



**SOUTHWEST ALASKA MUNICIPAL CONFERENCE
SWAMC BOARD RETREAT**

September 20, 2014 - 12:00 noon
Captain Cook - Clubroom II
Call-In: 888.550.5602
Passcode: 4110 3761

AGENDA

**I. Call to Order ----- 12:00pm
----- Ruby**

Meeting Called at 12:04

**II. Roll Call ----- 12:01
----- OBrien**

- A. In Attendance: Layton Lockett, Paul Gronholdt, Alice Ruby, Carol Austerman, Cynthia Berns, Joe Sullivan, Dan O’Hara (Late), Michelle Ravenmoon (Sun only)
- B. On line: Glen Gardner (First Half of Meeting, through Executive Session), Dan Clarion (Executive Session)
Quorum Established.

**III. Approval of Agenda ----- 12:04
----- Ruby**

Ruby amended agenda to add an executive session regarding personnel after the consent agenda, changed order of governance agenda to: Operations, Year end, funding obligations, draft budget. Sullivan moved to approve agenda, Berns seconded. With no objections, Agenda Approved.

**IV. Consent Agenda ----- 12:08
----- Ruby**

- A. Meeting Minutes June 12, 2014
Lockett moved to approve June minutes, Austerman seconded, Consent Agenda Approved.

Executive Session: Personnel Matters

Ruby asked for motion, called by Austerman, second by O’Hara. Entered Executive Session at 12:12pm. Executive ended and regular meeting called into session at 1:19pm.

Board introduces self to staff.

V. Governance ----- OBrien

- A. FY15 Budget Discussion:
 - a. Current Operations Review – August Financials 1:19pm
 - O’Brien noted a \$5,000 difference from last year in membership revenue.
 - Lockett asked if we are invoicing A/R that we wrote off last year
 - O’Brien said that is up in the air. There has been discussion of writing all off after September. Accountants said 3 months on the books is typical.
 - Lockett said personal contact is key to make sure members aren’t interested in renewing before we write them off.
 - Lockett suggested rebilling accounts we wrote off last year just to make sure they weren’t interested in renewing.
 - Ruby said she saw some entries in A/R that she believes have sent in payment.

- O'Brien said that payments which have come in the last few days were not reflected in the financials.
 - Ruby noted that accounts receivable for membership can be "tricky".
 - Sullivan said he would prefer we not move to a quick write off of potential membership dues. Expressed the need for additional follow-up with old members
 - Gronholdt moved to approve August financials, O'Hara seconded.
 - Discussion: Berns suggested mailing physical invoices to communities. O'Brien said that is our next step.
 - Board unanimously approved August financials.
- b. FY14 Year End Review – June Financials
- O'Brien said that everything in the year end financials are included in the budget.
 - ARDOR grant didn't become official until later in the year, and therefore wasn't originally budgeted for.
 - O'Brien expects more change coming to the state grant.
 - O'Brien sees SWAMC needing to defend themselves more strongly with need for public grants.
 - Conference sponsorship was down, due to losing many top end sponsors. Members aren't contributing the maximum amounts that they used to.
 - More individual sponsorships, but fewer large contributions.
 - Conference registration was up. Revenue was under budgeted. One day option was very popular this year.
 - Lockett commented that we should look at AML's pricing structure.
 - Contract revenue was a little inconsistent with the budget due to moving to a different category and having a lot of contracts last fiscal year.
 - Lockett expressed concern that if our budget passes \$500,000, we are eligible for a state audit.
 - Lockett moved to approve the year-end financials, Gronholdt seconded. With no objections June Financials Approved.
- c. Funding Obligations: EDA.....
- O'Brien said the EDA grant has increased to \$150,000.
 - EDA pushes to spend money on personnel.
 - \$31,512 is up in the air that we were supposed to spend on personnel in the last fiscal year.
 - We may be obligated to spend those funds or possibly have to refund that money to the EDA.
 - We had planned to spend the money on contractors, but EDA determined that inappropriate, since the contractor solicitation was not in line with federal requirements.
 - Worst case scenario: SWAMC writes a \$31,512 check to EDA.
 - SWAMC has an extension from EDA to the 30th, and another extension should be approved.
 - Last year "our hand was forced into a project" because we didn't spend enough on personnel.
 - Federal FY 14 (current fiscal year) project should be \$150,000 less personnel costs.
 - We have 120 days from Sept. 30th to spend the \$31,512 if our extension is approved.
 - O'Brien said it would be beneficial to spend the money on a project that increases membership and expands our outreach.
 - Board adjourned for interviews and planned to come back at 4:30 to consider projects

B. **BREAK**2:00

C. **Executive Session: SWAMC Staffing Plan & Interviews**2:15

Consider Moving to Next Board Meeting ----- **Ruby**

- a. Funding Obligations: ARDOR Project – BR&E 4:30
- O'Brien: ARDOR grant has changed; we are now being directed to conduct a project. Our draft application pertains to a Business Retention and Expansion project. It is valuable to the organization as a customer relations project.
 - Day to day activities would be getting questions together that pertain to our region. Need to look at what type of data we need to make the right public investments in the region.
 - Amount of project is \$35,000+
 - Need to keep project in focus with current action plan.
 - Yancey gave a presentation on BR&E
 - Data collection project in communities.
 - Build on current projects.
 - Austerman asked how SWAMC would coordinate with municipalities and other organizations in the region who are also using the BR&E database.
 - O'Brien said we could hopefully work together with others and share data. It would depend on an agreement between the borough and SWAMC.
 - Sullivan asked when the application goes in.
 - O'Brien: it was due last Monday. We need an answer from the board today or tomorrow.
 - Gronholdt asked what Kodiak budgeted for BR&E.
 - Austerman: we have not budgeted specifically for this project, but we have allocated toward an economic development project. Budget is about \$70,000 for that
 - Gronholdt asked if there is a relation to BR&E International from N. Dakota.
 - Yancey: It has philosophical relationships. State has not yet released the actual software, however.
 - Ruby: I'm concerned that this isn't really a business retention project. It's more like a survey. I want it to be clear that we are just doing a survey. Strictly data collection.
 - Yancey: Originally this program was taught to focus on an employer, but because rural Alaska is different, only targeting private employers is a mistake. UAA found it was more valuable to reach out to ALL employers: gov't, nonprofit, and private sector. Once you have that, you can compile lists of resources that employers can look to.
 - Ruby: We need to realize that this is a long term commitment if we market it as getting into business retention and expansion.
 - Sullivan: This project seems to align well with the action plan.
 - Ruby: the follow through is what I'm concerned about.
 - Lockett: Concerned about travel expenses and which communities we are going to visit. \$10,000 will not get you very far.
 - O'Brien: travel will be tempered down, but we can still get out to communities in other ways with other projects. Lower number of committed visits.
 - Ruby: Need to make sure not to lose sight of ongoing projects such as economic geography and crew member labor data.

- Austerman: Without knowing software, survey methodology, how have we decided how much time it will take to do this project?
 - O'Brien the draft was not heavily detailed prior to board approval.
 - Austerman: I feel that the budget number is way too high. How do we know how much staff time is needed without knowing the full details of the project?
 - Yancey: Numbers in grant application are approximate. ARDOR grant required quantitative measurements in application.
 - Gronholdt: I don't have a problem with not having all the answers, because this project is supposed to answer some of the questions.
- O'Brien: BR&E is big in econ development right now. Reminder: it is a customer relationship management database. It's an ongoing, long-term commitment.
- Ruby: We need to know why we're getting in the BR&E business before we get into it. Once we ask someone questions, we're committed to helping them out. Can you say we're going to design or propose our BR&E program?
 - O'Brien: With limited information, I believe it may be too limited in scope.
 - Austerman: The questions we could ask could be driven by our work plan. The questions on the survey are the crux of how helpful this program is to our membership. Its helpfulness is how it moves SWAMC forward. The focus should be working with the communities rather than getting out to the communities and working with them, rather than completing the survey process.
- Sullivan: How much of the survey are we making up and how much currently exists?
 - O'Brien we've received input from private sector.
 - Yancey: Surveys already exist. Teach community leaders how to build the survey, how to get results back. Different communities will produce different surveys.
 - Sullivan: we need to outline the process of building the surveys in the application.
 - Austerman: Application should talk about visits to the community to develop the survey, not conducting the survey.
 - Sullivan: I'm concerned about launching with a canned product.
- Berns: Have you consulted with the state on this?
 - O'Brien: ARDOR staffing is very low, there's a lot of confusion.
 - Yancey: I spoke with Shaun about BR&E and also with UAA. So, some, but not enough yet.
- Ruby: Follow through is the most important thing to me.
- Gronholdt: What happens next if we submit this?
 - O'Brien: no financial risk, but we risk trust issues with the membership if we don't follow through.
 - Berns: Trust depends on how we present it to membership. I'm more concerned about over promising performance to the state.
- Gronholdt: What happens if we vote no on this project?
 - O'Brien: State has asked that we bring them a project as soon as we have something approved with the board.
- Lockett: We need to take time to develop good surveys. Maybe the surveys should be the deliverable of the project.
- Austerman: Developing regionally applicable surveys would be valuable to lots of communities.
- O'Hara: Our community is off and running on this. Yancey's visit with UAA was valuable. I feel this project is very worthwhile.

- Lockett: Motion to recess until tomorrow morning, Austerman seconded. No objections. Recess until 8:30am Sunday.

Sunday, September 21

D. FY15 Draft Budget 8:40am

a. **Continued Funding Obligations: ARDOR Project – BR&E**

O’Brien reviewed the details of the previous day’s meeting for Ravenmoon

- Obrien: first order of business is to consider ARDOR project, suggest pursuing BRE
 - Entity supplying questions owns data; SWAMC needs to work with partners to data integrity and sharing protocol
- Austerman: SWAMC should encourage regionally appropriate data that can be shared for wider economic development purposes; need to build in confidentiality
- Ruby: We need a scope that fully outlines purpose of BRE, both internally and for members supplying feedback
- Sullivan: Survey design, data sharing protocol, what constitutes sufficient or valid data of a regional sample or industry sample should be our deliverables
 - Needs to be developed through coordinated dialogue with partners
- Sullivan moved to define a scope of work, revise with the stated performance measures – 1) survey design 2) data sharing protocol, 3) defining partnerships, outreach goals, expectations for use of data - and move forward
 - Austerman: agrees this defines SWAMC BRE goals for project initiation
 - Gronholdt seconded. With no objections staff is advised to develop a draft scope of work for ARDOR application
- Sullivan expressed the need to have board feedback on the new application; Austerman suggested a committee review and to streamline the process; Sullivan asked Ruby to appoint a committee; Ruby added that draft should be submitted to Board, not in application format but in plain language
- Ruby suggested Sullivan, Lockett, Berns for the committee. All agreed

b. **Funding Obligations: EDA**

- Sullivan asked when we would hear back from EDA regarding the use of the \$31,500.
 - O’Brien: Not sure. EDA is unreliable in communication.
 - Sullivan: I’m troubled by this. Perhaps we should make the budget without taking it into account and then develop a contingency plan.
 - O’Brien: Nothing in the budget represents the \$31,500. But we need to discuss today.
- Gronholdt: What are you asking for
- O’Brien we could do a rehash of the economic geography project; review high-level analysis of data collected to-date to identify trends and understand data gaps, for broader use data to help define organizational activities; need to hire a contractor through an appropriate solicitation process.
- Austerman moved that the economic geography project be the selected project, if necessary.
 - Sullivan amended the motion to add that O’Brien prepare a written proposal, including financial analysis, to the board regarding the project; Ruby seconded the importance of financial impact of project on SWAMC
 - Austerman seconded Sullivan’s amended motion. Without objections, Motion carries – Staff is directed to outline draft project for Economic Geography, Data Analysis project

c. Budget Discussion & Personnel

- Regarding staffing, Lockett asked if SWAMC can use EDA funds to match the ARDOR funds. O'Brien said yes.
- Austerman said she would like to see a personal services budget by project.
- Staff is directed to Work with Foraker to clearly outline spending by category.

- O'Brien said the \$220,000 personnel budget assumes we hire a new director, retain O'Brien, retain Yancey, and hire two interns.
- Austerman said she would like to reduce the office administrator hours. Lockett said he likes the idea but also would like to see more hours to have some flexibility for overtime.
- Ruby: Victoria is doing more than O.A.; thinks it is difficult to hire Office Administrator for 20 hours a week.
- Austerman said that the office administrator is currently doing project work due to the absence of the economic development specialist position
- Austerman & Lockett: Want to staff Office Administrator position
- Sullivan asked what the deadline for passing a budget is. Concerns about the new ED coming in.
- Ruby said she is uncomfortable operating without a budget, because the ED then has to ask the board for permission too often; having a budget in place provides staff with guidance
- Austerman suggested passing a 6 month budget through December 31
- Berns said an admin assistant in the office is important. Lockett agreed.
- Lockett said he is in favor of passing a half year budget.
- Austerman moved to approve budget with full salary and approve expenditures for the next six months – through December 31st - if they are within 50% of the budget. Gronholdt seconded.
 - Gronholdt: Having extra staff could contribute to a better conference and thus more organizational revenue
 - Sullivan: Agrees, fully staffed office will have positive return to organization; should approve budget through December 31st
 - Austerman: Notes that fully staffed personnel spending will allow us to keep funds within organization instead of, subcontracting projects
 - Alice: Need to continue outsourcing Accounting
 - Lockett: Full staffing should lead to less outsourcing contracting, and less rush to make deadlines; approves
 - Obrien: Need to approve Energy Intern position, there is lots of work associated with AEA Energy contracts; most of these hours, expense is covered through Energy Contract
 - Sullivan said he would like the new ED to do the hiring, but we should let Yancey know that she could potentially have a position in the future
 - O'Brien pointed out that the VISTA position is very rigidly defined by the VISTA program; suggests one intern would be energy, one would be admin; Obrien said hiring an energy intern through December should be a priority
 - Austerman: Offer Victoria OA position, with focus on Energy Issues, as an alternative to
 - Lockett: Very important to be mindful of allocation to projects, and where they are funded
 - Ruby said the funding for the energy intern seems to be available
 - Sullivan: Clarify Energy Coordinator Inter; not uncomfortable with a \$40,000 deficit at this point; we have a short-term cushion

- Ruby: suggested plugging in another revenue figure from savings to show a balance; not from general revenue
- Obrien: added that a fully staffed office could have positive contribution to revenue
- Lockett: expects to see higher revenue next year, but is not comfortable factoring that into budget yet; things are going to change, room for adjustment after December 31st; suggested a notation of “Authorized through December 31”
- Sullivan: Agrees with Lockett, due to savings from first 6 months of budget, the deficit for full should not be as \$40,000
- Ruby: Don’t forget that we need to pass revised budget after December 31st; deficit need to be balanced from reserves to show a \$0 Budget
- Lockett & Austerman: agreed that any deficit needs to come from reserves
- Board voted unanimously to pass the temporary budget, through December 31st

V. Policy and Program Issues----- 9:55

A. 2015 Conference 9:55

a. Conference Planning

- Ruby: Need to appoint a conference committee
- O’Brien proposed to include a half day option, noted that the IGNITE session was popular; suggested that the banquet should be more low-key and networking oriented this year.
- Lockett said he would like to see the substance abuse summit highlighted.
- Austerman: aid that most details could be addressed by the conference committee
- Ruby: Agrees; need to make sure people are registering
- Lockett: the structure should encourage pre-registration; review pricing structure to incorporate more of a penalty for late registration; some space was wasted on booth, this could be better served as discussion area
- Austerman: Committee needs to encourage input, first with Board then others
- Lockett, Gronholdt, Berns, and Ravenmoon will make up the conference committee with one pending addition

b. Board Resolutions

- Ruby: Resolution language should be addressed by Conference Committee
- Sullivan: organizational policy regarding board resolutions needs to be aired out well in advance of the conference committee; this is Board level
- Gronholdt said we should mirror what the AML does
- O’Brien: we may need to review the bylaws as well; could provide a draft of policy for a future meeting with the board’s guidance
- Austerman: Bylaws should be reviewed more often than every 5 years, and should be handled in Executive Committee; guidance cannot likely be provided today, as the issue requires more thought
- Sullivan: the AML procedure is very helpful, but this issue should be on a regular meeting agenda; all members need to be involved
- Ruby said a resolution policy should be adopted, not just for meeting, but for whole year; does not remember Board not allowing membership to vote on member resolution
- Austerman: the issue may have been that the Board did not have time to review the resolution, and SWAMC policy needs to clearly outline procedure for accepting Resolutions; Sullivan agreed

- Lockett said he would like to see a draft tailored to SWAMC that is similar to AML's policy
- Ruby said the executive committee will work with Erik and have something by the November meeting
- Sullivan: Members need sufficient time to incorporate new rules; bylaw review and resolution policy are two different issues; Bylaw amendments require a majority vote of municipal membership
- Ruby: Guidelines can be reviewed by Board
- Lockett: By December 31st we need our Resolution Policy published
- Ruby: SWAMC's whole bylaws need to be published on website
- Austerman said a bylaw review starts with the executive committee

VI. Board Comments / Other Business

- IEDC sponsorship: discussion tabled until new ED arrives.
- Austerman asked that November meeting be in person if new ED is hired.
- Ruby said she will try to schedule November meeting near the AML meeting in Anchorage.

VII. Adjourn ----- 10:30am

----- Ruby

Next Board Meeting
 October 16th @ 9:30am