

GFDA

Board Orientation Manual

3/28/21

GFDA was the first internationally Accredited Economic Development Organization in the Rocky Mountain Region. Only two Montana EDO's have earned accreditation.

GFDA is Unique in Montana

- » 80% private local investment
- » Comprehensive economic development organization
 - Business retention, expansion, startup and attraction
 - Financing
 - Revitalization
 - Real estate development (AgriTech Park)
- » Professional, certified staff team
- » GFDA is not an EDA Economic Development District EDD or a MDOC Certified Regional Development Corporation (CRDC)

Purpose of Board Orientation

- » Share key information
- » Focus on the strategic direction, mission and goals of the organization
- » Encourage questions and explore opportunities for the organization
- » Manage risks associated with leadership

Vision

» Hungry to grow the Great Falls region

- Focus on Great Falls trade area – Montana's Golden Triangle

Mission Statement

- » Grow and diversify Great Falls regional economy
- » Create higher wage career opportunities
- » Improve market competitiveness

Value Proposition

- » Leadership and resources to make things happen that otherwise would not

Our Values

- » Integrity
- » Transparency
- » Collaboration
- » Fiscal Prudence
- » Performance
- » Communication
- » Tenacity
- » Continuous Improvement

*GFDA is the only Montana EDO or CDFI
to earn GuideStar's Platinum Seal of Transparency.*

Organization and Structure

- » 501 (c) 3 charitable Montana non-profit corporation
- » Public/private partnership
- » Membership organization
- » Certified Community Development Financial Institution (CDFI)
- » Accredited Economic Development Organization (AEDO)

Board of Directors

- » Board composition reflects public and private investment
 - 1/3 public and non-profit
 - 2/3 elected by private investor members
 - Investor minimum \$1,000/year for voting privileges

Board Officers

- » The Board annually elects a
 - Chair
 - Vice Chair
 - Treasurer
 - Secretary

- Outgoing Chair assumes role of Immediate Past Chair

Board Officers

- » The Chair of the Board is the chief elected officer. The Chair presides at meetings of the Board and Executive Committee and appoints chairs of committees and task forces. Leads performance reviews of CEO.
- » The Vice Chair assist and acts in the absence of the Chair and is responsible for strategic planning.
- » The Treasurer is responsible for oversight of the organization's financial condition and reports to the Board monthly.
- » The Secretary is responsible for the minutes of the Board and Executive Committee.

President & CEO

- » The Board employs a President & CEO, who serves as the chief executive officer. The President is responsible for the management of the organization and works with the Board, committees and task forces to define and implement goals and objectives. The President is responsible for employing and managing staff adequate to carry out the organization's programs and within the constraints of the budget.

Executive Committee

- » The Executive Committee consists of the Chair, Vice Chair, Treasurer, Secretary, Immediate Past Chair and committee and task force chairs. The Committee is elected annually by the Board.
- » The Executive Committee is “GFDA’s Leadership Team” and assures implementation of programs.

Loan Committee

- » The Loan Committee is authorized by the Board to review and approve loans made by GFDA. The President & CEO has the authority to approve loans up to a total of \$50,000 to any one borrower.
- » The Loan Committee is elected annually by the Board.

Committees & Task Forces

- » Prior to the start of each fiscal year, the Board determines what other committees and task forces are necessary to help achieve GFDA's goals.
- » Committees and task forces are the work groups of GFDA. Any member may volunteer to serve on any committee or task force. Partners and supporters are also welcome.
- » Committees and task forces help implement GFDA's objectives and programs. They study issues and make recommendations to the Board. They cannot determine policy, but they do influence the implementation of it.
- » Committees and task forces meet as often as necessary to accomplish their objectives.

Partnerships

- » GFDA helped create, participates in and often financially supports partnerships that help achieve our mission.
- » Current Partnerships:
 - Montana Defense Alliance
 - Downtown Development Partnership of Great Falls
 - Great Falls Tourism
 - Kids Education Yes

Alliances

- » GFDA forges alliances with entities to help achieve its mission. These often involve a service agreement or memorandum of understanding (MOU).
- » Current alliances:
 - Montana Manufacturing Extension Center
 - Great Falls Business Improvement District
 - *Supporting Downtown Business Development Officer*
 - University of Montana Women's Business Center

GFDA Governance Documents

- » Articles of Incorporation
 - Adopted and can be amended by GFDA's members
- » Bylaws and Policies
 - Adopted and can be amended by GFDA's Board
- » Policies
 - Advocacy
 - Anti-Money Laundering
 - Automation Systems Internet
 - CEO Succession Plan
 - Civil Rights
 - Confidentiality
 - Conflict of Interest Statement
 - Disclosure
 - Employee Benefits
 - EPA Brownfields Fund Grant
 - Financial Management
 - Lending
 - Membership
 - Open Meeting
 - Procurement
 - Record Retention
 - Social Media
 - Whistleblower

Additional Tools of Governance

- » Strategic Plan
- » Budget for Fiscal Year
- » Plans for Calendar Year
 - Business Development
 - Operations
 - Talent Attraction
- » Key Performance Indicators (KPI's) Metrics for Calendar Year

Great Falls AgriTech Park

- » Great Falls AgriTech Park LLC
 - Developer of the AgriTech Park
 - Wholly owned subsidiary of GFDA
 - Holds no assets because Park is being developed with an assignable land option agreement

- » Great Falls AgriTech Park Owners Association, LLC
 - Stand alone separate entity managed by GFDA on behalf of Park lot owners
 - Owns the Park rail line
 - Collects assessments from members to pay for Park maintenance, insurance and rail line property taxes

High Plains Financial, Inc.

- » SBA certified Community Development Corporation (CDC)
- » 501 (c) 4 Montana non-profit corporation
- » Created by GFDA to bring the U.S. Small Business Administration (SBA) 504 loan product to region
 - HPF acts as agent of SBA. Loans are originated and serviced by HPF.
 - Loans are on SBA's books.
 - HPF makes SBA 504 loans statewide
- » Governed by 11-member Board elected by the HPF Board
 - Board members are usually elected from GFDA Investor members
 - Two GFDA Board members also serve on HPF's Board
- » GFDA staffs HPF via management agreements approved by SBA

Board Responsibilities

- » Manage the organization's resources.
- » Help raise member investment and resources from other sources.
- » Provide input, referrals and market knowledge/contacts to strengthen programs and services to achieve GFDA's mission.
- » Promote GFDA's image.
- » Ensure legal and ethical integrity in the organization.
- » Help recruit new leaders.
- » Assess and measure organizational performance.

Practical Steps for Board Service

- » Participate in board meetings and GFDA events.
- » Prepare for meetings by reviewing agenda and supporting documents in advance of the meeting.
- » Study and understand the mission, bylaws, policies and strategic plan.
- » Promote the organization to others.
- » Stay current on issues and trends impacting GFDA and its mission.
- » Get involved with committees, task forces and partnerships.

Practical Stuff

- » Governance documents, Board and Executive Committee meeting minutes and agendas, financial reports, lists of Directors and Investors, staff directory and much more are kept current on GFDA's website.
- » GFDA operates electronically whenever possible. Please make sure to accept staff email addresses to avoid things going into your junk folder.
- » Board meetings are generally held first Thursday of the month at 8:00 AM and usually last 90 minutes.
- » Executive Committee meetings are generally held the third Wednesday of the month at 8:00 AM and usually last 90 minutes.
- » Board and Executive Committee meetings are open to the public. Anyone who requests can be added to the Board and/or Executive Committee email distribution lists.

Financial Oversight

- » Annual independent audit
- » 990 tax return
- » Annual budget
- » Monthly Financial and Loan Portfolio reports
- » Annual insurance review

Insurance Coverage

- » Comprehensive general liability
- » Professional conduct
- » Cybersecurity
- » Umbrella policy
- » Directors and Officers liability

President & CEO Evaluation

- » Based on performance goals
- » Annual Board survey
- » Executive Committee discussion
- » Conducted by past, present and incoming Board Chairs

Investment in GFDA

Local investment in GFDA pays for much of the work we do that does not generate its own revenue

- Business Attraction
- Business Retention & Expansion
- Competitive Improvements
- Public Policy
- Supporting Partnerships & Alliances
- Preparing grant and service contract applications both for GFDA and our clients

Investment in GFDA

Local investment also pays for the required match for:

- Small Business Development Center
- Procurement Technical Assistance Center
- CDFI Fund Financial Awards
- All other grants and service contracts that require match

GFDA regularly leverages local investor dollars 1:2.5 and in some years the leverage increases as high as 1:5, meaning \$1 dollar of local investment becomes \$5 to put to work in achieving GFDA's mission.

GFDA CORE OPERATIONS

- » Business Development
- » Business Advising
- » Lending
- » Talent Attraction
- » Competitive Improvements
- » Operations

Business Development

- » Business Attraction
- » Business Retention & Expansion
- » Food & Ag Development Center

Business Advising

- » Small Business Development Center
- » Procurement Technical Assistance Center

Lending

- » Gap & Bridge Financing
- » Brownfield Clean-up Financing
- » SBA 504 Loans

Loan Products

- » Gap subordinate financing
 - Average 18% of deal
 - Up to 20 year amortization; typically 5-7 year balloon

- » Bridge subordinate financing
 - Average 16% of deal
 - Typically interest only with 2-3 year balloon

- » Borrowers
 - Business, commercial real estate, multi-family, non-profit

- » Pricing 1-2% above participating bank rate
 - Internally buy-down rate, if necessary, for high impact deals

Loan Products

- » Brownfield Clean-up
 - Low interest loans, typically 3%, to finance up to 80% of clean-up expenses and associated demolition, including engineering costs.
 - GFDA provides under a cooperative agreement with the EPA.
 - With Board and EPA approval, grants for clean-up can be given to non-profits and public agencies.

- » SBA 504
 - Finances up to 40% of cost of real property or long-term equipment for businesses.
 - Provides up to 25-year low-interest fixed rate financing in second position behind conventional lenders
 - Requires as little as 10% equity.
 - Must be separated from working capital financing.

Talent Attraction

- » Attract talent to relocate to Great Falls region
- » Provide tools to help employers improve the success of their recruitment efforts

Competitive Improvements

- » Great Falls AgriTech Park
- » Brownfield Assessments

- » Most of GFDA's competitive improvement work, including housing production, workforce development, angel investment, and downtown and river corridor revitalization, is part of our business development efforts.

Operations

- » Organizational Management
 - Financial Accounting and Reporting
 - Human Resources
 - Office and Equipment
 - Compliance and Risk Management
 - Governance
 - Strategic Planning
 - Public Policy
- » Investment
 - Fundraising