



SPRINGDALE
Chamber of Commerce
WE'RE MAKING IT HAPPEN

Board of Directors Packet March 2017

Agenda Items

Guest

- Dan Kallesen, South Coast Baking

Approval of Minutes

Approval of Financials

Approval of By-Laws, Financial Policy & Policy & Procedures

Approval of Accreditation Plans

Renovation Update

Development Report

- Membership & Sponsorship

Events & Programming Report

- Salute to the Arkansas Legislature
- Annual Meeting
- Spring Golf Classic
- Morning Brew

Workforce Report

- Ted Abernathy Visit
- Springdale Workforce Council
- 2017 A.C.E.S. Planning

Economic Development Report

- New Projects
- Ongoing Development
- Economic Data

Board Discussion

Board Minutes

January 17, 2017

The January meeting of the Springdale Chamber of Commerce Board of Directors was held on Tuesday, January 17 in the Zachary Conference Room of the Springdale Chamber. Board members present at the meeting were: Mitchell Johnson, Brent Hanby, Mike Morgenthaler, Hex Bisbee, Perry Webb, Eddie Vega, Julie Shook, Derek Gibson, Brian Moore, Dr. Jim Rollins, Tom Sledge, Bob Arthur, Clinton Bell, Danny McGinley, Rev. Don Elmore, Heather Lind, Patty Hatfield, and Frank Ray. Joel Gardner, CEO of Ozark Regional Transit, and Kevin Clark, CEO of NOW Diagnostics, were special guests.

Four members of the Leadership Springdale class were present including: Lester Coger (City of Springdale), Frank Gamble (City of Springdale), Chase Knauts (Brown & Brown Insurance) and Austin Burks (Tyson Foods). Staff members present included Rhonda Hughes, Sarah Gordley, Jim Ed Reed, Bill Rogers, and Scott Edmondson.

Chairman Johnson called the meeting to order and introduced visiting members of the Leadership Springdale class.

Gardner updated the Board on the known details of the fire that destroyed the majority of ORT's buses and steps that have been taken to restore service to the region. He explained that, thanks to assistance from cities as far away as Flagstaff, AZ, Atlanta, GA and the Dakotas, ORT was able to keep its 75 employees employed while restoring service with loaned buses from these and other cities. ORT must wait for an investigation by the NTSB and insurance before it can purchase replacement buses. If Governor Hutchinson declares an emergency, ORT will gain access to federal assistance that could speed up what could be a year-long process.

Clark updated the Board on his company, NOW Diagnostics, and its diagnostic technology platform that uses blood from a finger prick to accurately diagnose a wide range of diseases and health conditions in as little as 10 minutes with a proprietary lancet. The company currently has seven approved products and is selling several devices in Europe. The FDA fast tracked the company's application process to bring a blood-based pregnancy test to professionals in the U.S. He said testing for over the counter sales of that product could be complete within a month. NOW Diagnostics currently employs 26 in Springdale and another 14 in Toronto. Expansion is in the company's future, needing more than its current 22,000 sf facility. The company hired one scientist and five employees for its manufacturing division in January.

The Board was presented with a slate of officers to serve on the Executive Committee for 2017. Brent Hanby (Encore Flooring & Building Products) as chairman, Hex Bisbee (Multi-Craft Contractors) as vice chair and Mitchell Johnson (Ozarks Electric Cooperatives) as past chair. A motion was made and seconded and the motion passed. It was explained that a recommendation for an appointment to serve as treasurer would be brought before the Board at its March meeting.

Chairman Hanby recognized the five new members of the board who were present at the meeting: Bob Arthur (Employer Advantage), Heather Lind (J.V. Manufacturing), Danny McGinley (Crain Buick GMC), Rev. Don Elmore (Temple Baptist Church) and Clinton Bell (Quadrivium).

Hanby asked the Board to review minutes of its November meeting. A motion was made and seconded to approve minutes of the Board's most recent meeting. The motion passed.

Webb gave an overview of the financial statement dashboard, explaining the Chamber showed a \$26,000 net profit in 2016. He attributed the profitability to increased sponsorships, strong membership growth in the first half of the year and profitable events. He explained advertising revenue from the Chamber's workforce magazine, AIM, was also a significant contributor. A motion was made and seconded to approve the financials. The motion passed.

The Board was provided the \$1,900,300 Chamber operational budget for 2017. Webb reminded the Board the Chamber annually prepares a zero profit or flat budget. He explained the Chamber has a goal of 240 new members in 2017 and that revenue from government contracts has increased due to a new contract with the Advertising and Promotion Commission for creative services. Revenue from the Ignite Springdale campaign will be down in 2017 as that program draws to a close. He said events will show a small growth with the exception of Government Affairs (2017 Legislative Reception). Workforce related revenue should also be up due to expanded AIM magazine sales. Employee related expenses are up by \$63,000 and the Chamber's 2017 salary line item now has reached \$1 million. The Chamber will reduce expenses in several events including its Workforce Summit and Annual Meeting but will see slight increases in economic development and Leadership Springdale programming. He said the Chamber will experience four profitable months and eight loss months with a plan to break even by year's end. The Chamber was able to transfer \$200,000 into reserves in 2016 due to organizational profitability. A motion was made and seconded to approve the 2017 budget. The motion passed.

Hanby explained the Board was being asked to review updates to three different organizational documents to insure their language was still applicable and to accommodate requirements of the U.S. Chamber Accreditation process the Chamber is going through. All three documents – Chamber Bylaws, Financial Policy Manual and Employee Policy and Procedures – had been provided to the Board previously for review. Webb provided details of the changes that had been made to each document.

A motion was made and seconded to approve revisions to the Chamber Bylaws. The motion passed.

A motion was made and seconded to approve revisions to the Financial Policy & Procedures Manual. The motion passed.

A motion was made and seconded to approve revisions to the Policy & Procedures Manual. The motion passed.

The Board received a recap of work completed at the December Board Retreat. The Board set three priorities: continued emphasis on workforce development and the implementation of the Springdale Workforce Plan, implementation of an intentional communications strategy, and alignment of programming with key components of the 2016 Task Force work in workforce, diversity, image and programming.

Reed pointed out 2016 was a good year in development with an increase in 27 new members from the year before. Staffing changes during the year impacted membership growth in the second half of the year but the division has a base goal of 240 new members in 2017 and a 30 percent increase in sponsorships to \$744,000. The Chamber has already secured \$400,000 in sponsorship commitments. He said the division is currently focused on sales for the Annual Meeting and for renewals for January-March.

The Board heard details of several upcoming events. The Springdale Legislative Reception is February 3 in Little Rock. Tickets are \$100 each. The Chamber will host a seminar titled “Marijuana in the Workplace: What Every Employer Should Know” on Feb. 9. Tickets are \$30 per person. The Chamber’s Harps Food Stores Annual Meeting will be March 3. Phil Gwoke, the keynote speaker, will speak on “When Generations Connect.” Morning Brew statistics for 2016 showed a 27 percent increase in total attendees when compared to 2015 and a 66 percent increase in the number of first-time attendees.

The workforce report highlighted the engagement of Ted Abernathy to conduct research on supply and demand related to diesel mechanics and technicians in the state that is part of the Chamber’s effort to develop a pilot program to address a shortage in that area. A reconstituted Springdale Workforce Council will meet Jan. 19 and the second annual A.C.E.S. (Academy for Career Educators in Springdale) will be held June 19-21.

The economic development report highlighted a recent ranking that named Springdale the 24th Best City for New Graduates. Key metrics were affordability, comparative salary, entry level job availability and local amenities. The economic development division is working one new manufacturing project, four new retail/service projects and three new restaurant projects. The Board heard updates of 11 ongoing developments in the city. In 2016, the division made 106 personal appointments with company CEOs or plant managers with 80 percent being conducted with manufacturers. Through November, there have been 1,238 new jobs created in Springdale.

Hanby reminded the Board that Philip Taldo has been sworn in the day before as a member of the Arkansas Highway Commissioner. Each commissioner receives \$80 million in discretionary funds. Springdale and Northwest Arkansas are expected to benefit from two of the five commissioners (Taldo and Dick Trammel) living in the region.

Rollins invited the Board to attend the dedication of the Don Tyson School of Innovation of Feb. 9. Bisbee encouraged the Board to follow key legislation that will be considered during the current Arkansas General Assembly. Each member of the Board is receiving Daily Legislative Updates from the Chamber’s Government Affairs division.

With no further business, Chairman Hanby adjourned the meeting.

Submitted by: _____ Date: January 17, 2017

Special Board Meeting Minutes

January 26, 2017

A special meeting of the Springdale Chamber of Commerce Board of Directors was held on Thursday, January 26 in the Zachary Conference Room of the Springdale Chamber. Board members present at the meeting were: Brent Hanby, Mitchell Johnson, Mike Morgenthaler, Perry Webb, Derek Gibson, Brian Moore, Tom Sledge, Bob Arthur, Clinton Bell, Danny McGinley, Heather Lind, Tex Holt, Carl West and Patty Hatfield. A Quorum of the Board was present.

Staff members present included Rhonda Hughes, Jim Ed Reed and Bill Rogers.

Chairman Hanby called the meeting to order.

In accordance with the revised By-Laws passed by the Board at its regularly scheduled January 2017 meeting, Hanby announced the appointment of two Corporate Executive Committee Members. Jeff Wood will represent Tyson Foods and Mike Morgenthaler will represent First Security Bank.

The Board heard that a minor revision needed to be made to the By-Laws that aligns the name of the organization with the name shown on the Chamber's Articles of Incorporation. A motion was made and seconded to alter the By-Laws to reflect the organization's name as the "Chamber of Commerce of Springdale Arkansas," replacing the existing "Springdale Chamber of Commerce." The motion passed.

The Board heard details of anticipated costs associated with the renovation of the Chamber building and how personnel will be re-distributed in the building's downstairs. The Chamber has been leasing the Chamber Development Center from First United Methodist Church for \$2,500 a month for the last two years. Personnel currently working in that building will move into the main Chamber building after renovations are complete. The Chamber will not renew its lease for the Development Center.

Renovations include new LED lighting, heating and air conditioning, plumbing, high efficiency windows and office furniture. Multi-Craft Contractors is installing needed HVAC and plumbing, office furnishings are being purchased from Innovative Business Furniture, and Kawneer Company is manufacturing the windows for the building. Expected totals include \$125,000 for lighting, HVAC and plumbing, \$50,000 for windows, and \$50,000 for office furnishings. To fund the renovations, the Executive Committee has met with First Security Bank about opening a line of credit to be used as needed. In discussion, the Board expressed support for the renovation plan and the wisdom of having a line of credit. The Board also discussed the appropriate amount of a line of credit. After discussion, a motion was made to approve the Chamber opening a \$250,000 line of credit with First Security Bank. The motion was seconded and was approved.

With no further business, Chairman Hanby adjourned the meeting.

Submitted by: _____ Date: January 26, 2017

REVENUE ITEMS	CURRENT MONTH			Last 12 Month Comparison			YTD
Events	Jan-17	Jan-16	% of Change	Feb 16 - Jan 17	Feb 15 - Jan 16	% of Change	As of 1/31
Annual Meeting - Jan							
Revenue	***	\$ 103,001.00			\$ 103,001.00	-100.0%	
Expenses	***	\$ 62,951.14			\$ 62,951.14	-100.0%	
Net Profit	***	\$ 40,049.86			\$ 40,049.86	-100.0%	
Education Programs - Aug							
Revenue				\$ 113,524.00	\$ 100,520.31	12.9%	
Expenses				\$ 2,666.82	\$ 1,915.43	39.2%	
Net Profit				\$ 110,857.18	\$ 98,604.88	12.4%	
Golf Tournament - May							
Revenue				\$ 52,366.00	\$ 47,443.00	10.4%	
Expenses				\$ 20,550.96	\$ 21,159.46	-2.9%	
Net Profit				\$ 31,815.04	\$ 26,283.54	21.0%	
Government Affairs - Sept.							
Revenue				\$ 30,785.00	\$ 43,720.00	-29.6%	
Expenses				\$ 27,157.57	\$ 30,710.95	-11.6%	
Net Profit				\$ 3,627.43	\$ 13,009.05	-72.1%	
Chickin, Peelin' - Sept.							
Revenue				\$ 66,234.00	\$ 71,222.99	-7.0%	
Expenses				\$ 19,294.62	\$ 19,270.04	0.1%	
Net Profit				\$ 46,939.38	\$ 51,952.95	-9.7%	
Workforce - Nov							
Revenue				\$ 145,991.00	\$ 74,994.00	94.7%	
Expenses				\$ 120,095.40	\$ 41,416.21	190.0%	
Net Profit				\$ 25,895.60	\$ 33,577.79	-22.9%	

Economic Development	Jan-17		Jan-16		
	Permit #	Amount	Permit #	Amount	% of Change
New Commercial Building Permits	7	\$17,670,288.00	0	\$0.00	700%
New Residential Building Permits	35	\$9,122,513.00	20	\$5,047,186.00	75.0%
	Jan-17	Jan-16	% of Change	YTD	
Sales Tax \$'s	\$1,175,727.00	\$ 1,047,852.00	12.2%	\$ 1,175,727.00	
Springdale Water Utilities	26,801	26,474	1.2%		
Ozarks Electric	12,400	12,152	2.0%		
SWEPCO/AEP	16,901	16,777	0.7%		

REVENUE ITEMS	CURRENT MONTH			Last 12 Month Comparison			YTD
Events	Feb-17	Feb-16	% of Change	Mar 16 - Feb 17	Mar 15 - Feb 16	% of Change	As of 2/28
Annual Meeting - Jan							
Revenue					\$ 103,001.00	-100.0%	
Expenses					\$ 62,951.14	-100.0%	
Net Profit					\$ 40,049.86	-100.0%	
Education Programs - Aug							
Revenue				\$ 113,524.00	\$ 100,520.31	12.9%	
Expenses				\$ 2,666.82	\$ 1,915.43	39.2%	
Net Profit				\$ 110,857.18	\$ 98,604.88	12.4%	
Golf Tournament - May							
Revenue				\$ 52,366.00	\$ 47,443.00	10.4%	
Expenses				\$ 20,550.96	\$ 21,159.46	-2.9%	
Net Profit				\$ 31,815.04	\$ 26,283.54	21.0%	
Government Affairs - Sept.							
Revenue	\$ 19,313.00			\$ 50,098.00	\$ 30,810.00	62.6%	
Expenses	\$ 4,618.50			\$ 31,776.07	\$ 30,710.95	3.5%	
Net Profit	\$ 14,694.50			\$ 18,321.93	\$ 99.05	18397.7%	
Chickin, Peelin' - Sept.							
Revenue				\$ 66,234.00	\$ 71,222.99	-7.0%	
Expenses				\$ 19,294.62	\$ 19,270.04	0.1%	
Net Profit				\$ 46,939.38	\$ 51,952.95	-9.7%	
Workforce - Nov							
Revenue				\$ 162,254.00	\$ 74,994.00	116.4%	
Expenses				\$ 120,218.05	\$ 41,416.21	190.3%	
Net Profit				\$ 42,035.95	\$ 33,577.79	25.2%	

Economic Development	Feb-17		Feb-16		
	Permit #	Amount	Permit #	Amount	% of Change
New Commercial Building Permits	5	\$2,192,776.00	2	\$685,650.00	150%
New Residential Building Permits	15	\$4,352,793.00	28	\$6,799,277.00	-86.0%
	Feb-17	Feb-16	% of Change	YTD	
Sales Tax \$'s	\$1,174,235.00	\$ 1,131,670.00	3.8%	\$ 2,349,962.00	
Springdale Water Utilities	26,898	26,421	1.8%		
Ozarks Electric	12,413	12,176	2.0%		
SWPCO/AEP	16,901	16,777	0.7%		