

**Big Sky EDA/EDC
Executive Committee Agenda
May 5, 2021
7:00 A.M. to 9:00 A.M.
Yellowstone Conference Room**

BIG SKY ED Mission Statement: - Focused on sustaining and growing our region's vibrant economy and outstanding quality of life, **Big Sky Economic Development** provides leadership and resources for business creation, expansion, retention, new business recruitment and community development.

Committee Members EDC –Steve Loveless, Ann Kosempa, Mac Fogelson, Kim Jakub, Mike Seppala
EDA –Paul Neutgens, Ken Lutton, Judi Powers, Dana Pulis, Riley Bennett

7:00 A.M.— Call to Order – Steve Loveless, EDC Chair

Agenda Changes for Today's Meeting

Public Comments/Board Member and Staff Announcements

AGENDA

- | | |
|--|--|
| <p>I. Executive Director's Report- Steve</p> <ul style="list-style-type: none"> • Metra Park Master Plan Investment (added \$10k request) • Review Draft Strategic Priorities and Consider Priority Setting • Joint Planning Sessions Objectives (May 20th) • Staffing Plan Considerations* • Executive Director Performance Evaluation* | <p>(Attachment A)
(Action/Confirmation)
(Attachment B) (Action)
(Info)
(Info)
(Action as needed)</p> |
| <p>II. Approval of EDA/EDC Exec. Comm. Minutes</p> <ul style="list-style-type: none"> • April 7, 2021 Ex. Committee Meeting | <p>(Attachment C) (Action)</p> |
| <p>III. Approval of EDA/EDC Financials – Shanna</p> <ul style="list-style-type: none"> • March 2021 EDA and EDC Financials • FY22 Draft Budget Review | <p>(Attachment D) (Action)
(Via Separate Email) (Info)</p> |
| <p>IV. Program Directors' Updates</p> <p>A. BSED's Covid-19 Response Update</p> <ul style="list-style-type: none"> - Economic Response/Recovery Update---Thom/Melanie/Brandon <p>B. Operations--Becky</p> <ul style="list-style-type: none"> - Big Sky to Sky Point Project Update—Becky - Nominating Committee Recommendations-EDC Board Vacancies <p>C. Recruitment/Business Outreach/ ED Policy Update—Allison</p> <ul style="list-style-type: none"> - Update: Legislative Priorities—Austin - Recruitment Project Updates | <p>(Info)
(Info)
(Attachment E) (Action)
(Info)
(Info)
(Info)</p> |
| <p>V. Executive Session (as needed)*</p> | |

Public Comment

Adjourn

Next Executive Committee Meeting – June 2, 2020 (7:30 A.M. to 9:15 A.M.) *Big Sky Economic Development Board of Directors will make reasonable accommodations for known disabilities that may interfere with an individual's ability to participate. Persons requiring such accommodations should make their requests to Big Sky Economic Development as soon as possible before the meeting day. Please call Big Sky Economic Development at 256-6871.*



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT A

**May 2021
Executive Director's Report
to the Board of Directors
(with Program-Level Highlights)**

Strategic Priorities

1. Covid-19 Response/Implementation of Economic Recovery Plan—stabilization response to meet immediate needs, sustained business recovery supported by strong business outreach efforts, building economic and community resiliency that positions our community for future growth.

- a. ***Internal Structure/Work Plan Changes*** – No new info/changes here other than responding to updated cleaning and masking standards. These new standards will apply to our Board meetings as well—which should, as appropriate, relax requirements for constant mask wearing. We will review these new standards with the Board at our next meeting.
- b. ***Responding to Immediate Business Needs***— The State has now appropriated the funds received from the American Rescue Plan Act (ARPA). Now we will dive in to the details and determine what tools are available for local business, as well grant opportunities for local infrastructure projects. Stay tuned for details.
- c. ***Business Stabilization Loan Program and EDA RLF Grant App***—As you know, we did receive the federal EDA grant to establish an RLF loan program. We are working through the administrative details right now and should be prepared to launch the program soon. We will likely modify our grant to allow us to capture admin dollars to support the underwriting and admin costs.
- d. ***Unified Command—Economic Response/Recovery***— No new info to report. Go to yeeconomicrecovery.org to get up to date info. ERRT meetings are now every-other week Thursdays, 3:30 PM.

2. Build a Shared Economic and Community Development Vision and Action Plan — Discover our shared values and vision while building an Economic and Community Resiliency Action Plan

We have set a Joint Planning Session for May 20, 7:15 AM to 9:00 AM, MSUB Glacier Room. Stay tuned for an agenda and some homework for this meeting. All BSED Board members are encouraged to attend.

3. Maximize BSED Business Support Services to Support Business Recovery (see Program Reports for details)

- a. Deploy Covid-19 Response and Recovery Resources
- b. Implement Business Recovery/Adaptation Training Curriculum
- c. Deploy Unique Set of Finance Tools for Small Business Recovery—Big Sky Finance
- d. Seek out grant opportunities that support business needs, meet community asset development goals, and build/sustain BSED capacity to serve—Focus now is on American Rescue Plan Act dollars from the State. As noted earlier, we will develop a strategy to maximize our efforts to secure these funds for our business community and to address infrastructure projects. We should be able to share that strategy with the Board at our May meeting. One of the projects we are setting as a priority is the water and sewer infrastructure needed for the Lockwood TEDD. We have asked the County Commissioners to join us in this effort and they have directed us to begin the work on a grant application anticipating a local match from the County ARPA dollars.

Ongoing Strategic Priorities

- Develop Ready to Go Industrial Space—See Community Development Program Report for details of the TEDD project in Lockwood. Top priority now is seeking ARPA dollars as noted above.
- Go to the Next Level with Entrepreneurship Support System via ROCK31—See this section of the Program Reports for details. Becky and the Project Management Team (Eric, Mitch, Riley, and Bryce, Steve, Shanna) have made great progress on addressing the bid-over-budget challenge. We should be able to present a plan to the Board very soon.
- Support Ripe Private Development Opportunities—the HWY 3/Airport corridor development interests are heating up, as well as our projects on the south frontage road along I-90. Our Recruitment update will provide more details. That said, I should also note that I know of at least two projects that are being put on hold due to construction costs.
- Champion and Deliver Strategic Place-Making Assets—Coulson Park/Corette Site, Metra Park Corridor Redevelopment and Master Plan (including HWY 87/Expo Drive project), Skyline Trail—see Community Development Program Report for details. We have provided an additional \$10,000 toward the Metra Park Master Plan work. I will ask the Executive Committee to confirm this appropriation at our May meeting. This is an important effort and our support is needed and important. We continue to solicit dollars for phase I of the Coulson Park project. We have four asks pending and they all look promising.
- Space2Place Placemaking Initiative—We have awarded 7 new Space2Place grants for mini-transformational quality of place projects. Thom will review these winning projects with the Board at the May meeting.
- Support Public Safety Investment—Chris Kukulski is planning to attend our May meeting and provide the Board an update on the City's plans/research related to the future of public safety investment/changes in Billings.

Program Updates

PTAC

Since August 1st, MT PTAC clients/companies across the state assisted by one of our six locations have secured **\$107,291,097** in federal, state and local contracts. Of the total, **\$40,549,114** was awarded to PTAC clients/companies in our region. DIS Technologies regularly takes advantage of PTAC training opportunities and recently secured three contracts with BLM totaling **\$36,714** for digital services. Worden based Valley Farmers Supply (PTAC client since 2014) won a **\$13,950 contract** with the USDA Agricultural Research Service to provide seed for corn planting. Our Billings location assisted Gordon and Mary Ann Garpestad with a payment issue on a lease they have with USDA/FSA. After working on banking issues in SAM and making multiple phone calls to FSA staff from Virginia to Nevada, the issue was resolved and they received 4 months of past due lease payments and are on track to receive **\$44,493** of lease payments per year for the next five years. Since August 1st, Billings based advisors have provided **584 counseling sessions (398 hours)** to **167 unique entities** in our region and **358 counseling sessions (243 hours)** to **90 unique entities** in the Bozeman/Helena region. All six MT PTAC centers (including Billings) have provided **2829 counseling sessions (2003 hours)** to **801 unique entities** and have held **27 training events** on various government contracting subjects (**569 companies in attendance**). The MT PTAC network is on track to meet or exceed its annual performance goals per the cooperative agreement with Defense Logistics Agency (DLA).

Member Investor/BillingsWorks

April/May are our months to secure several new member investors recommended by the Board. To date we have had over 10 meetings with potential member investors and another 10-15 slated for May. This effort should grow our MI program by at least 10 by the end of the fiscal year. As a reminder, Scott Chesarek is buying lunch for any board member that helps secure a new Member Investor before May 31st. Please feel free to share any business that you think would be a great addition via email melanie@bigskyeda.org or phone 406-670-9364.

BillingsWorks

We hosted Better Off in Billings (virtually) this year and it was a tremendous success with great participation, amazing speakers and panels and the announcement of our 2021 Space2Place Winners. Thank you to Marcell and Karli (intern) for all of their work to make this event successful, and also to the Community Development team. This event continues to grow and highlight the strong correlation between workforce development and community development.

Programmatic Marketing

Marcell has been working directly with the SBDC team on the documentary about small business in our region called “Edge of the Plains”. We are excited to announce that the debut of the documentary will also be our Annual Meeting which is scheduled for Thursday, October 7th at the Babcock Theater. Please save the date for this special event.

Community Development

Project Funding Received YTD	\$2,037,000
Coulson Park Funding Received YTD	\$60,500
Project Funding Requests YTD	\$2,132,000
Brownfield Assessments YTD	5

Staff and Hiring:

As of April 1st, Thom MacLean's title changed to Senior Project Manager. As a Senior Project Manager, Thom has been with the organization for over 3 ½ years and is responsible for managing the COVID ERRT program and the Lockwood TEDD as well as several Community Development projects.

Community Development job descriptions have been reviewed and revised to reflect the current work requirements for the positions. The job posting to replace the vacant position in Community Development will be posted shortly. It is my goal to have someone hired within the next month.

US EDA Revolving Loan Fund Grant:

We received official award notice from the US EDA for \$1.8MM in funding for a revolving loan fund. The internal team has met with the US EDA and is completing the startup documents.

Tax Abatements:

The Community Development Team continues to answer any inquiries from businesses and residents regarding the program.

Yellowstone Fuels Reduction Program:

The CD Team has continued communication with the Yellowstone County Team and will meet with new BLM representative Wald before the season begins.

Brownfields Program:

Two large projects within the EBURD have been initiated. We have received notice of EPA approval for one project and waiting for approval on another. DEQ has both eligibility forms being reviewed by legal and the CD Team continues to update any information required.

Coulson Park:

We continue to work to match the \$250,000 challenge grant. BSED Team has met with multiple stakeholders and community leaders regarding the challenge grant and continues to follow up on the requests.

MSUB Science Building / Montana Coal Board:

Continue to work with MSUB to allocate the final 5% (\$10k) after final construction which is scheduled for Fall 2021 and continue to connect with MSUB to confirm all reporting requirements are met and the final 5% is allocated to MSUB.

Housing:

We met with the Billings Realtors Association regarding regional supply and demand for workforce housing and the related challenges. The group outlined goals and objectives for conducting a housing solutions roundtable that will coincide with the regional housing study being completed for Beartooth RC&D.

Lockwood Targeted Economic Development District (TEDD):

The focus of the Lockwood TEDD Advisory Board continues to be extension on water and sewer infrastructure into the area. Property owners are circulating a Petition within the TEDD for inclusion into the Lockwood Water and Sewer District (LWSD). The first step is for the LWSD board to vote on extending the boundary to a defined area in the TEDD based on property owner petitions.

KLJ continues to work on preliminary engineering which expands on water and sewer engineering in the existing Infrastructure Master Plan and will serve as a basis for the final design of the water and sewer mains. They will determine expected flow rates and study alternatives for connection to the LWSD existing system.

There is a lot of infrastructure funding which will be available soon from the American Rescue Plan Act that could assist with the water and sewer efforts in the TEDD. We have asked for cost estimates for the engineering needed to bring this project closer to “shovel-ready.”

MetraPark Beautification Project:

Sanderson Stewart has been coordinating with Kinetic for public outreach on the overall MetraPark Master Plan. Our project’s timeline is different than the overall effort. Sanderson Stewart has developed the concept plans required by their scope of work. They are working on the cost estimates and finalizing some other details. The draft plan should be done soon and ready to present to the Board of County Commissioners.

Space2Place:

We received nineteen applications for grants this year. The review committee selected seven projects for funding.

- 1) Lockwood Optimists for Hillner Park improvements including seating/outdoor cinema area
- 2) Broadview Community Center to create an outdoor gathering area
- 3) Downtown Billings Alliance to add to their Light Bike Trail
- 4) Tyson Middle to create a Skatepark Mural
- 5) Southside Task Force to create Underpass Murals
- 6) Yellowstone Valley Animal Shelter for an Entry Mural
- 7) Billings Community Foundation to develop a Community Garden

Winners were announced at our Better Off in Billings Community Happy Hour April 21, 2021.

Two projects from last year’s awards were not able to be completed due to complications associated with the pandemic. Funds from those projects were reallocated to fund, along with a generous donation from Bill and Anne Cole, the installation of string lights over the 200 block of North Broadway – an extension of the Space2Place project last year that put lights over the 100 block.

Disaster Recovery:

The Economic Response and Recovery Team continues to meet every other week. Currently, the focus is on assisting with the Billings Educational Foundation’s teacher appreciation efforts; developing a messaging campaign around the safety and effectiveness of the available vaccines – encouraging people to get vaccinated; and following the developments with economic relief available through the American Rescue Plan Act and Montana HB 632.

BRC&D Response and Recovery Funding:

The CD Team submitted the quarterly report for the first quarter of 2021. Our organization’s work includes providing training, business services to impacted businesses, and industry research across the Beartooth RC&D region.

Big Sky Finance

It has been a busy couple of months with Big Sky Finance. Since our last report, the following loan activity has occurred:

SBA Loan approvals: 1 loan for \$817,000
LC loan presentations: 4 loans for \$2,687,000
SBA Loan Closing: 1 for \$536,000

During this period, we did not have any loans fund. However, we have seven loans that are in the closing process and should close within the next couple of months. Activity has been very good as we continue to work with several prospects in the underwriting phase and others, we are prospecting. We have also begun to get back out on the road meeting with lenders and borrowers. Brandon was recently in Bozeman meeting with lenders and had a productive trip.

The financial payment assistance which had been offered through the CARES Act did come to an end for most of our borrowers with their April payment. Certain hard-hit industries, including restaurants and hotels are receiving an additional two months of subsidy payments. We are hoping as spring takes shape and we head into the summer months economies open back up and our borrowers will begin to generate strong revenue streams to make their payments. Overall, the portfolio looks good. We have had a number of payoffs the last couple months, which impacts our revenue. But knowing why these businesses paid off is a good indicator certain industry are doing very well. New SBA 504 loans approved at this time will benefit from certain fees being eliminated.

Another success we had was the approval of our \$2.0MM U.S. EDA grant to fund our EDA Revolving Loan Fund to be used across Yellowstone County. We are excited to begin to disburse these dollars.

Interest rates on SBA 504 loans continue to remain low and competitive, providing a great opportunity for long-term, fixed rate financing. The effective rates for loans funded in April was:

- 25-year debenture = 3.077%.
- 20-year debenture = 3.021%
- 10-year debenture = 2.700%.

The SBA 504 Loan program is an excellent financing option for a small business looking to acquire commercial real estate and/or equipment!

Rock31 | SBDC

Noteworthy:

- Rock 31 held a Meet & Greet” on April 15th at Thirsty Street the Garage, for the businesses in the region were contacted to be featured in the “Edge of the Plains” Documentary. The informal gathering allowed the businesses to meet the BSED team and Sam Sterngraber and Pete Tolton.
- A team member completed the MSU-B Entrepreneurial class this semester.
- A team member completed the first NDC course online for Professional Development.

Team Activity:

- Edge of the Plains meets every Friday to update the team on progress of the project.
 - The team is setting up meetings with Chambers in the region to partner on the viewing of the documentary in each of the hometowns in early September.
 - The team is setting up meetings with Billings Chamber of Commerce, Better off in Billings, and Downtown Billings Alliance to partner and promote the documentary.

- Rock31 Book club - the team is reading the book “The Startup Community Way” and having book club discussions about building the entrepreneurial ecosystem. They meet every other Monday to examine and discuss the concepts of the book.
- A team member continues to meet with the Founder on Friday at the Bank Building.
- Team members attended One Million Cups in person at Last Chance Pub, April 14
- The team continues coaching start-up & existing businesses via Zoom.
- The team provided trainings in the Entrepreneurial Academy series.
 - Hospitality and Service Standards – Boss like a Boss – April 7th
 - Start-up Roadmap, monthly recurring training for all start-ups – April 15th
 - Cottage Food Laws, Retail Rules and Regulations– April 21st
 - Business Model Canvas workshop to help businesses identify their customers, relationships, value proposition, channels, key activities, key resources, key partners, cost structure and revenue streams – April 22nd
 - Cybersecurity – Payne West – April 29th
- The team attended Staff Planning sessions on April 9 and 26th
- The team has updated their workplans for year 2021/2022.
- The team is participating in the VBOC interview process.
- A team member participates in the Work, Thrive, Live Committee work group

VBOC

Training: 29 attendees at 2 events in the month of April

- In Person Boots to Business at Hill AFB, Utah - 15 attendees. Delivered in partnership with Utah Women’s Business Center and Utah Veterans Business Resource Center
- Montana Veterans Startup Roadmap –14 attendees, including 5 Montana veterans - In partnership with Billings SBDC/Rock 31.

Training goal 1 is 100% B2B coverage: **GOAL MET**

Goal 2 is 47 training events in program year. **GOAL NOT MET** We have completed 35 events this program (ends April 30). Some of this gap off is due to Covid cancellations and Brian’s recent departure. Looking forward to increasing training with new Training Program Manager in the upcoming year! (hopefully making a hire soon)

Outreach highlights: 7 meetings w/ 46 attendees. This puts us at 98 outreach meetings for our program year. **GOAL NOT MET** due to Brian’s departure.

Counseling – 62 counseling sessions with 25 veteran or military spouse clients in the last month. This puts us at 596 counseling sessions in our program year, which means that are way above our counseling goal of 391 sessions. **ABOVE GOAL.** Other counseling goals:

1. ≥100 referrals to local resource partners in the year: Currently at 171. **ABOVE GOAL**
2. >32 counseling sessions each month: **GOAL MET**
3. 100% of new veteran e-center sign ups each month have at least 1 counseling session: **GOAL MET.** (awaiting contact with 3 clients)

Recruitment

On the business expansion front, we have several Big Sky Trust Fund planning grants that will be coming at next month meeting. Several of which are focused on meat processing. Also, there are two large expansions that have been halted because of the increase in construction costs.

In the next month, Austin will be transitioning from legislative efforts to recruitment and outreach which will be helpful as we look to grow our reach and continue to learn how business continue to recover from the COVID-19 disruption.

Organizational/Policy Matters

1. Ad Hoc Legislative Committee—BSED Priorities— This past month was focused on the close-out of the legislative session. SB297 which will provide the guiderails for how dollars are allocated to impact broadband deficiency landed in a way that will be very beneficial to our community, allowing several areas to qualify for financial support for upgraded connectivity. SB388 which impacts new TEDDs did end up reducing the number of mills that can be collected, which will hurt future district’s ability to grow their financial base.
2. Board Planning Session—Here is the Summary of Strategic Priorities. We will work through this list at our May meeting, with the intent that we will prioritize this list and prepare for the May 20th Joint Planning Session.
3. Essential Staffing Decisions/Salary Review Committee— I am working with Becky and Shanna on a handful of staffing opportunities. We should have an outline for the Executive Review when we meet next week. There are three key staffing decisions in process—filling the now vacant Community Development Project manager position (Patrick Klugman has now joined NAI Business properties); filling the Billings Works role (which will likely be an internal assignment, at least for the interim); reset how we manage the Member Investment Program; and, restructure the leadership team of the organization (I will provide these details at the Executive Committee).

As part of our yearly budget process, we ask a small group of Board Members to serve as a Salary Review Committee. This committee reviews our staffing plan and salary adjustments for the next fiscal year and provides guidance and direction. The committee consists of Paul Neutgens, Ann Kosempa, Jennifer Kobza, Mike Nelson, Riley Bennett, and Judi Powers. The committee met on April 27th and reviewed the organization’s salary administration guidelines, wage setting process and turnover history. On May 11th, the committee will meet to review the proposed salary adjustments and staffing plan for FY2021. You can anticipate an update on the outcomes of that discussion at the board meeting on May 13th.

4. Expanding Medical Education in Montana— Work continues on the Montana College of Osteopathic Medicine (RVU). RVU had their accreditation hearing two weeks ago. They addressed questions from the COCA Board, and should have an answer within the next two weeks.
5. Big Sky to SkyPoint Project – (Becky) - The Project Management Team has been hard at work these past few weeks reviewing the details of the renovation plan and identifying additional value engineering options. A special thanks to Mitch Goplen and Eric Simonsen for the hours they have committed to this effort. As it stands right now, we think we can cut up to 10% of the cost without negatively impacting the functionality of the space and our programming. Shane Ridley with T.W. Clark has been an excellent partner in this endeavor and has commitment time and energy into helping us move forward. On Monday, May 3rd, the PM Team will meet with Shane to review numbers and start accepting changes. Once the negotiated bid is complete, we’ll send it

to the U.S. EDA for concurrence. At that point, we'll likely need to hold a special board meeting to review the bid and the project budget in its entirety. We'll also present our plan to cover the construction cost gap.

**Respectfully submitted,
May 5 & 13, 2021**

A handwritten signature in black ink, appearing to read 'SA', with a long horizontal stroke extending to the right.

**Steve Arveschoug
Executive Director**



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ATTACHMENT B

Aspirations

1. A thriving community that is open and safe for business, with a strong community wellbeing
 2. The top choice for new talent and a place that succeeds at developing its future workforce
 3. Accelerated private investment and job creation
 4. A destination for the development and attraction of innovative companies
 5. A Growing World Class Healthcare Destination
-

Strategic Action Plan to Achieve our Aspirations

- 1. Make Community Development Investments with Purpose and Vision**
 - a. fund and start phase I of Coulson Park, and support other parks, trails initiatives
 - b. in partnership with the DPA and private sector, incentivize downtown revitalization
 - c. build a partnership to develop and implement a housing-development strategy of downtown and our region
 - d. support the next generation of development for Metra Park and associated private development opportunities
 - e. encourage near-term and long-term investment in public safety
 - f. Sustain our partnership between business and public health and execute Stage II and III of the Economic Response and Recovery Plan
 - g. Add the business voice to mental health and substance abuse challenges
- 2. Invest in Infrastructure that Drives New Private Investment**
 - a. Seek funding and kickoff water and sewer infrastructure in the TEDD
 - b. Support the master plan for the development of two business/industry parks—Laurel at west interchange and HWY 3 Airport corridor
 - c. Partner with the DBP to create shovel ready sites for downtown development
 - d. Deploy a targeted business expansion and recruitment effort that syncs with these opportunities
- 3. Retain, Develop and Attract the Next Generation of our Workforce**
 - a. Strengthen the alignment between workforce needs and workforce development/education through the BillingsWorks partnership
 - b. Deploy an out-word facing talent attraction campaign that is targeted to meet our most acute (impactful) workforce needs
- 4. Grow and Attract Innovative Companies**
 - a. Complete the Rock31 vision to build out our entrepreneurship ecosystem
 - b. Build a talent pool that aligns with the needs of these companies—BW, RMC, MSUB partnership
 - c. Deploy a targeted business expansion and recruitment effort that supports this initiative (and Strategy 5)
- 5. Build Upon our Leadership Status as a Regional Healthcare Hub**
 - a. Continue the recruitment of medical education and associated private sector partnerships
 - b. Achieve results with key downtown redevelopment that compliments the medical corridor development that is planned



BIG SKY
ECONOMIC DEVELOPMENT

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ATTACHMENT C

Big Sky EDA/EDC Joint Executive Committee Meeting Minutes
April 7th, 2021 – 7:30 A.M. to 9:15 A.M.
Yellowstone Conference Room

BIG SKY ED Mission Statement: - Focused on sustaining and growing our region's vibrant economy and outstanding quality of life, **Big Sky Economic Development** provides leadership and resources for business creation, expansion, retention, new business recruitment and community development.

Committee Members Present: **EDA** – Paul Neutgens, Ken Lutton, Judi Powers, Riley Bennett
 EDC – Steve Loveless, Ann Kosempa, Mac Fogelsong, Kim Jakub, Mike Seppala

Committee Members Absent: **EDA** – Dana Pulis
 EDC –

Staff and Others Present: Steve Arveschoug, Melanie Schwarz, Austin Trunkle, Shanna Zier, Brandon Berger, Dianne Lehm, Thom MacLean, Jo Ann Jones, Becky Rogers, Deanna Langman, Lorene Hintz, Kayla Vokral, Patrick Klugman, Evelyn Pyburn

Call to Order:
Steve Loveless, EDC Chair, called the meeting to order at 7:31 A.M.

Agenda Changes for Today's Meeting:
Item E will move to Item II, just before the financials. Becky will need to discuss a letter of commitment that will need action. Steve A will provide the RVU update.

Public Comment/Introductions
Brian Clemons on our VBOC team has resigned his position and we will be posting an ad to hire for that position. We thank Brian for his many years of great work with our team.

Agenda:
Approval of the March 3rd, 2021 EDA/EDC Executive Committee Minutes, and March 26th Special Meeting

Motion: Ken Lutton to approve, the March 3rd, Executive Committee Minutes and March 26th Special Meeting, as presented to the Executive Committee.
Second: Ann Kosempa
Discussion: None
Motion: Carried

PTAC Program Budget/Program Year Submittal – Deanna
Deanna began by explaining the PTAC program year and budget and the agreement they will be entering to continue PTAC services in our region.

Deanna went on to give the Committee an update on the status of the service gap in the Bozeman/Helena/Butte area. Deanna is hopeful that Headwaters RC&D in Butte may be able to become a sub-recipient to serve businesses in that area.

Motion: Mike Seppala to approve, PTAC Program Budget and Budget Year Submittal, as presented to the Executive Committee.
Second: Riley Bennett
Discussion: None
Motion: Carried

Approval of February EDA/EDC Financials – Shanna

On the EDA balance sheet, Shanna noted that current assets decreased slightly in the month of February and accounts receivable decreased as well. Accounts payable increased and that can largely be attributed to receiving a large invoice from Cushing Terrell. Accrued expenses consist largely of salary and benefits accruals and deferred revenue consists of conditional grant revenue and monies set aside for Bozeman PTAC support.

On the statement of revenue and expenses, revenue remains a bit over budget due to an increase in mill levy revenue and how we are recognizing grant dollars. Most expenses remain under budget through February. Salary and wages expense is under budget due to vacancy savings.

On the EDC balance sheet, current assets increased very slightly from January to February. This increase is attributed to an increase in receivables for the Member Investor invoicing. Accounts receivable consists largely of healthcare appreciation sponsorships and Member Investor pledges.

The RLF portfolio totaled \$386,000, the SSBCI portfolio totaled \$638,000, and the Stabilization Loan portfolio totaled \$110,000 through the end of January. As a reminder, we began amortizing the loans in the Stabilization Loan Portfolio in March.

On the statement of revenue and expenses, loan servicing revenue is slightly above budget and origination revenue is below budget. Notably, some loans in the portfolio have been paid off, reducing revenues. Member investor revenue are slightly above budget due to timing. We also received coronavirus relief funds which were unbudgeted revenue. Most expenses remain close to or below budget. Professional fees increased and largely consist of payments to our auditors, legal fees for the 504 program, and recruitment expenses.

Motion: Ken Lutton to approve and forward to the Board, the February 2021 EDA/EDC Financials, as presented to the Executive Committee.

Second: Mike Seppala

Discussion: None

Motion: Carried

Executive Director's Report – Steve

Opportunity Fund Strategy/Downtown Focus – Ken Lutton

Ken began with an update from the Opportunity Fund Committee. The committee has met multiple times over the past few months to consider the best strategies to utilize the OF and how to sustain this tool. The committee did recommend that the staff be able to utilize a small discretionary fund that will not need Board approval. The other element that was recommended is that a floor be established for the fund. To reduce funds below this floor, the OF Committee would need to approve the proposal with a super-majority of votes. Discussion continued about where the OF dollars are held and what the return is on those dollars.

Motion: Mike Seppala to approve and forward to the Board, the new Opportunity Fund Criteria and Strategy, as presented to the Executive Committee.

Second: Riley Bennett

Discussion: Above

Motion: Carried

Recap of March 30th Board Planning Session – Strategic Priorities

Steve provided a handout to the Committee that encapsulated the thoughts and dialogue from Board Planning as they helped to set the direction of the organization's strategic priorities. The handout begins with an aspirational list of what we are looking to accomplish by executing on our priorities. The aspirations include: supporting a thriving community that is open and safe for business, Billings being a top choice for new talent and being a place that succeeds at developing future workforce, accelerating investment and job creation, becoming a destination

for the development and attraction of innovative companies, and continuing to grow as a world-class healthcare destination.

Steve then listed five strategies to achieve these goals and is going to ask the Board and Committee to whittle the list down to three.

Ken asked how the Board is meant to narrow the list. Riley mentioned that there was a theme from Board planning that Billings needs to establish a common vision and identity. Steve A added elements of that concept to many of the strategy sub-bullets. Discussion continued about how we achieve the goals laid out in the document. Ann offered an exercise we have done in years past where we hold a dialogue to establish a role as support or lead in these goals and action items. In that same vein, Riley reflected on last year's Board Planning where Board members chose which items they were most passionate about and offered their expertise to champion the concept.

Appointments for EDC/504 Program Administration – Brandon

Brandon is asking the Committee to recommend a set of appointments to the Board. The appointments are to make our new BSF team member, Aaron Pratt, a vice executive director and assistant secretary. These appointments allow Aaron to close loans without needing Steve Arveschoug's direct action.

Motion: Mike Seppala to approve and forward to the Board, the titles of vice executive director and assistant secretary for the purposes of loan closings, to Aaron Pratt, as presented to the Executive Committee.

Second: Ann Kosempa

Discussion: Above

Motion: Carried

Program Directors/Leaders' Updates

Economic Response and Recovery Plan Next Steps – Thom/Steve

Thom began by telling the Committee that the ERRT has been working to help venues and restaurants with the new grants that are available through the ARP Act. States and local governments are also receiving dollars from ARPA and utilization of those funds is being considered as we speak within the boundaries that have been laid out.

The next meeting for the ERRT will be tomorrow afternoon and there will be discussion about how we recognize the hard work of teachers in our community.

VBOC Budget/Program Year Submittal to SBA – Dustin

Dustin mentioned to the Committee that like PTAC, the VBOC will need to submit their agreement for the new program year. The workplan has been included as well as the proposed budget.

Motion: Ann Kosempa to approve and forward to the Board, the submittal of the VBOC program year to the SBA, as presented to the Executive Committee.

Second: Ken Lutton

Discussion: Above

Motion: Carried

Operations: Big Sky to Sky Point Project – Becky

Becky began with a recap of the of initial bid meeting which occurred last week. In the interim leading up to tomorrow, contractors had indicated to Cushing Terrell that they will not be submitting a bid. In the end, BSED received one bid from TW Clark which came in significantly over budget. Becky contacted our EDA reps to discuss a path forward and a follow up call will be had with the team today at 10:30am. Steve A continued by reflecting on the state of the construction market and the challenges that are at play. Kim Jakub asked where the bulk of the

overage came from, whether it be materials or complexity of work. Becky noted that many of the contractors withdrew as they could not get commitment from sub-contractors to engage in the work. Becky noted that figuring where the overage originated from will be part of the next steps. Discussion continued on the state of the construction industry and the procedure we followed as a requirement from the EDA.

Recruitment, Business Outreach, Economic Development Policy – Austin

Austin continued with a Legislative Priorities updates. Austin noted that a transmittal date this week has created a very busy couple of weeks with legislation being pushed quickly to make the deadline. Austin continued by giving an update on BSED's legislative priorities. House Bill 111 was tabled in committee. This bill was meant to ultimately exempt 50% of military pensions from Montana income taxes. HB 650, which would create a tax credit for investment in early stage companies was also tabled. Austin noted that we had a strong hearing for the bill with great proponent testimony but the bill was narrowly defeated when the committee took executive action to table the concept. Work on broadband continues in the form of Senate Bill 297, the Connect MT Act. This bill has been mired in discussion and amendment consideration but it should be taken up in a committee soon. SB 388 relates to TIFs and TEDDs and how increment is calculated and the term for which TIFs and TEDDs can exist. MEDA and other partners are working in concert to amend or defeat this bill.

Austin closed with a few other high-profile bills that will be making their way through the legislative process as we move closer to the end of the session.

Executive Session: None

Public Comment:

None

Adjourn:

Steve Loveless adjourned the meeting at 8:45am.

Next Meeting – May 5th, 2021



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT D

Big Sky Economic Development Authority
Financial Report for the Executive Committee and Board of Directors
April 28, 2021

Included with this report is balance sheet reflecting the assets, liabilities, and net assets of Big Sky EDA as of March 31, 2021. Also included is the statement of revenue and expenses through nine months of FY21 as compared to budget.

Balance Sheet

Current assets decreased slightly to about \$4,974,000 at the end of March from \$5,035,000 at the end of February. Accounts receivable decreased from \$188,000 to \$173,000. The receivable consists of U.S. EDA (\$41,000), VBOC (\$13,000), PTAC (\$74,000), and SBDC (\$45,000

Due To/Due From EDC totaled approximately \$49,000 at the end of March and consists of the March amount due from EDC. The tax levy receivable decreased slightly to \$508,000 from \$514,000. Protested tax receivable decreased from \$35,000 to \$5,800 with the collection of \$29,000 in protested property taxes. An allowance totaling approximately \$5,800, or 100% of protested tax levy receivable is reflected to allow for potentially uncollectible protested tax levy. Total fixed assets totaled \$1,563,000 at the end of March.

Accounts payable decreased from \$137,000 at February 2021 to approximately \$56,000. Most of the decrease is attributed to a large Cushing Terrell invoice received at the end of February and paid in March. Accrued expenses total approximately \$83,000 and consist largely of salary/benefits accruals (\$74,000) and Space2Place Grant accruals (\$3,500). There were three Space2Place projects booked in last fiscal year that will not be completed, those accruals totaled \$5,500 and these amounts were reversed in March. Deferred revenue totals \$57,000 and consists of \$50,000 conditional grant award amount from Beartooth RC&D and \$7,000 from MSU/City of Bozeman for PTAC support.

Statement of Revenue and Expenses

Revenue is about \$52,000 over budget through nine months of the fiscal year. There are a few factors for this variance in revenue. Mill Levy Revenue increased to \$1,255,000 in March. This revenue is about \$35,000 over budget. As a reminder, when we budgeted for FY21, we took a conservative approach and budgeted for 3% in property tax protest. In addition, based on revenue recognition guidance, \$150,000 of the \$200,000 from the Beartooth RC&D CARES Act Grant was recognized immediately. The remaining \$50,000 will be recognized at the end of the next year following all conditions being satisfied (this amount is in deferred revenue).

Department of Defense (PTAC), VBOC, and EPA-Brownfields revenue amounts remain under budget due to actual expenses. SBA/MT Dept of Commerce (SBDC) revenue increased in March with the payment of some larger professional fee expenses related to the SBDC CARES Act funding.

Most expenses remain under budget through March. Salary/wage expense totaled \$1,134,000 through March. This amount is about \$125,000 under budget due to vacancy savings. Professional fees total \$118,000 and remain under budget based on timing of budgeted expenses for Brownfields fees. Professional fees increased in March with the payment of professional fees related to the documentary funded with SBDC CARES Act funding. I have separated out the professional fees related to the Big Sky to Sky Point project under the non-operating income/expense section. Total professional fees related to this total \$244,000 through March. I am working with Anderson

ZurMuehlen to determine what amount of the architectural professional fees should be booked as an asset and amortized. There will likely be some movement from the Architectural/Professional Fee expense over to the balance sheet after this amount is determined. Travel/training expenses remain under budget and totaled approximately \$18,000 through March.

Through nine months of FY21 Big Sky EDA recognized revenue in-excess of expense totaling about \$583,000, which was approximately \$431,000 more than the budgeted amount. When excluding the non-operating income/expenses (interest income, U.S. EDA reimbursement, professional fees related to the Big Sky to Sky Point project, and depreciation expense), Big Sky EDA recognized revenue in-excess of expense of about \$743,000, which is about \$456,000 more than budgeted.

Big Sky EDA
Comparative Balance Sheet
As of March 31, 2021 and 2020

	3/31/2021	3/31/2020	+/-	6/30/2020	+/-
Assets					
First Interstate Bank	\$233,527	\$162,170	\$71,357	\$164,986	\$68,541
FIB-Recovered Property Taxes	148,202	148,202	-	148,202	-
FIB-Operating Reserve	251,037	-	-	-	-
Opportunity Fund-FIB	346,439	16,256	330,183	16,169	330,270
Opportunity Fund-Stockman	54,764	3,618	51,146	44,519	10,245
Opportunity Fund-Opportunity Bank	624,163	620,000	4,163	621,300	2,863
Stockman GE Maintenance	15,128	15,128	-	15,128	-
Rocky Mountain Bank Money Market	493,213	492,721	492	492,843	369
Opportunity Fund - CDs (current)	2,404,870	276,727	2,128,144	2,404,278	593
Altana Savings	25	-	25	-	-
Yellowstone County Funds	403,017	212,609	190,408	535,969	(132,952)
Total Current Assets	4,974,384	1,947,430	3,026,954	4,443,392	530,992
Other Assets					
Accounts Receivable	173,309	247,889	(74,580)	680,373	(507,064)
Grants Receivable	150,000	-	150,000	-	150,000
American Revenue Guarantee	6,887	6,887	-	6,887	-
Due To/Due From EDC	49,333	42,370	6,963	57,548	(8,215)
Tax Levy Receivable	507,677	500,888	6,789	26,597	481,080
Tax Levy Receivable - Protested	5,801	21,264	(15,463)	21,479	(15,679)
Allowance for Doubtful Accounts	(5,801)	(21,264)	15,463	(21,479)	15,679
Prepaid Expenses	23,084	11,284	11,800	18,556	4,528
Deposit	-	1,390	(1,390)	1,390	(1,390)
Undeposited Funds	-	-	-	-	-
Interest Receivable	-	2,421	(2,421)	8,509	(8,509)
Miscellaneous Receivable	-	-	-	-	-
Total Other Assets	910,289	813,128	97,161	799,860	110,430
Non-Current Assets					
Opportunity Fund - CDs (non-current)	1,652,136	3,364,162	(1,712,027)	1,250,358	401,778
Loans Receivable	-	400,000	(400,000)	400,000	(400,000)
TEDD Receivable	23,875	44,325	(20,450)	34,100	(10,225)
Cabela's Conduit	4,984	4,983	0	9,649	(4,665)
Deferred Outflow of Resources	146,350	247,689	(101,340)	147,067	(717)
Total Non-Current Assets	1,827,344	4,061,160	(2,233,816)	1,841,173	(13,829)
Fixed Assets					
Bank Building - Land	272,000	272,000	-	272,000	-
Bank Building - Building	1,328,000	1,328,000	-	1,328,000	-
Accumulated Depreciation	(36,889)	(2,838)	-	(11,350)	-
Total Fixed Assets	1,563,111	1,597,162	-	1,588,650	-
Total Assets	9,275,129	8,418,880	856,249	8,673,075	602,054
Liabilities & Equity					
Current Liabilities					
Accounts Payable	56,309	54,714	1,595	51,901	4,408
Accrued Expenses	82,910	88,131	(5,221)	109,334	(26,424)
Deferred Revenue	56,667	12,956	14,000	1,598	-
Payroll Liabilities	(250)	1,046	(1,296)	355	(605)
Compensated Absences	157,326	147,540	9,787	170,250	(12,923)
Total Current Liabilities	352,962	304,386	48,576	333,438	19,524
Long Term Liabilities					
Deferred inflow or Resources	68,045	13,741	54,304	68,045	-
Pension Liability	825,316	884,804	(59,488)	825,316	-
Total Long Term Liabilities	893,361	898,545	(5,184)	893,361	-
Current Year Excess of Revenue over Expenses	583,246	1,442,798	(859,551)	1,673,125	(1,089,878)
Balance at Beginning of Year	7,445,559	5,773,151	1,672,408	5,773,151	1,672,408
Net Assets	8,028,805	7,215,949	812,856	7,446,276	582,529
Total Liabilities & Equity	9,275,129	8,418,880	856,249	8,673,075	602,054

Big Sky EDA
Statements of Operations
For the Periods Ending March 31, 2021

	Month			YTD			Fiscal Year Projection		
	Actual	Budget	Variance	Actual	Budget	Variance	Year-end Projection	Budget	Variance
Operating Revenue									
County Taxes (Mill Levy Revenue)	\$12,904	\$0	\$12,904	\$1,255,351	\$1,220,100	\$35,251	\$1,255,351	\$1,220,100	\$35,251
Entitlement	59,832	58,750	1,082	179,497	\$176,250	3,247	235,000	\$235,000	\$0
Health Insurance Mill Levy	8,480	9,922	(1,442)	74,200	87,471	(13,271)	89,835	117,236	(27,401)
Recovery of Protested Taxes	-	-	-	9	-	9	9	-	9
Department of Defense	34,000	45,868	(11,868)	350,309	412,816	(62,507)	452,309	550,421	(98,112)
EDC Reimbursement	48,454	48,251	203	410,884	434,259	(23,376)	552,478	579,012	(26,535)
EPA-Brownfields	1,183	10,833	(9,651)	39,899	100,000	(60,101)	85,000	132,500	(47,500)
SBA/MT Dept of Commerce	44,577	21,779	22,798	208,920	195,945	12,976	251,399	261,282	(9,883)
SBDC Program Income	-	-	-	-	-	-	-	-	-
VBOC	13,450	26,680	(13,230)	194,171	226,329	(32,158)	241,484	300,000	(58,516)
Rents/Leases	-	-	-	5,736	1,912	3,824	5,736	-	5,736
Grant Administration	2,115	292	1,823	17,907	2,625	15,282	17,907	3,500	14,407
Beartooth RC&D CARES Act	-	-	-	150,000	-	150,000	150,000	-	150,000
Other Intergovernmental Revenue	1,667	-	1,667	14,931	-	14,931	19,932	-	19,932
Miscellaneous Revenue	-	-	-	10,000	1,950	8,050	10,000	3,862	6,138
Total Revenue	226,661	222,375	4,285	2,911,814	2,859,656	52,157	3,366,440	3,402,913	(36,473)
Operating Expenses									
Salaries/Wages	126,314	140,843	(14,529)	1,133,867	1,258,928	(125,060)	1,505,750	1,679,819	(174,069)
Employer Contributions	40,233	46,989	(6,756)	373,176	416,895	(43,719)	538,450	559,084	(20,634)
BID Assessment	-	-	-	1,890	-	1,890	1,890	-	1,890
Contingency	-	4,208	(4,208)	-	37,875	(37,875)	8,000	50,497	(42,497)
Community Development Projects	(5,250)	2,500	(7,750)	(261)	22,500	(22,761)	29,500	30,000	(500)
Dues and Subscriptions	2,086	2,732	(646)	59,361	57,051	2,310	64,643	64,643	-
Event Expense	-	-	-	-	-	-	-	-	-
Insurance	1,438	752	686	11,436	21,728	(10,292)	15,880	23,984	(8,104)
Marketing - Departmental	1,837	2,036	(199)	6,017	18,324	(12,307)	24,432	24,432	-
Marketing - Organizational	1,477	2,667	(1,190)	24,787	24,000	787	32,000	32,000	-
Office Equipment	-	-	-	1,125	6,500	(5,375)	6,500	6,500	-
Office Expense	2,131	2,722	(591)	14,785	18,498	(3,713)	16,358	23,289	(6,931)
Professional Fees	29,995	11,084	18,911	118,188	135,958	(17,770)	214,458	167,958	46,500
Property Tax Protests	-	-	-	13,903	37,350	(23,447)	13,903	37,350	(23,447)
PTAC Satellite	13,432	12,481	951	94,275	112,330	(18,055)	134,571	149,773	(15,202)
PTAC Subcenter	11,704	14,764	(3,060)	113,225	132,878	(19,653)	148,337	177,171	(28,834)
Rent	12,015	12,124	(109)	106,624	106,719	(95)	142,165	142,295	(130)
Repairs	-	-	-	933	-	933	1,000	-	1,000
Sponsorships	-	-	-	-	-	-	2,500	2,500	-
Strategic Priorities	-	1,250	(1,250)	10,000	11,250	(1,250)	15,000	15,000	-
TEDD	-	500	(500)	60	1,500	(1,440)	1,000	2,000	(1,000)
Telecommunications	4,586	5,161	(575)	42,324	46,451	(4,126)	56,433	61,933	(5,500)
Travel/Training	2,615	12,134	(9,519)	18,111	69,800	(51,688)	29,187	100,258	(71,071)
Utilities	1,606	2,000	(394)	12,891	18,000	(5,109)	17,188	24,000	(6,812)
Miscellaneous	3,703	1,622	2,081	12,174	18,204	(6,030)	16,232	23,200	(6,968)
Total Operating Expenses	249,923	278,569	(28,646)	2,168,892	2,572,738	(403,847)	3,035,377	3,397,686	(362,309)
Net Operating Revenue	(23,263)	(56,194)	32,931	742,922	286,918	456,004	331,064	5,227	325,837
Non-Operating Income/Expense									
Interest Income	1,071	1,687	(616)	8,574	15,185	(6,612)	10,000	20,247	(10,247)
US EDA Reimbursement	41,010	8,749	32,261	101,360	122,598	(21,238)	148,822	148,822	-
Grant Revenue (GASB 68)	-	-	-	-	-	-	-	-	-
Architectural/Professional Fees	-	18,248	(18,248)	244,071	246,497	(2,426)	302,492	302,492	-
Pension Expense	-	-	-	-	-	-	-	-	-
Depreciation Expense	2,838	2,838	-	25,538	25,538	-	34,051	34,051	-
Total Non-operating Income/Expense	39,243	(10,650)	49,893	(159,676)	(134,252)	(25,424)	(177,721)	(167,474)	(10,247)
Net Revenue Over (Under) Expense	15,981	(66,843)	82,824	583,247	152,667	430,580	153,343	(162,247)	315,590

Big Sky Economic Development Corporation
Financial Report for the Executive Committee and Board of Directors
April 28, 2021

Included with this report is the balance sheet reflecting the assets, liabilities, and net assets of Big Sky EDC as of March 31, 2021. Also included is the statement of revenue and expenses through nine months of FY21 as compared to budget.

Balance Sheet

Current assets totaled approximately \$1,898,000 at the end of March, a slight decrease from \$1,915,000 at the end of February. The receivable totals \$52,500 and consists of Healthcare Appreciation Sponsorships (\$1,000), Member Investor pledges for FY21 (\$42,000), and Member Investor pledges for FY20 (\$9,500). In February, we completed the third quarter invoicing for member investor pledges. This totaled approximately \$49,000. We have received payments for about \$22,000 of these invoices through the end of April.

The RLF portfolio totaled \$381,000, the SSBCI portfolio totaled \$623,000, and the Stabilization Loan portfolio totaled \$106,000 through the end of March. As a reminder, we began amortizing the loans in the Stabilization Loan Portfolio in March.

Accounts payable totaled \$8,000 at the end of March. Deferred 504 revenue remains consistent and totaled \$33,000. We will see a decrease in deferred 504 revenue in April due to a loan that will not be funded and subsequent return of the deposit to the potential borrower. The remainder of the deferred 504 revenue will be recognized as loans fund. Due to/Due from EDA totaled approximately \$49,000 and represents the amount owed to EDA from EDC for March reimbursement.

Statement of Revenue and Expenses

The 504 loan servicing revenue totaled \$385,000 through March. This is approximately \$7,200 over budget. There have been some payoffs in the 504 loan portfolio. Beginning in February 2021, monthly servicing income decreased about \$4,000 due to loan payoffs. The 504 loan origination revenue totaled \$53,000 through March, which is approximately \$66,000 below budget. This variance is partially attributed to timing of budgeted revenue; however, we will likely end the fiscal year under budget in this revenue line item based on staffing for the Big Sky Finance team and the timing of future closings. We are anticipating 504 loan origination income of about \$60,000 for the fiscal year. Member investor revenue totaled approximately \$160,000 and is about \$30,000 under budget due to timing.

Through March, we have recognized \$107,000 in grant revenue from the State of Montana Coronavirus Relief funds. This was un-budgeted revenue, used to cover additional expenses associated with the different Coronavirus Relief grants. The restricted donations for the Coulson Park project are being tracked in a separate Coulson Park revenue account in the non-operating income section of the statement. Coulson Park donations total \$51,500 through March. We received an additional \$2,500 Coulson Park donation in March.

Most expenses remain close to or below budget. Dues and subscriptions total \$21,000 and are slightly over budget. EDA reimbursement remains below budget due to vacancy savings in Big Sky Finance. As discussed previously, a separate account was added to track expenses related to the Healthcare Appreciation event. Expenses related to this event totaled \$75,000. This unbudgeted event was funded by a combination of donations (Healthcare Appreciation Income) and funds from

the Coronavirus Relief Funds. Professional fees total \$48,000 through March. This consists largely of \$14,500 in expenses for Anderson ZurMuehlen's financial statement audit and 990 preparation, \$11,000 in legal fees related to the 504 loan program, \$15,000 in recruitment professional fees, \$5,500 for the loan review, and \$2,000 in consulting fees. Sponsorship expense totaled \$12,000 and remains below budget through March. Travel/training expense remains under budget by about \$11,000 for the year.

Through nine months of FY21 Big Sky EDC recognized revenue in excess of expenses totaling about \$84,000, which was approximately \$57,000 more than the budgeted amount. When excluding the non-operating income/expenses (bad debt expense and Coulson Park donations), Big Sky EDC recognized revenue in-excess of expenses of about \$48,000, which is about \$12,000 more than budget for the year.

Big Sky EDC
Comparative Balance Sheet
As of March 31, 2021 and 2020

	3/31/2021	3/31/2020	+/-	6/30/2020	+/-
Assets					
First Interstate Bank	\$293,373	\$233,497	\$59,876	\$245,165	\$48,208
FIB/Stockman SSBCI Principal	1,101,378	1,146,312	(44,935)	1,005,566	95,812
FIB-Long Term Reserve	250,000	250,000	-	250,000	-
FIB-Opportunity Fund	22,200	22,200	-	22,200	-
FIB-RLF	98,723	148,535	(49,812)	179,960	(81,237)
FIB-OBSD Restricted	-	-	-	-	-
Accounts Receivable	52,250	62,200	(9,950)	61,184	(8,934)
Contributions Receivable	-	-	-	-	-
Miscellaneous Receivable	-	148	(148)	-	-
Prepaid Expenses	7,471	3,343	4,128	8,276	(805)
Undeposited Funds	-	-	-	-	-
Stabilization Portfolio - Current	33,163	-	33,163	31,849	1,314
RLF Portfolio-Current	17,809	108,152	(90,344)	32,036	(14,228)
SSBCI Portfolio-Current	21,381	11,821	9,560	47,744	(26,363)
Total Current Assets	1,897,747	1,986,209	(88,461)	1,883,980	13,767
Other Assets					
RLF Portfolio-Non Current	363,655	231,908	131,747	278,314	85,340
SSBCI Portfolio-Non Current	601,210	647,513	(46,303)	601,615	-404.91
Stabilization Portfolio-Non Current	73,258	-	-	105,151	-
Allowance for Loan Losses	(21,934)	-	(21,934)	(21,934)	-
Total Other Assets	1,016,189	879,421	136,768	963,146	84,935
Fixed Assets					
Bank Building - Building	-	-	-	-	-
Bank Building - Land	-	-	-	-	-
Total Fixed Assets	-	-	-	-	-
Total Assets	2,913,936	2,865,630	48,306	2,847,126	98,703
Liabilities & Equity					
Current Liabilities					
Accounts Payable	8,069	3,172	4,898	14,200	(6,130)
Property Tax Payable	-	-	-	-	-
Accrued Expenses	-	22,500	(22,500)	-	-
Deferred 504 Revenue	33,004	53,517	(20,514)	35,811	(2,808)
Deferred Revenue	-	-	-	-	-
Due to/Due from EDA	49,333	42,604	6,729	57,548	(8,215)
Total Liabilities	90,406	121,793	(31,387)	107,559	(17,153)
Current Year Excess of Revenue over Expenses	83,962	(476,047)	560,009	(480,316)	564,278
Balance at Beginning of Year	2,739,567	3,219,883	(480,316)	3,219,883	(480,316)
Net Assets	2,823,530	2,743,836	79,693	2,739,567	83,962
Total Liabilities & Equity	2,913,935	2,865,630	48,305	2,847,126	66,809

Big Sky EDC
Statements of Operations
For the Periods Ending March 31, 2021

	Month			YTD			Fiscal Year Projection		
	Actual	Budget	Variance	Actual	Budget	Variance	Year-end Projection	Budget	Variance
Operating Revenue									
504 Loan Origination	\$0	\$5,455	(\$5,455)	52,539	\$118,636	(\$66,097)	60,321	\$135,000	(\$74,679)
504 Loan Servicing	38,406	40,500	(2,094)	385,200	378,000	7,200	497,325	499,500	(2,175)
Float Income	-	-	0	7,474	168	7,306	14,000	-	14,000
CTE Director Donations (Restricted)	-	-	0	-	-	0	-	-	-
Member Investment	2,700	63,250	(60,550)	159,875	189,750	(29,875)	260,125	253,000	7,125
RLF Business Loan Interest	1,947	1,417	530	14,043	12,750	1,293	18,724	17,000	1,724
RLF Origination Fees	-	-	0	-	-	0	-	5,000	(5,000)
Stabilization Loan Interest	183	417	(233)	1,905	3,750	(1,845)	2,540	-	2,540
SSBCI Revenue	1,250	1,500	(250)	13,951	13,500	451	18,602	18,000	602
Recovery of Bad Debt	-	-	0	-	-	0	-	-	-
Coronavirus Relief Funds	-	-	0	107,489	-	107,489	107,489	-	107,489
Healthcare Appreciation Income	-	-	0	33,273	-	33,273	33,273	-	33,273
Miscellaneous Revenue	1	-	1	12,642	-	12,642	12,642	-	12,642
Total Revenue	44,487	112,538	(68,051)	788,391	716,554	71,836	1,025,040	927,500	97,540
Operating Expenses									
Business Incubation	1,211	125	1,086	1,211	1,125	86	1,500	1,500	-
Business Recruitment	2,678	208	2,469	3,529	1,875	1,654	3,529	2,500	1,029
Contingency	-	1,667	(1,667)	4,000	15,000	(11,000)	8,000	20,000	(12,000)
Dues and Subscriptions	1,867	1,221	645	20,879	16,622	4,257	26,279	21,561	4,718
EDA Reimbursement	48,454	48,251	203	410,884	434,259	(23,375)	552,478	579,012	(26,535)
Event Expense	1,162	2,500	(1,338)	16,877	22,500	(5,623)	30,000	33,500	(3,500)
Healthcare Appreciation	-	-	-	74,590	-	74,590	74,590	-	74,590
Insurance	881	865	16	7,739	7,785	(46)	10,380	10,380	-
Investment in Economic Activity	-	-	-	-	-	-	5,000	5,000	-
Marketing - Departmental	2,690	1,958	732	23,230	18,025	5,205	34,399	23,900	10,499
Marketing - Organizational	965	1,292	(327)	42,506	11,625	30,881	49,014	15,500	33,514
Membership Development	324	700	(376)	811	6,300	(5,489)	3,400	8,400	(5,000)
Office Supplies	256	300	(44)	7,543	2,900	4,643	8,443	3,800	4,643
Professional Fees	-	2,583	(2,583)	47,760	39,750	8,009	78,000	67,500	10,500
Postage and Printing	46	75	(29)	554	675	(121)	738	900	(162)
R31 Outreach	28	417	(389)	569	1,951	(1,382)	2,300	2,300	-
Rent	2,552	2,661	(109)	23,000	23,645	(646)	30,655	31,629	(974)
Sponsorships	3,000	500	2,500	12,000	17,700	(5,700)	12,000	19,700	(7,700)
Telecommunications	455	555	(100)	3,747	4,992	(1,246)	6,919	6,656	263
Travel/Training	1,733	2,013	(279)	11,971	22,523	(10,552)	17,961	27,505	(9,544)
Miscellaneous	1,890	5,382	(3,492)	26,531	31,288	(4,757)	28,874	39,884	(11,010)
Total Operating Expenses	70,191	73,273	(3,082)	739,928	680,540	59,388	984,458	921,127	63,331
Net Revenue Over (Under) Expense	(25,704)	39,265	(64,969)	48,462	36,014	12,448	40,582	6,373	34,209
Non-Operating Income/Expense									
Non-Operating Income/Expense									
Coulson Park	2,500	-	2,500	51,500	-	51,500	51,500	-	51,500
Bad Debt Expense	-	1,042	(1,042)	16,000	9,375	6,625	25,500	12,500	13,000
Total Non-operating Income/Expense	2,500	(1,042)	3,542	35,500	(9,375)	44,875	26,000	(12,500)	38,500
Net Revenue Over (Under) Expense	(23,204)	38,223	(61,427)	83,962	26,471	57,491	66,582	(6,127)	72,709



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ATTACHMENT E

Recommendation for EDC Nomination and Special Election

The Nominating Committee met on April 21, 2021 to discuss the vacant EDC seat left by Steve Loveless. The committee recommends the Board hold a special election and nominate the following:

1. Brad Hamilton, Regional VP, SCL Health, to fill the partial term ending December 31st, 2022.

This recommendation would be subject to a vote by the Member Investors of the EDC.

The Nominating Committee also recommends the following changes to the Executive Committee and EDC officer positions:

1. Ann Kosempa to serve as the EDC Board Chair (filling the term of the current EDC Chair and still eligible to be considered for a full year term as Chair)
2. Kim Jakub to serve as the EDC Vice Chair (still eligible to be considered for a full year term as Vice Chair)
3. Aaron Ramage filling the Member at Large position for the balance of the calendar year