



MINUTES

Beartooth RC&D Area, Inc. Board of Director's Meeting
Thursday, September 16, 2010

Reminder: Meetings scheduled for third Thursday of odd numbered months.

<p>Board Members Present Chuck Egan, Chairman, Town of Columbus Marvin Carter, Vice-Chairman, City of Laurel</p> <p>Ada Iron, Crow Nation Dan Lowe, Big Horn Conservation District Jeffrey McDowell, City of Hardin Ken Gomer, Town of Bridger Page Dringman, City of Big Timber Susie Mosness, Sweet Grass County</p> <p>Members at Large Present Kendall Hartman, Billings Job Service</p>	<p>Sponsors Not Represented Bob Van Oosten, Stillwater Conservation District Brian Roat, City of Red Lodge Dennis Hoyem, Stillwater County Doug Tucker, Carbon County Ed Ulledalen, City of Billings Jim Reno, Yellowstone County John Pretty On Top, Big Horn County Katie Callahan, Town of Joliet Penny Landon, Treasurer, Carbon Conservation District Steve Arveschoug, Big Sky EDA, Billings Vacant, Yellowstone Conservation District</p> <p>Members at Large Present Lisa Skriner, MSU-Billings, College of Technology Melissa Kramer, Stillwater Economic Development</p>
<p>Guests Dr. David Yarlott, President, Little Big Horn College David Small, Dean of Administration, Little Big Horn College Matt Holben, Area Specialist, USDA Rural Development Seanna Sparks, DC, Hardin Field Office, NRCS Yolanda Old Dwarf, Apsaalooke Nation RLF Officer</p>	<p>Staff Chris Mehus, Economic Development Director Diana Spint, Housing Coordinator Dick Rath, Forester Jillann Knutson, RLF Manager/Bookkeeper Joel Bertolino, Program Technician Paige Weber, Office Administrator Carla Lawrence, NRCS Coordinator</p>

Prior to the meeting, a tour of the Custer Battlefield Trading Post was provided by Rhonda Ellhard. David Small, Dean of Administration at Little Big Horn College, gave a presentation on the history of the college and the future plans for expansion to build capacity for more students.

The meeting was called to order at 6:35 p.m. by Chairman Egan in Crow Agency at the Little Big Horn College.

Welcome - Egan

Chairman Egan welcomed all present and everyone in attendance introduced themselves and gave a brief overview of what was happening in their communities. Dr. David Yarlott, President of Little Big Horn College, shared with the group some of his background and his work in the educational field, as well as his efforts to attract attention to the rural areas of our country.

Office Administrator – Paige Weber

Approval of July 22, 2010 - Minutes

Motion: To approve minutes, as written.

By: Jeff McDowell

Second: Ken Gomer

Action: Carried

Treasurer's Report - Financial Report – Jillann Knutson

Knutson reported that the Absaroka Beartooth Wilderness Foundation (ABWF) is a new category added on the Beartooth books. The members of this organization are sending in donations to this pass through account and the funds will be disbursed by the end of the year back to the ABWF.

We are getting near year end so are looking more closely at the budget and grants that need to be disbursed before then. Beartooth RC&D has more income in 2010 than was budgeted. The contractual is difficult to predict, this would be funds from the fuels program and CDBG projects monies. Our interest income is at 90% this year.

The financial report will be filed for audit.

Revolving Loan Fund Manager/Bookkeeper – Jillann Knutson

Revolving Loan Fund (RLF)

The Revolving Loan Fund has available funds to lend, but there has been little interest from businesses seeking additional financing. Knutson will make more bank visits this Fall and try to promote the program more.

2009 Audit – We have the actual audit back from the past year and all board members will get a copy. The RC&D had to purchase amortization software to fix the findings noted on last year's audit. In past we used a straight amortization schedule, but as of January 1, 2010, the RC&D began using the new software to correct this. This new method will properly accrue interest on loans receivable rewarding those clients who pay on time, but will be a detriment to those who pay late. The RC&D accounting system was changed from a cash basis to an accrual basis. Another part of the audit was a discussion on the chances of fraud coming through the organization. One item we will need to implement is more internal control over financial reporting and a dual control procedure to handle the checks and deposits received in the mail for the RC&D. Knutson will work with Weber to begin implementing this process to segregate the individual depositing the payments and recording payments with the individual reconciling the accounts.

Economic Development Director – Chris Mehus

Hardin Chamber Custer Reenactment Project

Mehus submitted a request for assistance to again work with the Hardin Chamber of Commerce on their Custer Reenactment project. Through the Big Horn County Commissioners, the Hardin Chamber has hired a grant writer and requested Beartooth RC&D's help to administer any grant funding they receive by utilizing our 501(c)(3) status. The grant funds they are seeking are for promotional materials and to upgrade brochures, flyers and promote the Custer Reenactment. This is a good community project that meets the RC&D's mission and objectives to assist the Hardin Chamber.

Motion: To accept the Hardin Chamber Custer Reenactment as a project and allow them to use our 501(c)(3) status to administer grant funding.

By: Ken Gomer

Second: Marvin Carter

Action: Carried

Update –

Mehus and Bertolino participated in a demonstration of the equipment for Goddard Manure and Compost in Miles City on September 19th. The business successfully received a Conservation Innovation Grant (CIG) from the NRCS to do demonstrations of their equipment and technology across the south central part of the state. The Goddard's brought their machine to a feedlot operation in Miles City and operated it for

the feedlot operator, the MSU Extension Specialist for Waste Management, Tom Bass, and the Beef Specialist from Fort Keogh, Rachel Endicott. The demonstration was well received.

The Little Big Horn College Technical Skills Training Center is moving forward and the scope of the project has significantly expanded since last Spring. Mehus pointed out that there are some large industry partners in this project, such as Many Stars LLC, Westmoreland Resources, Colorado Energy as well as MSU-College of Technology, Montana Department of Labor and various others. This is an exciting project where businesses, state and planning partners can all work together.

Mehus thanked Matt Holben, Area Specialist with Rural Development, for his extra efforts and assistance in obtaining a Rural Business Enterprise Grant for Sweet Grass Natural Lamb in Big Timber. This grant will be used to improve the businesses marketing materials and website to sell their products online. Currently, they have steady restaurant and retail accounts from Bozeman to Billings and are looking to expand this market. Sweet Grass Natural Lamb was one of Beartooth RC&D's original revolving loan fund clients. Holben stated that this application was a joint process with Rural Development, Bertolino and Mehus. This application had to compete at a national level to receive the grant and it was one of only two in the entire state that was selected. This was an excellent example of how a value added food & ag project can be successful for the producer in the next couple years.

Housing Program – Diana Spint

Update

Spint spoke with Maureen Martin from the Department of Commerce, Housing Assistance Bureau Chief Housing Division, about our application to become a certified Community Housing Development Organization (CHDO). Based on our board composition, Beartooth RC&D does not meet the basic requirements to become an approved CHDO. Martin did steer us toward applying directly with FHA to become an instrumentality. Spint is researching this option to become an instrumentality which would allow is to offer down payment assistance, rehabilitation of properties or to purchase properties. She will look into this option to possibly build capacity for the organization.

The homebuyer education classes have been holding steady with about 15 participants per class.

Spint met with HRDC and homeWORD® in August, to discuss a collaborative effort to obtain funding and creating marketing strategies to increase attendance and promote education in our communities from our organizations.

Spint is working towards setting up office days in the different communities and would appreciate any assistance from the board members in getting the word out and possibly hanging up a few flyers. Spint has set an office day in Big Timber on September 28th and in Columbus on October 14th. Please let her know if there are any direct housing needs in your area that she can assist your communities with.

AG Program Technician – Joel Bertolino

Update

Bertolino and Mehus traveled to Glendive on September 9th to visit the Food and Ag Development Center facility and meet with Garth Clingingsmith and Bruce Smith to discuss the details of the reporting for the contract with GATE with the Montana Department of Agriculture. We have not heard yet whether the Rural Business Opportunities Grant application for strategic planning submitted on behalf of all the centers was successful. Holben thought we should know by next week about that funding with the end of their fiscal year.

Bertolino and Mehus spoke with the Growth Through Ag (GTA) program director from Butte, Collin Watters; and it is possible the program may run out of funding. Beartooth RC&D has two businesses interested in GTA grants next quarter, but it will depend on fund availability whether they can apply.

Harwood Enterprises hired Cynroc Marketing of Billings and Das Kuchenhaus chose CTA Architects to work with them on their marketing plan and materials. Both of these businesses received Rural Business Enterprise Grants through Rural Development and are now in the process of developing their plans.

We received the final invoice and architectural planning documents for Laurel Movie Haus. We will schedule a time to review the project progress, then the RC&D's involvement in helping establish this business should be finished.

Forester – Dick Rath

Update

Rath gave an update on the fuels mitigation program and stated that the Stump Gulch fire outside of Columbus in August drew attention by homeowners to how important defensible space is around their homes if threatened by fire and how effective these fire mitigation efforts can be.

Nick Jacobs, with the Columbus Fire Department, has been working closely with the Beartooth RC&D on managing the fuels reduction program in Stillwater County. He has been doing a tremendous job for our organization, but will be leaving his position temporarily to attend more schooling. Rath is seeking a substitute to fill his role until he returns.

Rath reported that we have received notice from Angela Mallon, the DNRC grant coordinator in Missoula that Beartooth RC&D would receive Steven's Funding grants with BLM partnership funds for fuels mitigation projects. Sweetgrass County will receive \$150,000 in funding for continued work in the Boulder area and Carbon County will receive \$100,000 for work to be completed along the Beartooth front.

NRCS – Carla Lawrence

Update

The fiscal year end date for the U.S. government is September 30, 2010. Lawrence has been working on some year end wrap up and reported that the agreement has been signed for the next fiscal year to receive \$10,000 in funding from NRCS to help carry out the annual plan of work. Mehus and Lawrence are working on the 2011 annual plan of work and hope to have this finished for board input and approval by the November board meeting.

Lawrence has been working with the Montana Grazing Lands Conservation Initiative (GLCI) and coordinated the national steering committee meeting held in Billings on September 9-11th.

Knutson and Lawrence continue to work with the Absaroka-Beartooth Wilderness Foundation (ABWF) to assist with using our 501(c)(3) status as a pass through account for their funding. Funding from their members has started to come in.

Lawrence is on the planning committee for the Society of Range Management (SRM) National Conference which will be coming up in February 6-10, 2011, and will be held in Billings this year.

The Montana Association of Conservation Districts (MACD) meeting will be held on September 30th in Hardin and hosted by the Big Horn Conservation District if anyone is interested in attending. The annual state MACD convention will be held November 17-18th in Billings.

The annual symposium for "Women Stepping Forward for Agriculture" will be held October 5-6th in Helena. This conference is for women involved in the promotion of Montana's agriculture to help promote leadership development, learn of issues facing rural ag communities and support women's leadership roles in these communities.

Announcements – Miscellaneous

The RC&D needs to update the constitution and bylaws and is looking for a committee to review the changes. If anyone is interested in serving on that committee, please let us know.

Next Scheduled Board Meeting- November 18, 2010 to be held in Huntley. Location to be announced.

Adjournment: 7:45 p.m.

Respectfully Submitted,

Paige Weber

Office Administrator
Beartooth RC&D Area, Inc.