish, Greater Montana Land Company
- Project of the Year** – Musselshell Rural Investment Co-op
- Partner of the Year** – City of Harlowton

**Nominating Committee Report:**

The following were nominated and unanimously approved as Officers for 2019-20 following a motion by Kay and second by Chad:

- Chairman- Ross Butcher
- Vice Chair – Holly Phelps
- Secretary – Carol Ann Schaeffer
- Treasurer – Dean Blomquist

**Revolving Loan Fund Committee Report:**

Bob reported on the status of SMDC's revolving loan funds. A motion was made and approved at the board meeting to re-appoint the following committee members:

- Ross Butcher
- Tom Spraggins
- Joe Eckhardt
- Jim Wier Jr.
- Chad Robinson
- Pete Moe
- Nate Stulc

**Public Comment:** None

**Adjournment of Annual Meeting:**

SMDC staff each warmly acknowledged and expressed appreciation for the amazing leadership provided by Executive Direct, Kathie Bailey.

Meeting adjourned by Ross Butcher at 1:15 PM.